

**ITALMOBILIARE**  
INVESTMENT HOLDING

Annual  
Report

Sustainability  
Report

2023





# Annual Report

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## Sustainability Report

CONSOLIDATED  
NON-FINANCIAL STATEMENT

IN ACCORDANCE WITH THE LEGISLATIVE  
DECREE NO. 254/2016

### 2023 Annual Report

reviewed by the Board of Directors on March 7, 2024

ITALMOBILIARE

Società per Azioni

Registered Office: Via Borgonuovo, 20 - 20121 Milan - Italy

Fully paid-up Share Capital € 100,166,937

Milan Companies Register

**Translation from the Italian original version which remains the definitive one.**

This document is not drawn up in accordance with the provisions of the Delegated Regulation (EU) 2019/815 of the European Commission on regulatory technical standards relating to the specification of the Single Electronic Format (ESEF).

# Annual Report

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# Sustainability Report

## ITALMOBILIARE GROUP

### Strategic profile

Highlights  
Strategic objective  
Contribution to SDGs  
Materiality  
Economic results and shared value

### Governance

Governance and integrity  
Risk management  
Climate: risks and opportunity  
Responsible investment

### Society

Human capital development  
Health, safety and wellbeing  
Product and service stewardship  
Market and communities

### Environment

Responsible use of resources  
Low-carbon transition

## ITALMOBILIARE

Highlights  
Human capital development  
Health, safety and wellbeing

## PORTFOLIO COMPANIES controlled

### Caffè Borbone

Highlights, contribution to SDGs and materiality  
Governance  
Society  
Environment

### Officina Profumo-Farmaceutica di Santa Maria Novella

Highlights, contribution to SDGs and materiality  
Governance  
Society  
Environment

### Italgen

Highlights, contribution to SDGs and materiality  
Governance  
Society  
Environment

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### CDS - Casa della Salute

Highlights, contribution to SDGs and materiality  
Governance  
Society  
Environment

### Capitelli

Highlights, contribution to SDGs and materiality  
Governance  
Society  
Environment

### Callmewine

Highlights, contribution to SDGs and materiality  
Governance  
Society  
Environment

### SIDI Sport

Highlights, contribution to SDGs and materiality  
Governance  
Society  
Environment

### Clessidra

Highlights, contribution to SDGs and materiality  
Governance  
Society  
Environment

## PORTFOLIO COMPANIES affiliated

Tecnica Group  
AGN Energia  
Iseo  
Bene Assicurazioni

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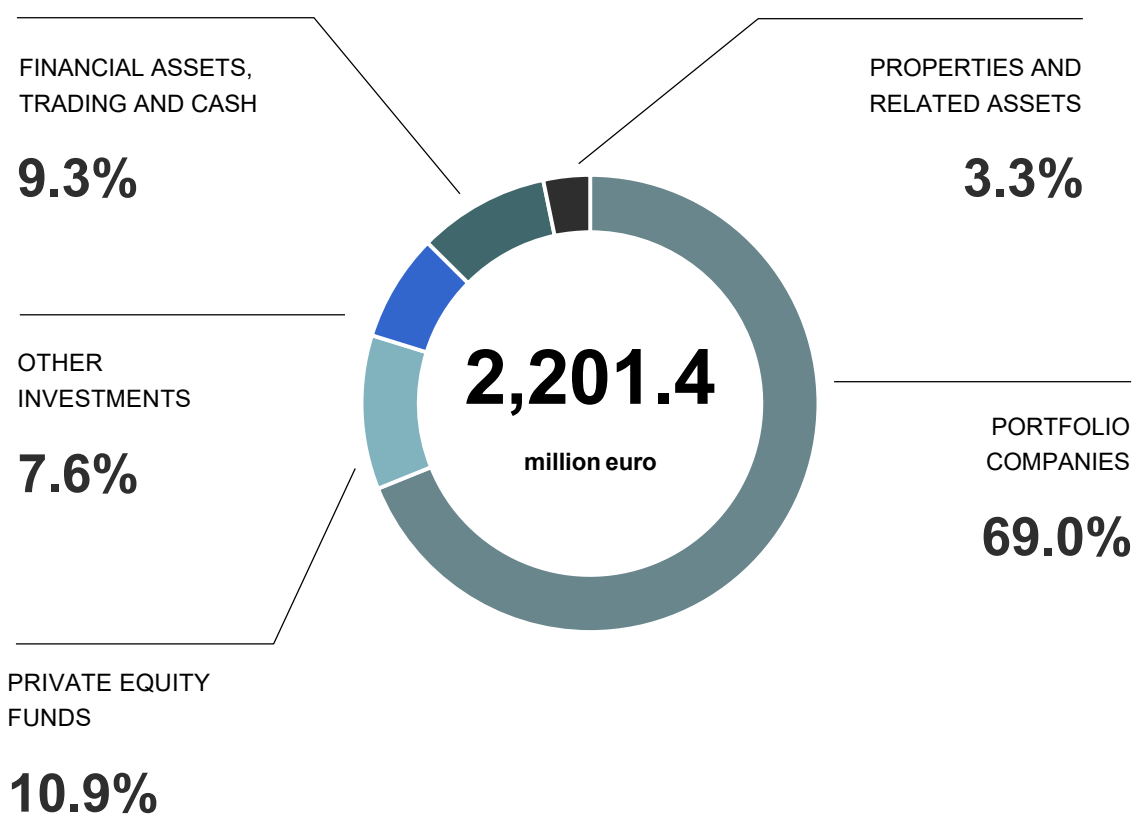
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## Net Asset Value at December 31, 2023

### Changes in the portfolio composition

Gruppo Florence	OUT
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\* In February 2024, the sale of the portfolio company AGN Energia was finalized



NAV PER SHARE

**52.1€**

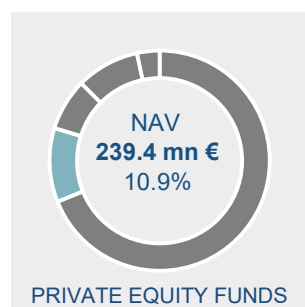
(million euro)

Portfolio Companies	1,518.3
Private Equity Funds	239.4
Investments	166.7
Financial assets, trading and cash	204.9
Properties and related assets	72.2
<b>Total NAV at December 31, 2023</b>	<b>2,201.4</b>

## Portfolio composition at December 31, 2023



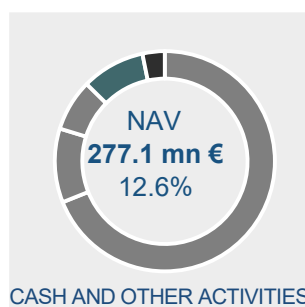
Portfolio of strategic investments, with representatives on the associate's governance bodies, which leverage on Italmobiliare's experience in managing national and international business operations. The portfolio has a mid-long term investment horizon with a focus on sustainable value creation.



Investments in Private Equity Funds and Alternative Investments aim at taking up opportunities in geographical areas or business sectors where Italmobiliare is not directly involved and at fostering potential business development in diversified sectors.



Portfolio of investments in diversified sectors focused on listed or not listed companies offering interesting growth prospects or steady investments returns.



204.9 mn€  
9.3% FINANCIAL ASSETS, TRADING AND CASH

72.2 mn€  
3.3% PROPERTIES AND RELATED ASSETS

Liquidity under management and financial assets, represented by limited-value investments, constitute a reserve of cash and cash equivalents allocated to instruments with a conservative risk profile available to Italmobiliare in order to seize new investment opportunities.

## Our History



Italmobiliare Investment Holding S.p.A. is one of the leading Italian investment holding companies. Controlled by Efiparind (Pesenti family), it is a company that owns and manages a diversified portfolio of equity and other investments with a strategic vision based on a financial and industrial history that goes back more than 150 years.

Italmobiliare was founded in 1946 by Carlo Pesenti (1907-1984) as a vehicle to hold investments other than those in Italcementi. In the post-war period, there emerged an ability to take up as protagonists the major challenges and opportunities opened up by a scenario of recovery and reconstruction, resulting in Italmobiliare's first significant investments.

In 1979 Italmobiliare became the holding company for the entire Group when it acquired a majority of the ordinary shares in Italcementi. In 1980 Italmobiliare was admitted for trading on

the Italian Stock Exchange. Under the leadership of Giampiero Pesenti (1931-2019) a period spent focusing on the cement industry then followed, addressing the challenges imposed by globalisation and the need for sustainability in this sector.

**Since 2016**, following the sale of Italcementi to HeidelbergCement, **Italmobiliare has redesigned itself as a modern investment holding company** aiming at the creation of shared long-term value. Today, Italmobiliare prioritises investments in companies with high growth potential, for the business and the reference market, and a strong attitude to innovation and sustainability, working with them as a **strategic partner**. It plays an active and continuous role in the process of portfolio growth and enhancement by combining development, internationalisation and innovation with an effective governance and risk management model, and **full ESG integration at all stages of investing**. Vision, Mission and Values express the identity of Italmobiliare. The Code of Ethics lays down the set of fundamental principles and rules of conduct, together with the guidelines provided by the Sustainability Policies.



## Milestones of a Success Story

1946

### THE FOUNDATION

Italcementi, founded in 1864, transferred to the new company **Italmobiliare** all of its investments that were not to do with the building materials sector.



*Italcementi SpA*

1950s - 60s

Diversification of investments into insurance (RAS), banking (Finter Bank, Banca Provinciale Lombarda, Credito Commerciale and eight banking institutions that later became Istituto Bancario Italiano) and public transport (SAB Autoservizi).

Purchase of an interest in Franco Tosi, an industrial company in the electromechanical sector.

*Franco Tosi*

1970s - 80s

Purchase of a minority interest in Bastogi, which joined the one held in Falck.

In 1979, Italmobiliare became the holding company for the entire Group when it acquired a majority of the ordinary shares in Italcementi.

In 1980, Italmobiliare was admitted for trading on the Italian Stock Exchange.

The investments in RAS and Banca Provinciale Lombarda were sold and a minority shareholding was acquired in Poligrafici Editoriale.



Italian Stock Exchange Archive, Palazzo Mezzanotte, Sala delle Grida

1990s

Italcementi went international and rose to be a world leader in the construction materials sector through the acquisition of Ciments Français, the largest international acquisition carried out by an Italian group up to that point.

Franco Tosi sold its industrial activity to the ABB Group, reinvesting the proceeds in the food packaging sector (Sirap) and in the water and gas sector (Crea). It was then merged with Italmobiliare after the favourable outcome of a takeover bid.

Entry into the capital of Credito Italiano.



2000 - 2015

Portfolio diversification into RCS and Mediobanca.

Sale of SAB Autoservizi and of the shareholding in Poligrafici Editoriale.

In 2014, Italmobiliare participated pro-quota in the recapitalisation and simplification of the Italcementi Group, maintaining a controlling interest of 45%.

In September 2015, Finter Bank was sold to the Swiss group Vontobel, acquiring a minority interest in it.



**Vontobel**

## 2016

After acquiring direct control of Italgen and BravoSolution, the equity investment in Italcementi was sold to HeidelbergCement, acquiring a minority interest in it.

Conversion of the Italmobiliare savings shares.

Clessidra SGR, the main Italian private equity operator, was bought and Italmobiliare became anchor investor of the CCP3 fund.



## 2017

Purchase of a 40% interest in Tecnica Group, leader in outdoor footwear and ski equipment with historical brands such as Tecnica, Nordica, Moon Boot, LOWA, Blizzard and Rollerblade.

Entry into the Jaggaer group, operating in the eProcurement sector, by contributing BravoSolution.



## 2018

Purchase of a 60% interest in Caffè Borbone, one of the leading Italian coffee producers in the compatible pods and capsules sector.

Purchase of a 39% interest in Iseo Serrature, leader in the production and design of locking and access control systems.

Private equity investments increased, including the BDT Capital Partners funds.



## 2019

Purchase of a 30% interest in AGN Energia, a national leader in the distribution of LPG gas for domestic, commercial and industrial use.

Purchase of an 80% interest in Capitelli, active in the production and marketing of cooked ham and other high-quality products.

Italmobiliare joins in the STAR segment of the Italian Stock Exchange in September.

The investment in Jaggaer was sold to Cinven.



## 2020

Purchase of an 80% interest in Officina Profumo-Farmaceutica di Santa Maria Novella, a historic manufacturer of high-end perfumes and cosmetics.

Purchase of a 92.5% interest in CDS - Casa della Salute, a network of specialist outpatient clinics.

Purchase of a 60% interest in Callmewine, an eCommerce platform for the sale of wines and spirits.

The Italmobiliare Group joined the United Nations Global Compact Network, the largest strategic corporate citizenship initiative in the world.



## 2021

Exit from the food plastic packaging sector by disposing Sirap Group's operational assets.

Co-investor with Clessidra SGR in the Botter wine group (now Argea Group).

Investment in Farmagorà, chain of pharmacies closely linked to the local area.

Anchor investor of the Clessidra Capital Partners 4 fund.

Purchase of the remaining 20% of the capital of Officina Profumo-Farmaceutica di Santa Maria Novella.

ARGEA



## 2022

Investment in Archimede, parent company of Formula Impresoft, a provider of IT & software services and digital solutions to SMEs.

Purchase of a 19.99% interest in Bene Assicurazioni, an innovative technology company in the Italian non-life insurance market.

Purchase of 100% of SIDI Sport, an iconic Italian brand specialising in the production and sale of cycling and motorcycling footwear.



## 2023

Sale of the co-investment in Gruppo Florence, an aggregator hub of third-party textile manufacturing excellences for luxury clothing, where Italmobiliare made a significant contribution to its establishment.

Adherence to the Science Based Targets Initiative (SBTi), committing to set emission reduction targets in line with the Net-Zero scenario.



In February 2024, the sale of the portfolio company AGN Energia was finalized.

## Key Consolidated Figures

(in millions of euro)	2023	2022	Change %
<b>Revenue and income</b>	<b>585.8</b>	<b>483.6</b>	<b>21.1</b>
<b>Gross operating profit (EBITDA)</b>	<b>99.2</b>	<b>54.9</b>	<b>80.6</b>
<i>% of revenue</i>	16.9	11.4	
Amortization and depreciation	(37.4)	(32.3)	15.7
Impairment losses on non-current assets	(5.6)	0.1	>100
<b>Operating profit (EBIT)</b>	<b>56.2</b>	<b>22.7</b>	<b>&gt;100</b>
<i>% of revenue</i>	9.6	4.7	
Net finance income (costs)	(9.4)	(2.9)	>100
Impairment losses on financial assets	0.0	0.0	
Share of profit/(loss) of equity-accounted associates	57.3	24.7	>100
<b>Profit/(loss) before tax</b>	<b>104.0</b>	<b>44.5</b>	<b>&gt;100</b>
<i>% of revenue</i>	17.8	9.2	
Income tax	(19.3)	(8.0)	>100
<b>Profit/(loss) for the year relating to continuing operations</b>	<b>84.7</b>	<b>36.5</b>	<b>&gt;100</b>
Profit relating to assets classified as held for sale	0.0	(0.1)	>100
<b>Profit/(loss) for the year</b>	<b>84.7</b>	<b>36.4</b>	<b>&gt;100</b>
<i>attributable to:</i>			
<b>- Owners of the parent company</b>	<b>66.6</b>	<b>21.0</b>	<b>&gt;100</b>
- Non-controlling interests	18.1	15.4	17.7
Cash flows from operating activities	72.3	(78.0)	
Cash flows from investing activities	(153.6)	278.9	

n.s. not significant







(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	1,691.9	1,610.1
Equity attributable to owners of the parent company	1,499.3	1,426.8
Net financial position	(32.4)	(15.7)
Employees (headcount) at the end of the year	1,523.0	1,305.0

## Sustainability as an integrated growth lever

By joining the United Nations Global Compact, the Italmobiliare Group confirms its commitment – both formal and substantial – to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of protecting the environment and actively involved in every aspect of business integrity.

Italmobiliare shares, supports and applies the fundamental Ten Principles of the Global Compact in its sphere of influence and actively contributes to the achievement of the United Nations' Sustainable Development Goals.

The creation of shared value is directly or indirectly correlated with all of the SDGs. Governance and responsible investment management are essential levers for the effectiveness of action on all SDGs. The sustainable strategy of the Italmobiliare Group mainly targets the following six objectives.

		Target 2025	2018	2019	2020	2021	2022
	<b>Objective: GENDER EQUALITY</b>						
Supported by adherence to the Women Empowerment Principles, the goal is to create conditions of inclusiveness and social culture that nurture a pathway aimed at achieving gender equality, starting from management positions.							
Women in managerial positions	%	>40%	19%	22%	33%	31%	35%
Gender pay gap unadjusted *	%	reduction	--	--	--	-47%	-63%
* In 2023, the variable compensation of the 3-year Long Term Incentive plan for the management of the Holding was paid.							
	<b>Objective: DECENT WORK</b>						
Every accident at work is unacceptable, therefore the only acceptable goal is Zero Accidents. Only the creation of a culture of safety, well beyond the legal obligations, allows to record progresses.							
Injury frequency rate (> 24h) **	# / million worked hours	0	6.0	4.8	4.3	3.3	4.8
Hours of training	hours / person	>40	5.0	5.0	28.9	33.0	27.6
** 2021 and 2022 data have been updated due to the reclassification of some accidental events.							
	<b>Objective: RESPONSIBLE PRODUCTION</b>						
Renewable or recycled materials out of the total materials used support the transition to a regenerative economy.							
Responsible resources: raw materials	%	>80%	30%	46%	90%	90%	91%
Responsible resources: packaging	%	>60%	58%	64%	58%	58%	80%
	<b>Objective: NET-ZERO</b>						
The Group is committed to setting short- and long-term emission reduction targets in line with the science-based net-zero scenario according to SBTi.							
Carbon intensity: scope 1	t CO <sub>2</sub> / million euros revenues	reduction	19	17	15	13	13
Carbon intensity: scope 2		0	69	62	8	0	0
Carbon intensity: scope 3 subsidiary companies		reduction	--	593	640	610	542
Carbon intensity: scope 3 affiliate companies and other investments***			--	2,281	3,479	4,038	2,877
*** Without the contribution of AGN Energia, affiliated company sold on 28 February 2024, the 2023 carbon intensity falls to 2,282 t CO <sub>2</sub> /M€.							
	<b>Objective: BUSINESS INTEGRITY</b>						
Organization and Control Model 231. For new investments, adoption is expected no later than the second year of active management.							
Companies with Model 231****	%	100%	100%	83%	88%	100%	100%
**** Formalised anti-offenses instrument							
	<b>Objective: SUSTAINABLE PARTNERSHIP</b>						
Code of Ethics explicitly oriented toward sustainability; evolved Sustainability Policies; Supplier Charter with ESG pre-qualification. For all new investments, implementation is planned within the first year of active management.							
Companies with Code of Ethics		100%	60%	67%	100%	100%	100%
Companies with Sustainability Policies	%	100%	40%	33%	100%	100%	100%
Companies with Supplier Charter		100%	--	--	--	81%	100%

## PORTFOLIO COMPANIES

### Partnership with companies to create values

The core of the investment portfolio consists of companies in which Italmobiliare holds majority or significant-minority interests. Portfolio Companies are characterised by high growth potential for the business and the reference market and by a strong aptitude for innovation and sustainability, in which Italmobiliare invests and which it supports as a strategic partner.

Italmobiliare Investment Holding plays an active and continuous role in the process of Portfolio Companies growth and enhancement by combining development, internationalisation and innovation with an effective governance and risk management model, and full ESG integration at all stages of investing.

### PERFORMANCE OF THE MAIN GROUP COMPANIES

(in millions of euro)	Revenue			EBITDA		
	2023	2022 (*)	Change %	2023	2022 (*)	Change %
Italmobiliare	120.4	137.0	(12.1)	67.7	70.3	(3.7)
<b>Portfolio Companies</b>						
Caffè Borbone	300.4	262.7	14.3	79.7	65.8	21.0
Officina Profumo-Farmaceutica di Santa Maria Novella	56.2	46.6	20.5	15.7	11.3	38.3
Casa della Salute	42.8	32.5	31.8	5.1	4.8	5.8
Italgen	56.8	50.0	13.7	12.6	9.8	29.0
SIDI Sport <sup>1</sup>	23.8	33.2	(28.3)	(2.7)	3.7	n.s.
Capitelli	22.4	19.2	16.8	3.5	2.8	24.6
Callmewine	13.5	16.2	(16.5)	(1.8)	(1.6)	n.s.
Tecnica Group	540.3	561.0	(3.7)	84.1	94.5	(11.0)
Iseo	159.7	163.3	(2.2)	16.9	20.5	(17.8)
Bene Assicurazioni <sup>2</sup>	222.1	170.7	30.1	n.a.	n.a.	n.a.
<b>Total Industrial Portfolio Companies</b>	<b>1,438.0</b>	<b>1,355.3</b>	<b>6.1</b>	<b>213.0</b>	<b>211.6</b>	<b>0.7</b>
Clessidra Group	38.5	30.6	25.9	7.2	6.3	13.6
<b>Total Portfolio Companies</b>	<b>1,476.5</b>	<b>1,385.9</b>	<b>6.5</b>	<b>220.2</b>	<b>218.0</b>	<b>1.0</b>

(\*) The 2022 figures differ from those published as the associated company AGN Energia was sold on February 28, 2024 and has therefore been excluded from the table.

Note that the information contained in the table refers to the reporting packages prepared according to the IFRS of the individual companies/groups, regardless of the date of acquisition of control by Italmobiliare and the percentage ownership. In addition, bear in mind that Tecnica Group and Iseo have been included in the consolidated financial statements of the Italmobiliare Group using the equity method.

1. The 2022 income statement figures refer to the consolidation of SIDI Sport S.r.l. and La Sierra Scarpe S.r.l. and have not been consolidated with Italmobiliare. They have been drawn up according to Italian accounting principles and reclassified according to Group formats.

2. Figures as of December 31, 2023 were still not available at the date of preparation of this report. The 2023 figures are based on information provided by the Company.

n.s. not significant

n.a. = not available



## PORTFOLIO COMPANIES

## Caffè Borbone

Founded in 1997 on the age-old tradition of Neapolitan coffee, Caffè Borbone is now one of Italy's main producers of coffee in compostable pods and compatible capsules, with a strong commercial network throughout the country and sales volumes that are growing constantly. The catalogue also includes traditional ground coffee for moka pots, coffee in beans and dessert drinks.

In just a few years the company has managed to achieve an extraordinary level of growth, also thanks to constant investment in R&D, which has led to the creation of innovative products and sustainable solutions, such as the compostable pod, with a recyclable paper casing, introduced to the market for the first time by Caffè Borbone, and the compostable capsule.

Adding sustainable value to a recognised quality product is a strategic choice for Caffè Borbone: excellent coffee, produced while pursuing global and local social responsibility goals and capable of promoting the territory and Italian cultural and artistic values. For this reason, Caffè Borbone supports Italian cultural heritage through important partnerships, such as the one with the La Scala Theatre in Milan, the San Carlo Theatre in Naples, the Theatre of the Maggio Musicale Fiorentino.

## SEGMENT

Food

## YEAR OF INVESTMENT

2018

## STRATEGY AND SUSTAINABILITY

Sustainability inspires Caffè Borbone's commercial and business strategy: a virtuous approach, which concerns the entire value chain, from sourcing raw materials to managing end-of-life products across all distribution networks.

A strong bond with the territory, high-quality raw materials that are traceable according to the standards of protection and responsibility of the supply chain, innovative processing methods and particular attention to the recyclability of packaging and the reuse of waste materials with a view to enhancing their value, all combine to offer consumers the best of the Neapolitan coffee tradition through the passion and dedication of the Caffè Borbone brand. The quality of its products has been recognised every year thanks to the certifications of the International Taste Institute and by consumers with the Quality Award.

Caffè Borbone's sustainable strategy takes into account the entire product lifecycle, starting from the countries around the world where the coffee is grown. With this in mind, in 2022 the company launched Mwanyi Women and Youth Project, a five-year project that aims to increase the involvement of young people and women in sustainable coffee production by developing skills and promoting entrepreneurial projects, with a view to increasing employment in the coffee production chain in Uganda.

60%  
INTEREST

CAFFÈ  
**BORBONE**

REVENUE  
**300.4mn €**  
(262.7 mn € in 2022)

EBITDA  
**79.7 mn €**  
(65.8 mn € in 2022)

**304**  
PEOPLE

  
**SILVER MEDAL**  
**ECOVADIS**

**>80%**  
renewable or recycled  
packaging

**4,300+**  
training hours  
(+28% vs 2022)

## PORTFOLIO COMPANIES

## Officina Profumo-Farmaceutica di Santa Maria Novella

**95%**  
INTEREST

**REVENUE**  
**56.2 mn €**  
(46.6 mn € in 2022)

**EBITDA**  
**15.7 mn €**  
(11.3 mn € in 2022)

**242**  
PEOPLE

**5,700+**  
training hours  
(85% non-mandatory)

**~80%**  
renewable  
ingredients

**100%**  
renewable  
electricity

Officina Profumo-Pharmaceutica di Santa Maria Novella, considered the oldest pharmacy in the world, tells a story that began in Florence in 1221. After eight centuries, it still bears witness to the charm of an Italian brand that could easily be defined as the oldest brand of excellence in the world.

In 1221, Dominican friars arrived in Florence and set up home in the convent of Santa Maria Novella. From that moment an unrepeatable story began: closely linked to the city of foundation of the brand, but which has always fascinated a cosmopolitan public.

With its bewitching centuries-old heritage, the Officina is still today testimony to the culture of herbalists and apothecaries, whose knowledge is based on the principle that beauty and care reside in nature. Here's how to interpret the charm of an institution, which has gone through centuries of reigns, political events and changes, while remaining a cornerstone of the urban and social fabric of a city of global cultural significance, such as Florence. Ancient know-how that respects uniqueness and tradition, becoming increasingly contemporary by virtue of its "essential" roots.

Officina Profumo-Farmaceutica di Santa Maria Novella now boasts about 400 proprietary stores and corners around the world, as well as digital channels. 56% of sales are made in the EMEA area, 28% in the USA and the other 16% in Asia, particularly South Korea and Japan.

### SEGMENT

Cosmetics

### YEAR OF INVESTMENT

2020

### STRATEGY AND SUSTAINABILITY

From the study of herbs, plants and their active ingredients, which has always been the main feature of the Officina's activity, and from highly selected raw materials, products are created based on historical formulations, but which respond to the new needs of consumers all over the world.

Ever since its foundation, Officina Profumo-Farmaceutica di Santa Maria Novella has been – and continues to be – a laboratory of scientific, technological, cultural and iconographic research and innovation.

Creativity, innovation and continuous research supported by over a hundred years of know-how, experience and competence of the people and the analysis laboratories offer customers throughout the world a new experience every time, together with the most advanced ethical, environmental, hygiene and safety standards. Officina Profumo-Farmaceutica di Santa Maria Novella joined the UN Global Compact and the Women's Empowerment Principles, and achieved "committed" Science Based Targets initiative status.

## PORTFOLIO COMPANIES

### CDS - Casa della Salute

Born in Busalla in 2013, CDS - Casa della Salute is a network of specialist, diagnostic, dental and physiokinesitherapy clinics, which wants to help protect the right to health and guarantee all citizens a high quality, accessible healthcare service with short waiting lists.

In 2020 Italmobiliare Investment Holding took a stake in the company, giving further impetus to the development of CDS, which today has a presence in Liguria and Piedmont with 29 facilities.

The company's growth is based on an innovative business model that uses advanced IT systems and cutting-edge equipment, which make for high operational efficiency, prices close to the NHS prescription charge, optimisation of internal processes and a reduction in the environmental footprint.

**84.73%**  
INTEREST



#### SEGMENT

Healthcare

#### YEAR OF INVESTMENT

2020

#### STRATEGY AND SUSTAINABILITY

CDS provides services of primary importance for the community, putting people at the centre of its work: patients, healthcare and administrative staff and the communities in which it operates. Starting from the essential value of every individual, CDS feels the responsibility to take an active role in facing up to the global challenges of sustainability.

Totally convinced that it can do its bit by preserving the natural environment and promoting responsible lifestyles and in the awareness that good management starts with good corporate governance, CDS adopts rules and codes of conduct to ensure the integrity of personal and business relationships.

By integrating the sustainable strategy of the Italmobiliare Investment Holding Group, CDS has joined the United Nations Global Compact, the largest strategic sustainability initiative in the world. In this way, the company confirms its formal and substantial commitment to promoting a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in joining the United Nations' Sustainable Development Goals (SDGs). CDS also joined the Women's Empowerment Principles and achieved "committed" Science Based Targets Initiative status.

REVENUE  
**42.8 mn €**  
(32.5 mn € in 2022)

EBITDA  
**5.1 mn €**  
(4.8 mn € in 2022)

**418**  
PEOPLE

**Zero**  
fossil fuels

**24,000+**  
training hours

**AGCM**  
Legality Rating

## PORTFOLIO COMPANIES

### Italgen

**100%**  
INTEREST



**REVENUE**  
**56.8 mn €**  
(50.0 mn € in 2022)

**EBITDA**  
**12.6 mn €**  
(9.8 mn € in 2022)

**60**  
PEOPLE

**100%**  
green energy  
production

  
**GOLD MEDAL**  
**ECOVADIS**

**Zero**  
accidents

Italgen is based in Villa di Serio (BG) and has been operating in Italy since 2001 in the production and transport of electricity from 100% renewable sources, currently with an installed generation capacity of approximately 80 MW.

The company manages, directly or through subsidiaries, 30 hydroelectric concessions (including 5 large derivations) in Lombardy, Piedmont, Tuscany and Veneto, as well 5 photovoltaic systems located in Lombardy, Piedmont, Marche and Puglia. Italgen is also the owner of a 300 km network of power lines in the provinces of Bergamo and Brescia. Lastly, with a minority stake in joint ventures together with Leitner (Gardawind), the company is also present as a player in Bulgaria with two wind farms (18 MW).

The energy produced (approx. 325 GWh per year) corresponds to the needs of around 120,000 typical family equivalents. Part of it is sold with long-term Power Purchase Agreement (PPA) contracts to a select group of industries operating in Italy, while the rest is sold to wholesalers and on the National Electricity Exchange.

Through a solid development plan, which in the last 3 years has already seen the acquisition of 5 companies in the hydroelectric sector (Idroenergy, Idrodezzo, Rovale) and the development of new greenfield projects in the photovoltaic sector (Solar Rooftop, Solar Derthona), Italgen intends to protect its mission by adopting the status of "Benefit Company" during 2024, as well as doubling its installed generation power by 2026.

#### SEGMENT

Renewables

#### YEAR OF INVESTMENT

2016

#### STRATEGY AND SUSTAINABILITY

Italgen fully recognises the key role of renewable energies in the transition to a low-carbon economy and the promotion of responsible lifestyles.

Water is its main source of energy. Italgen protects it by releasing an ecological level of water as run-off from its plants, conserving the watersheds and protecting biodiversity. Moreover, thanks to self-cleaning screens at its plants, the company is able to filter debris and shrubs from waterways, returning a cleaner resource to the ecosystem. Since 2019, a centralised supervision and remote control system for plants and intakes allows timely detection of any anomalies and immediate intervention on a remote basis. An innovative integrated system to further protect the management of water resources.

A sense of responsibility towards the environment can also be found in the projects being developed in the photovoltaic sector; these mainly envisage the construction of plants on roofs or on land in the "Solar Belt" with low soil consumption.

In 2023, Italgen joined the United Nations Global Compact (UNGC) and subscribed to the Global Compact Network Italy's "Businesses for People and Society" Manifesto. In 2024, Italgen joined the Women's Empowerment Principles and achieved "committed" Science Based Targets Initiative status.

## PORTFOLIO COMPANIES

## SIDI Sport

SIDI Sport specialises in the production and sale of cycling and motorcycling footwear used by top professionals and enthusiasts all over the world. For more than sixty years the company has been pushing the frontiers of innovation forward, defining new standards, combining research, craftsmanship, performance and ergonomics with the aim of creating products that allow people to reach the pinnacle of sporting performance and free up their own potential, whatever it may be. This is SIDI's mission: to create products that last over time and unleash the full potential of those who wear them.

Thanks to a long-standing relationship with the best athletes in the world – including Francesco Moser, Giacomo Agostini, Joel Robert, Harry and Stefan Everts, Alberto Condador, Chris Froome, Fabian Cancellara, Nino Schurter, Tony Cairoli, Billy Bolt, Egan Bernal, Richard Carapaz, Kiara Fontanesi, Alvaro Bautista, Colin Edwards, Gregg Black, Chris Vermulen and Hiroshi Aoyama – SIDI has developed and introduced to the market many of the innovations that later became standard, such as adjustable cleats for shoes, rotors, carbon soles, hyperextension control systems, the SRS system and many others.

## SEGMENT

Sport system

## YEAR OF INVESTMENT

2022

## STRATEGY AND SUSTAINABILITY

SIDI has always embraced the idea of progress and research to raise the quality of life in all its forms. For SIDI, learning is a constantly evolving path, where each action is undertaken with attention to its consequences.

In line with this approach, SIDI has undertaken a path of sustainable development, a new challenge to mitigate its environmental footprint and increase the positive impact on society by integrating ESG levers in every area of the business. The company has joined the United Nations Global Compact, shares the highest ethical, social and environmental standards with its suppliers, uses renewable energy in its production structures and is committed to enhancing human capital through training projects and welfare. At the beginning of 2024, SIDI also joined the Women's Empowerment Principles and achieved "committed" Science Based Targets Initiative status.

Great attention is obviously paid to every aspect of production, from minimising scrap to waste management, from design that lasts over time and provides for maximum replaceability of components, to the use of recyclable and sustainable materials wherever possible.

**100%**  
INTEREST

**SIDI**

REVENUE  
**23.8 mn €**  
(33.2 mn € in 2022)

EBITDA  
**-2.7 mn €**  
(3.7 mn € in 2022)

**259**  
PEOPLE

**100%**  
renewable energy  
since 2023

**Zero**  
accidents

**100%**  
recyclable  
packaging

## PORTFOLIO COMPANIES

### Capitelli

**80%**  
INTEREST



**REVENUE**  
**22.4 mn €**  
(19.2 mn € in 2022)

**EBITDA**  
**3.5 mn €**  
(2.8 mn € in 2022)

**42**  
PEOPLE

**Zero**  
CO<sub>2</sub> emissions Scope 2  
since 2022

**84%**  
recycled material  
in packaging

**~350**  
training hours  
(42% non-mandatory)

Capitelli, founded in 1976 in Borgonovo Val Tidone (Piacenza), operates in the production and sale of cooked and smoked cured meat characterised by a careful choice of meats of selected origin, and an original craft manufacturing process, which make them refined and niche products positioned among the Italian food excellences.

The company's flagship product is the San Giovanni cooked ham, created by Capitelli in 1994 and today unanimously recognised as a precursor of so-called "hams cooked out of the mould". San Giovanni is the only cooked ham to obtain the maximum "5 SPILLI" award in the 2019, 2020, 2021 and 2022 editions of the Espresso Guide SALUMI D'ITALIA, which awarded it "Best Cooked Ham in Italy 2023", as well as receiving the "TOP ITALIAN FOOD" seal from Gambero Rosso for the 2022, 2023, and 2024 editions.

The main sales channels are supermarkets, Ho.Re.Ca. and traditional retailers. The growth of Capitelli in recent years has been reinforced by consumer trends towards high-quality craft food products.

#### SEGMENT

Food

#### YEAR OF INVESTMENT

2019

#### STRATEGY AND SUSTAINABILITY

The cooked ham segment in Italy, currently split among various producers, represents about one fourth of the entire cured meat sector, in terms of both value and volume. Market fragmentation and growing attention on the part of Italian and international consumers to high-quality craft food products put Capitelli in prime position to seize new development opportunities, as demonstrated by its recent growth performance.

The challenge won by Angelo Capitelli has been to repeat the craft processing of ham at an industrial level, while fully respecting tradition. The raw material comes from carefully chosen Italian farms that form part of the "Capitelli" supply chain, complying with concepts of animal welfare and going through another selection process at the time of butchering.

Capitelli integrates ESG levers in every area of the business and has defined a sustainable development strategy based on four main lines of action: Governance and value chain; Climate strategy; Health, safety and well-being; Gender and human capital development. The company, which has long had a Code of Ethics, Sustainability Policies and Supplier Charter inspired by the highest international reference standards, joined the United Nations Global Compact in 2023. Capitelli also joined the Women's Empowerment Principles and achieved "committed" Science Based Targets Initiative status.

[cottocapitelli.com](http://cottocapitelli.com)



## PORTFOLIO COMPANIES

## Callmewine

Callmewine, established by Paolo Zanetti in 2010, is an e-commerce platform that specialises in the sale of wine and spirits, where it ranks as one of the market leaders in Italy.

It boasts an extensive catalogue of wines with over 12,000 labels on offer, ranging from renowned names in the global wine scene to small producers, from the well-known brand spirits to niche ones, and even exclusive products like sake, oils and soft drinks. This vast and diverse selection aims to provide a "bottle for everyone", while also guiding users in making conscious choices without disorienting them, just like a true "personal sommelier".

The website indeed offers rich and engaging contents, written by a team of young sommeliers and food and wine enthusiasts. The product technical sheets are precise yet informal in tone, particularly as regards artisanal wines, where the cellar's storytelling reveals the human side of the producer.

The social media channels aim to keep followers and customers updated and engaged whenever there is something new: new entries in the catalogue, wineries and labels, new vintages, and new product categories.

## SEGMENT

eCommerce wines and spirits

## YEAR OF INVESTMENT

2020

## STRATEGY AND SUSTAINABILITY

Since Italmobiliare became a shareholder, Callmewine has launched numerous initiatives to reduce CO<sub>2</sub> emissions and in 2023 it was one of the first Italian e-commerce portals to achieve carbon neutrality. This result was made possible by the various steps taken to reduce CO<sub>2</sub> emissions, both direct and indirect, combined with the carbon credits acquired to offset the company's entire carbon footprint for the two-year period 2023-2024.

The electricity that powers offices and warehouses comes only from renewable sources and couriers certified GOLD by ECOVADIS are preferred for deliveries. In 2023, a new form of packaging was adopted to avoid any chemical process for paper whitening, as this involves a massive use of water, among many things. The new packaging is also made up of 75% recycled paper from responsibly managed forests and is smaller and more compact, with a 10% saving on paper and a reduction in weight and bulk, with a consequent reduction in the amount of CO<sub>2</sub> emitted.

The careful selection of bottles that the Personal Sommeliers make every day for their customers gives preference to producers who are "vineyard artisans", i.e. producers who support natural agriculture and do not use chemicals or invasive and stressful treatments for the soil and the vines, helping to safeguard the biodiversity of the land. It is no coincidence that Callmewine's selection of organic and artisanal wines is the largest on the web.

80%  
INTEREST

Callmewine

REVENUE  
13.5 mn €  
(16.2 mn € in 2022)

EBITDA  
-1.8 mn €  
(-1.6 mn € in 2022)

23  
PEOPLE

Carbon  
Neutral  
since 2023

227  
suppliers evaluated in 2023  
according to environmental  
and social criteria

~450  
training hours  
(66% non-mandatory)

callmewine.com

## PORTFOLIO COMPANIES

## Tecnica Group

40%  
INTEREST

Tecnica Group is a leading manufacturer of outdoor footwear and ski equipment with a portfolio that includes some of the industry's longest standing brand names: Tecnica (ski boots and footwear), Nordica (skis and boots), Moon Boot® (footwear), LOWA (hiking and outdoor shoes), Blizzard (skis) and Rollerblade (inline skates).

Founded in 1963 by Giancarlo Zanatta, it has always been an extremely innovative company. It created the first double-injection plastic ski boot that would revolutionise the sector and invented products that have become design icons, such as the legendary Moon Boot®. Today, it is an international group with 10 subsidiaries and direct agencies and more than 40 distribution partners to serve a total of more than 80 countries all over the world. The Group employs 3,891 people, including some 300 in Italy, mainly at the head office in Gaiava del Montello (Treviso).

The Zanatta family, which still leads the Group, decided to open up to external capital in 2017, which is when Italmobiliare joined the shareholder structure.

REVENUE  
**540.3 mn €**  
(561.0 mn € in 2022)

EBITDA  
**84.1 mn €**  
(94.5 mn € in 2022)

**3,829**  
PEOPLE



Commitment to the  
**UN Global Compact**



**Sustainability Report**  
since 2022



**RECYCLE YOUR BOOTS**  
a fully integrated project  
to recycle used ski boots

## SEGMENT

Sport system

## YEAR OF INVESTMENT

2017

## STRATEGY AND SUSTAINABILITY

The Group's industrial strategy is focused on people, aiming to offer extraordinary experiences through exceptional products and inspiring them to have an active outdoor life.

The measures that the Group has decided to take to strengthen the Blizzard, LOWA, Moon Boot®, Nordica, Rollerblade and Tecnica brands focus on innovation to come up with highly differentiated products, new distribution channels and programmes to make production and logistics more efficient. In addition, investments to reduce energy consumption, the installation of photovoltaic systems, the updating of industrial lighting systems and the promotion of electric mobility reflect the Group's commitment in favour of the climate.

The Group already applies these and other targeted measures: in the product area, the commitment is on a triple front, focusing on post-consumption (with specific projects such as the "Recycle Your Boots" programme, already underway for the last three seasons with a view to extending the life cycle of ski boots, or the repair and resoling of outdoor footwear), post-industrial recycling (using scrap materials from production), ecodesign (design consciously oriented towards recycled raw materials) and the reduction of CO<sub>2</sub> emissions.

Durable products that have a lower impact on the environment, made with quality raw materials, virgin or recycled, and with the skill and passion of those who work for Tecnica Group.

The concept of sustainability in Tecnica Group extends beyond protection of the environment, with attention to human capital and profitability. The Group, a signatory of the United Nations Global Compact, has been annually sharing its sustainability report since 2022.

[tecnicagroup.com](https://tecnicagroup.com)

## PORTFOLIO COMPANIES

### ISEO

ISEO ULTIMATE ACCESS TECHNOLOGIES is an Italian multinational that is market leader in Europe in mechanical and electronic solutions for intelligent access management. The company has been working for more than 50 years to continuously advance the meaning of safety, interpreting the needs of families, companies, designers and installers with cutting-edge technology. ISEO operates through 14 companies, including 4 production sites in Italy, France, Germany, Romania, with an international distribution network, generating 75% of its business abroad.

The company's objective is to give people peace of mind and security. This is embodied in the company's mission, "*Unlock Your Freedom To Move*", which raises the value of security to a new dimension, that of freedom of movement.

The portfolio of products includes mechanical locking systems and access management products and solutions that combine mechanics and electronics working with software and apps developed by ISEO and which can be operated via smartphone, fingerprint card and tag.

In 2023, ISEO reorganised its supply chain, investing 2 million euro in a new logistics hub in Costa Volpino. This is a strategic facility that allows the entire logistics chain to be reorganised, the objective being to optimise productivity and capacity in the management of shipping and delivery activities. In fact, the new warehouse has a surface area of 3,750 m<sup>2</sup> (87% more than the previous one).

#### SEGMENT

Mechatronics

#### YEAR OF INVESTMENT

2018

#### STRATEGY AND SUSTAINABILITY

ISEO's growth is based on constant investment in research and development, which has made it possible to introduce innovative access solutions based on mechatronic and digital technologies. Among these, there is Argo 3.0, the app that lets you open and manage accesses, even remotely, using your smartphone and the V364, LSA and Luckey systems that allow you to manage accesses for numerous users inside buildings, utilities and co-working spaces.

ISEO dedicates a great deal of attention to the protection of health and safety at work, as reflected in the certifications obtained since 2010, through preventive and voluntary training courses and through the definition of plans for improvement of risk management.

During 2023, ISEO published its first sustainability report. This is a significant step towards consolidating the company's attitude to sustainability issues and establishes a commitment to formalise what ISEO is doing in the ESG field through a clear definition of objectives and their measurement. The effectiveness of the management systems adopted is confirmed by the fact that the company has achieved and maintained environmental and energy certifications (ISO 14001 and ISO 50001).

**39.24%**  
INTEREST



**REVENUE**  
**159.7 mn €**  
(163.3 mn € in 2022)

**EBITDA**  
**16.9 mn €**  
(20.5 mn € in 2022)

**1,101**  
PEOPLE

**1° Sustainability  
Report  
2023**

**ISO 45001**  
certified  
safety management

**ISO 14001**  
certified  
environmental management

## PORTFOLIO COMPANIES

### Bene Assicurazioni

**19.99%**  
INTEREST



REVENUE  
**222.1 mn €**  
(170.7 mn € in 2022)

**60**  
PEOPLE

**BENEFIT  
COMPANY**  
since 2022

**Fondo  
FarBENE**  
to support solidarity  
initiatives in Africa

Bene Assicurazioni S.p.A. Società Benefit is an insurance technology company founded in 2016, which specialises in the non-life retail market, with a focus on the motor and small business segments.

The company is characterised by a high level of automation and digitisation of all business processes, and by the flexibility of the application architecture. These features make it possible to develop a lean, efficient and scalable business model, with an innovative approach compared with the way that incumbents operate.

Bene Assicurazioni has set up an omnichannel distribution model that combines the agent network with direct online sales, both on its own website (bene.it) and through aggregators.

Italmobiliare is working alongside the founder and entrepreneur Andrea Sabia to support a story of growth and expansion, which at the end of 2023 saw the company exceed the threshold of 228 million euro in total turnover.

#### SEGMENT

Technology Company (Insurance and Technology)

#### YEAR OF INVESTMENT

2022

#### STRATEGY AND SUSTAINABILITY

Bene Assicurazioni operates on the insurance market with a technological approach based on continuous innovation. Innovating means facilitating access to insurance in a personalised way through new products that are rich in benefits and clear in their formulation. A tech company based on an integrated digital platform, an insurance licence, own funds and an innovative distribution model, which pursues a pure omnichannel approach through an “open” product architecture.

Having approved the company's transformation into a Benefit Company in 2022, repeating what had already been done with the subsidiaries FIT and bSERVICE, and effectively consolidating the entire Insurance Group according to the standards of Benefit Companies, during 2023 Bene Assicurazioni adopted the 231 Model in order to ensure conditions of fairness and transparency in the conduct of its business activities, safeguarding the position and image that the Company enjoys in the market, as well as the expectations of its shareholders and employees.

The decision to become a Benefit Company consolidates the positioning of Bene Assicurazioni versus its stakeholders, intermediaries, partners and customers, making explicit and unequivocal the company's orientation and awareness towards the sense of ethics that accompanies its daily actions and which generates positive impacts on people, the environment and the community in general.

**bene.it**

## PORTFOLIO COMPANIES

### Clessidra Group

Clessidra was founded in 2003 as an asset management company operating in private equity, becoming one of the main operators on the Italian market in a very short period of time.

Clessidra has progressively expanded its business into other sectors with the aim of offering a wide range of products and services for institutional investors and for medium-sized Italian companies. Clessidra is now one of the main financial operators active in alternative investments (private equity and private debt) and in factoring, by means of three specialised companies, each with its own operating autonomy.

The parent company, Clessidra Holding S.p.A., carries out management and coordination activities for the companies of the Group, providing support for activities including ESGs, Investor Relations, Operations, Compliance and Anti-Money Laundering, as well as coordination of the Group's control functions, without prejudice to the decision-making autonomy of the individual companies.

Clessidra fully recognises the importance of integrating environmental, social and governance (ESG) principles into its business and investment practices, acting in the long-term interest of investors, portfolio companies, the community and the environment.

#### SEGMENT

Alternative Investments

#### YEAR OF INVESTMENT

2016

#### STRATEGY AND SUSTAINABILITY

Clessidra intends to contribute through the development of innovative asset management solutions to a renewed synergistic relationship between financial capital, small and medium-sized Italian companies, society and the environment. The aim is to support the productive drive, creative excellence and competitiveness of companies on national markets, while facing up to global challenges.

The Clessidra Group is inspired by and promotes values in its sphere of activity that are consistent with the most advanced international practices on the subject of corporate governance. These include the United Nations Global Compact, the largest strategic corporate responsibility initiative, to which the Italmobiliare Group adheres through a formal and substantial declaration of commitment.

The Clessidra Group confirms its support for the Ten Principles and intends to contribute to the Sustainable Development Goals, as well as to the broader goals of the United Nations. Furthermore, it adopts the principles and guidelines for responsible investments, in particular through the adhesion of group companies to the UN Principles for Responsible Investment (UN-PRI): in 2010 Clessidra was one of the first Italian signatories and today it is registered as Clessidra Private Equity SGR and Clessidra Capital Credit SGR.

**100%**  
INTEREST

 **CLESSIDRA**  
Holding

ASSETS UNDER  
MANAGEMENT

~3.8 bn €

TURNOVER  
CLESSIDRA FACTORING

~680 mn €

INVESTMENTS  
OF THE SGRs

50+

FUNDS CURRENTLY  
UNDER MANAGEMENT  
BY THE SGRs

11

**75%**

ESG funds  
among those under  
management

**100%**

employees included  
in training courses

**Zero**

CO<sub>2</sub> emissions Scope 2  
since 2022

## Corporate Bodies

### BOARD OF DIRECTORS

(Term ends on approval of financial statements at December 31, 2025)

Laura Zanetti	<b>1-6</b>	Chairman
Livio Strazzera	<b>6</b>	Deputy Chairman
Carlo Pesenti	<b>1</b>	Chief Executive Officer - Chief Operating Officer
Giorgio Bonomi	<b>3</b>	
Mirja Cartia d'Asero	<b>1-3-4-5</b>	
Valentina Casella	<b>2-4-5</b>	
Marco Cipelletti	<b>2-5</b>	
Elsa Fornero	<b>1-4-5</b>	
Luca Minoli		
Chiara Palmieri	<b>2-3-5</b>	
Roberto Pesenti		
Pietro Ruffini	<b>1-5</b>	

- 1** Member of the Committee for Sustainability and Social Responsibility
- 2** Member of the Remuneration and Nominations Committee
- 3** Member of the Control and Risk Committee
- 4** Member of the Committee for Transactions with Related Parties
- 5** Independent director (pursuant to the Corporate Governance Code and Legislative Decree no. 58 February 24, 1998)
- 6** Independent director (only pursuant to Legislative Decree no. 58 February 24, 1998)

### BOARD OF STATUTORY AUDITORS

(Term ends on approval of financial statements at December 31, 2025)

Standing Auditors		Alternate Auditors
Pierluigi De Biasi	Chairman	Michele Casò
Antonia Di Bella		Maria Maddalena Gnudi
Gabriele Villa		Maria Francesca Talamonti

### FINANCIAL REPORTING OFFICER

Mauro Torri

### INDEPENDENT AUDITORS

(Term ends on approval of financial statements at December 31, 2027)

Deloitte & Touche S.p.A.



# Professional profiles of the members of the Boards of Directors and Statutory Auditors

## BOARD OF DIRECTORS

### **Laura Zanetti – Director since November 14, 2013 and Chairman since April 19, 2017**

Graduated with honours from Bocconi University, where she is Associate Professor with tenure of Corporate Finance as well as Research Fellow of the Baffi-Carefin Research Centre and Academic Director of the Bachelor Degree in Economics and Finance.

Previously, she was Director of the Master of Science in Finance at Bocconi University, Visiting Scholar at both the MIT (Massachusetts Institute of Technology) and the LSE (London School of Economics and Political Science).

She is a Certified Public Accountant, Registered Auditor and Director of various leading companies.

She is a member of the Executive Committee and the Board of Assonime.

She is the author of many articles on corporate governance, corporate finance and company valuations.

### **Livio Strazzera – Director since May 3, 2002 and Deputy Chairman since April 19, 2017**

Degree in Economics & Commerce - Bocconi University, Milan.

Certified Public Accountant in Milan and registered auditor.

Tax consultant, Director and Statutory Auditor of various companies.

### **Carlo Pesenti – Director since June 17, 1999 and Chief Executive Officer since May 27, 2014**

Degree in Mechanical Engineering - Milan Polytechnic.

Master in Economics & Management - Bocconi University, Milan.

Since 1999 he has been a member of the Board of Directors of Italmobiliare, an investment holding company listed on the Milan Stock Exchange. In 2001 he was appointed Chief Operating Officer and in May 2014 he became Chief Executive Officer. During his career he served for more than a decade, till 2016, as CEO of Italcementi.

Along with the positions held in the Italmobiliare Group, he has also been a member of the Boards of Directors of leading listed companies such as Unicredit S.p.A., RCS S.p.A. and Mediobanca S.p.A. for several terms of office.

He is currently Chairman of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. and is a member of the Board of Directors of Clessidra Holding S.p.A., Tecnica Group S.p.A. and Caffè Borbone S.r.l. (Italmobiliare Group portfolio companies). He is also a member of the Board of the San Patrignano Onlus Foundation.

Permanent member of the General Board of Confindustria of which he was Vice President (2014-2016). Member of the Advisory Board of Assolombarda.

He is a member of the Board of ISPI and Co-Chairman of the Italy-Thailand Business Forum.

He is Chairman of the Pesenti Foundation, which promotes interaction between profit and non-profit organisations for the diffusion of a culture of innovation to generate projects and activities in the social, environmental and cultural sectors.

### **Giorgio Bonomi – Director since May 3, 2002**

Degree in Law from the University of Milan in 1979. During the same year he began his legal career, ended in 2020. He was a member of the Board of Directors of Cementerie Siciliane S.p.A. (1988-1996), IGPDecaux S.p.A. (2006-2015) and Italcementi S.p.A. (2010-2016).

He is a Registered Auditor.

### **Mirja Cartia d'Asero – Director since April 19, 2017**

Degree in Law from the University of Catania. She has been a member of the Italian Bar Association since 1996, and has a specialisation in real estate finance.

From 1996 to 2005, she worked in banking and finance law at Clifford Chance (Rome-London) and Allen & Overy (Milan). From 2005 to 2017 she was with Lehman Brothers (London-Milan) holding various positions in the Global Real Estate Group and - since 2008 - in Administration. Since 2014 she has been Founder member and Chief Executive Officer of Restar, a real estate non-performing loans platform for the US Varde Fund, which was sold and merged with Guber Banca, in which she served as Head of Real Estate until April 2022.

She is Chief Executive Officer of Il Sole 24 Ore S.p.A. since April 27, 2022.

She is a Director of Zurich Investments Life S.p.A. and Tecma Solutions S.p.A.

### **Valentina Casella – Director since July 29, 2021**

She holds a degree in Law from the University of Milan, and is specialised in corporate law and business administration, with a Master of Laws from Columbia University and an M.B.A. from INSEAD.

She is a member of the Milan Bar Association since 2006 and of the New York State Bar Association since 2008.

From 2007 to 2012 she was an associate at Simpson Thacher & Bartlett LLP law firm in New York.

She is a partner at Casella e Associati law firm in Milan since 2014.

She is a Director of Banco di Desio e della Brianza S.p.A. and of Arnoldo Mondadori Editore S.p.A.

### **Marco Cipelletti – Director since January 27, 2021**

Degree in Business Economics and Corporate Finance from Bocconi University.

Work experience: more than twenty years in the financial sector (investment analysis and fund management) at Amber Capital, Milan, UBS Investment Bank, Milan, ABN Amro Bank, NV, Milan, Credit Lyonnais Securities, London, San Paolo Bank – Istituto Bancario San Paolo di Torino, London, Actinvest Group Ltd, London, and the last thirteen years in the real estate sector.

Since May 2011, CEO of Galtruccio S.p.A., a real estate company based in Milan, and of other minor real estate companies linked to it.

### **Elsa Fornero – Director since July 27, 2017**

Full Professor of Political Economics at the University of Turin and a member of the Accademia Europea; Scientific Coordinator of the Centre for Research on Pensions and Welfare Policies (CeRP); Vice President of SHARE-ERIC (Survey of Health, Ageing and Retirement in Europe); Honorary Senior Fellow at the Carlo Alberto College, Research Fellow at Netspar - Network for Studies on Pensions, Aging and Retirement and Policy Fellow at the IZA - Institute of Labor Economics in Bonn.

She is also a member of the Research Committee of the International Network on Financial Education (INFE) of the OECD and of the Scientific Committee of GFLEC (Global Financial Literacy Excellence Center, Washington DC) and columnist for La Stampa.

From November 16, 2011 to April 28, 2013 she was Minister of Employment and Social Policies, with responsibility for Equal Opportunities, in the government formed by Mario Monti. As Minister, she introduced reforms in pensions and the jobs market (approved by Parliament at the end of 2011 and in mid-2012 respectively).

She has published articles on public and private pensions systems, pensions reform and the jobs market, the ageing population, household savings, pension and life insurance decisions.

She is also very involved in the field of economic and financial education in the dual role of disseminator and researcher.

**Luca Minoli – Director since May 3, 2002**

Degree in Law, *magna cum laude*, 1985 - Milan State University.

Registered member of the Order of Lawyers of Milan since 1988.

Registered member of the Special Order of Cassation Lawyers and Higher Jurisdictions since 2006.

Associate at Hughes Hubbard & Reed in New York in 1986, he began his career at Ardito law firm, where he became a partner in 1991.

Partner from 2002 to 2004 at Casella Minoli e Associati. Partner until 2012 at the Italian office of Dewey Ballantine, later Dewey & LeBoeuf. Since 2013, founding partner at Gattai, Minoli, Partners. As of March 2024, partner at LCA Studio Legale.

**Chiara Palmieri – Director since April 19, 2017**

She is the Sole Director of Tack SCF S.r.l., a company that provides Family Office services, and a member of the Board of Directors of various companies in Italy, including Amref Health Africa.

Previously, she worked as Chief Operating Officer of Laprima Holding S.r.l., Single Family Office, and in investment banks, in London and Milan (Morgan Stanley and Goldman Sachs).

She graduated *summa cum laude* from Bocconi University, she is a Certified Public Accountant and obtained a CEMS Master from HEC-Paris University, after an exchange at the MBA program of the Stern School - New York University.

**Roberto Pesenti – Director since April 27, 2023**

Having graduated in Mechanical Engineering and Business Finance from University College London, he obtained an MSc in Materials Engineering from Stanford University.

After completing his Masters, he worked for two years in the New York offices of Eurazeo, an international private equity firm, focusing on investment activities in American mid-market companies.

In 2019 he joined the Development and Investment Department of Italmobiliare, where he follows sourcing activities, due diligence, investment in Italian companies and foreign investment funds.

Since 2022 he has been the CEO of Callmewine, one of the leading wine and spirits e-commerce companies in Italy, with a presence in other European markets.

**Pietro Ruffini – Director since April 27, 2023**

He obtained a BA (Hons) in International Business with Entrepreneurship and French at the European Business School in London.

From 2014 to the present day, he has worked as a consultant at Bain and Company. He is the Founder and Chief Executive Officer of Archive S.r.l., a company that supports companies by accompanying them on a growth path. He is Chief Executive Officer of Ou(R) Places S.r.l., Ou(R) Group S.r.l. and Ruffini Partecipazioni Holding S.r.l.

He is a member of the Board of Directors of Double R S.r.l., Langosteria Holding S.r.l., The Attico S.r.l. and Associazione Montenapoleone. He was a Director at Moncler S.p.A. from 2011 to 2015.

## BOARD OF STATUTORY AUDITORS

### Pierluigi De Biasi

Degree in Law from the University of Milan.

A lawyer since May 19, 1983, he is listed in the Special Register for Legal Aid before Higher Jurisdictions. In his professional activity he deals with M&A, private equity and financial instruments.

Having worked for various Italian and international law firms, he is currently a partner in E. Morace & Co. (Milan-Naples).

He is currently Chairman of the Board of Statutory Auditors of Green Stone SICAF S.p.A., Rome, and Director of 3iP SGR S.p.A., Rome. He was Chairman of the Board of Statutory Auditors of Parmalat S.p.A., Interpump Group S.p.A., Permasteelisa S.p.A. and Banca Italease S.p.A., as well as Independent Director of Guala Closures S.p.A., all listed companies. He has been a Director and Chairman of the Board of Statutory Auditors of various unlisted companies.

He is the author of three monographs and about forty articles on commercial, banking and bankruptcy law.

### Antonia Di Bella

Having graduated in Economics and Social Sciences from the Università della Calabria, she is enrolled in the Register of Chartered Accountants and Accounting Experts of Milan and in the Register of Independent Auditors.

In 1992 she joined KPMG where she worked for almost fifteen years, becoming Senior Manager.

From 2007 to 2015 she worked in Mazars S.p.A. as manager for the insurance sector.

From 2016 to 2021 she was professor of Accounting and Management in Insurance at the Università Cattolica del Sacro Cuore di Milano.

She currently carries on her professional activity at her own office in Milan and is Senior Counsel of ADVANT-Nctm. She is Chairman of the Board of Directors of Bnp Paribas Cardif Vita S.p.A. and holds the position of Independent Director in Interpump Group S.p.A., Ariston Holding NV, and is a Statutory Auditor or Chairman of the Board of Statutory Auditors in several small and medium-sized companies including Trenitalia TPER Scrl, Yolo Group S.p.A., NextChem S.p.A.

### Gabriele Villa

Graduated in Economics and Commerce from the Catholic University of Milan.

Associate Professor at the Faculty of Banking, Financial and Insurance Sciences of the Catholic University of Milan. Certified Public Accountant in Milan. Registered Auditor in the register established at the Ministry of Economy and Finance.

He is Chairman of the Board of Directors of Spafid S.p.A.

He is a Standing Auditor of Edison S.p.A. and Transalpina di Energia S.p.A., as well as Auditor of the Teatro alla Scala Academy of Arts and Crafts of the Performing Arts Foundation.







# Annual Report







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**ITALMOBILIARE**  
INVESTMENT HOLDING

**DIRECTORS'  
REPORT**

# DIRECTORS' REPORT

## Information on operations

### INTRODUCTION

The Italmobiliare Group's consolidated financial statements for the year ended December 31, 2023, and the corresponding figures for 2022, have been drawn up in compliance with International Financial Reporting Standards (IAS/IFRS).

The scope of consolidation saw a number of changes during 2023 as a result of: a decrease in the value of the investment in CCC Holdings Europe to below 10%; completion of the liquidation of Dokimè; a change in the percentage interest in Farmagorà from 31.833% to 24.095%; establishment of Gres Art (Italy), 100% owned by Gres Hub; establishment of Santa Maria Novella Japan KK (Japan), 100% owned by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.; sale of the investment in Florence InvestCo S.r.l.

## PERFORMANCE INDICATORS

To assist understanding of its consolidated financial data, for several years the Group has consistently employed a number of widely used indicators, which are not contemplated by the IFRS. In particular, the income statement presents the following intermediate indicators/results: Gross operating profit<sup>1</sup> and Operating profit<sup>2</sup>. On the face of the statement of financial position, similar considerations apply to Net Financial Debt, whose components are detailed in the specific section of the notes, and Net Asset Value. Since the indicators employed by the Group are not required by IFRS, their definitions may not coincide with and may therefore not be comparable with those adopted by other companies or groups (see the Annex).

These financial indicators, which have been taken from the financial statements, are used in the tables summarising the Group's financial position and performance, in relation to comparative amounts and other amounts from the same year (e.g., change in revenue, gross operating profit and operating profit with respect to the previous year, and the change in their percentage of revenue). The use of amounts not directly reflected in the financial statements (e.g. the exchange-rate effect on revenue and on profit or loss) and the presentation of comments and assessments help to qualify the trends in the amounts concerned.

The non-financial indicators refer to external and internal elements: the general economic situation and that of the industries in which the Group operates, trends on the various markets and operating segments, trends in sales prices and cost factors, acquisitions and disposals, other significant events of the year, organisational developments, the introduction of new laws and regulations, etc. The section of the notes on net financial debt provides information about the effects of changes in interest rates and the main exchange rates on the income statement and the statement of financial position.

1. Defined as Operating profit, net of "Amortisation and depreciation" and "Impairment losses on non-current assets"

2. Defined as Profit/(loss) for the year, net of "Finance income", "Finance costs", "Exchange-rate differences and net gains (losses) on derivatives", "Impairment losses on financial assets", "Share of profit/(loss) of equity-accounted investees" and "Income tax"

## NET ASSET VALUE

At December 31, 2023, the NAV per share (excluding treasury shares) is equal to 52.1 euro and, considering the distribution of dividends of 0.70 euro per share, shows an increase of around 10% compared with the figure at December 31, 2022.

The Net Asset Value of Italmobiliare S.p.A. (the definition and reconciliation of which is provided in the Annex), excluding treasury shares, is equal to 2,201 million euro (2,029 million euro at December 31, 2022); considering the distribution of 29.5 million euro of dividends during the year, the net performance is positive for 201.8 million euro.

	NAV (in millions of euro)	NAV per share (euro)
December 31, 2022	2,029.1	48.0
December 31, 2023	2,201.4	52.1
<b>Change</b>	<b>172.3</b>	<b>4.1</b>
Dividends paid	29.5	0.7
<b>Net performance</b>	<b>201.8</b>	<b>4.8</b>
Net performance %	<b>9.9%</b>	

The increase in the Net Asset Value of 172.3 million euro is mainly due to the positive performance of the Portfolio Companies for 157.7 million euro, relating in particular to Caffè Borbone and Officina Profumo-Farmaceutica di Santa Maria Novella and the Other Equity Investments for 61.6 million euro, in particular Florence InvestCo (+22.1 million euro), KKR Teemo Co-Invest LP co-investor vehicle in the FiberCop project (+9 million euro), Archimede, the parent company of Formula Impresoft (+5 million euro) and Heidelberg Materials AG, partially offset by the distribution of dividends for 29.5 million euro and by overheads, taxes and incentive plans of approximately 41 million euro (including out-of-period expenses for the payment of three-year plans relating to the previous year for around 6.4 million euro).

(in millions of euro)	Net performance
Portfolio companies <sup>1</sup>	157.7
Other equity investments	61.6
Financial assets, trading and cash and cash equivalents	23.1
Private equity funds	0.8
Holding Company costs	(33.8)
Income tax	(7.5)
<b>Italmobiliare NAV net performance</b>	<b>201.8</b>
Dividends paid	(29.5)
<b>Change</b>	<b>172.3</b>

<sup>1</sup> "Portfolio Companies" include the investments in Italgas S.p.A., Caffè Borbone S.r.l., Clessidra Holding S.p.A., Tecnica Group S.p.A., Iseo Serrature S.p.A., AGN Energia S.p.A. (sold on February 28, 2024), Capitelli S.r.l., Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A., Callmewine S.r.l., Casa della Salute S.p.A., Bene Assicurazioni S.p.A. Società Benefit and SIDI Sport S.r.l.

The composition of NAV at December 31, 2023 following the transactions that have taken place is shown below:

(in millions of euro)	December 31, 2023	% of total	December 31, 2022 (*)	% of total	Change
Portfolio Companies <sup>1</sup>	1,518.3	69.0%	1,359.1	67.0%	159.2
Other Equity Investments <sup>2</sup>	166.7	7.6%	221.6	10.9%	(54.9)
Private Equity Funds	239.4	10.9%	213.4	10.5%	26.0
Properties and related assets	72.2	3.3%	52.7	2.6%	19.5
Financial assets, trading and cash and cash equivalents <sup>3</sup>	204.9	9.3%	182.4	9.0%	22.5
<b>Total Net Asset Value (**)</b>	<b>2,201.4</b>	<b>100.0%</b>	<b>2,029.1</b>	<b>100.0%</b>	<b>172.3</b>

(\*) The 2022 figures differ from those published as the loan to Archimede S.p.A. was reclassified from "Financial assets, trading and cash and cash equivalents" to "Other equity investments".

1. "Portfolio Companies" include the investments in Italgas S.p.A., Caffè Borbone S.r.l., Clessidra Holding S.p.A., Tecnica Group S.p.A., Iseo Serrature S.p.A., AGN Energia S.p.A. (sold on February 28, 2024), Capitelli S.r.l., Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A., Callmewine S.r.l., Casa della Salute S.p.A., Bene Assicurazioni S.p.A. Società Benefit and SIDI Sport S.r.l.

2. "Other Equity Investments" include the investment in Archimede S.p.A. (the parent company of Formula Impresoft S.p.A.) including reclassification of the 6 million euro loan to Archimede S.p.A.

3. Note that "Financial assets, trading and cash and cash equivalents" include the net financial position of the parent company Italmobiliare, the investment in Sirap Gema S.r.l. for 9 million euro (21 million euro at December 31, 2022) and the net financial position of the vehicles FT2 S.r.l. and FT3 S.r.l. after reclassification of the 6 million euro loan granted to Archimede S.p.A. to "Other equity investments".

(\*\*) The criteria used for calculating NAV may be different from those adopted by other companies, so the figures may not be comparable.

Looking at the Portfolio Companies, in addition to the 157.7 million euro increase in value, the overall change of 159.2 million euro is also the result of the increases in capital or payments towards a future increase in capital of Casa della Salute (16.9 million euro) and SIDI Sport (15 million euro), net of dividends of 30.5 million euro.

Looking at "Other equity investments", the decrease of 54.9 million euro is mainly due to the sale of Florence InvestCo and the sales of Heidelberg Materials AG shares during the period (for a total of 108.8 million euro), partially offset by the overall positive performance of 61.6 million euro.

The item "Financial assets, trading and cash and cash equivalents" equal to 204.9 million euro (182.4 million euro at December 31, 2022) includes the net financial position of Italmobiliare S.p.A., adjusted for the reclassification of the loan granted to Archimede S.p.A. to "Other equity investments", and for the charges to be paid on the sale of the investment in Florence InvestCo, for a total of 195.7 million euro. It also includes the fair value of the subsidiary Sirap Gema (9.0 million euro) and just the cash components of FT2 S.r.l. and FT3 S.r.l. (a total of 0.2 million euro). The increase of 22.5 million euro is mainly due to dividends received (33.8 million euro), disinvestments (75.0 million euro) and the positive performance of trading activities (9.7 million euro), partially offset by the dividends paid by Italmobiliare (29.5 million euro), taxes paid (7.5 million euro), operating costs (33.8 million euro) and capital calls net of reimbursements by Private Equity Funds (25.2 million euro).

The NAV was calculated taking into account:

- the market price at December 31, 2023 of the equity investments in listed companies;
- the value of non-listed companies, determined on the basis of commonly used valuation methods (DCF and/or market multiples) or, where sufficient information is not available for the application of the methods envisaged by the International Private Equity and Venture Capital (IPEV) valuation guidelines and/or their consistency can be considered immaterial, their net equity resulting from the latest approved financial statements, determined according to IAS/IFRS or local accounting standards;
- the market value of the real estate assets held;
- the effect of deferred taxation.

The Independent Auditors have carried out a limited assurance assignment according to the International Standard on Assurance Engagements (ISAE) 3000 (Revised) to verify the conformity of the valuation methods adopted by the Directors for calculating NAV with the IPEV criteria.

## PERFORMANCE OF THE MAIN GROUP COMPANIES

(in millions of euro)	Revenue			Gross operating profit (EBITDA)		
	2023	2022 (*)	Change %	2023	2022 (*)	Change %
Italmobiliare	120.4	137.0	(12.1)	67.7	70.3	(3.7)
<b>Portfolio companies</b>						
Caffè Borbone	300.4	262.7	14.3	79.7	65.8	21.0
Officina Profumo-Farmaceutica di Santa Maria Novella	56.2	46.6	20.5	15.7	11.3	38.3
Casa della Salute	42.8	32.5	31.8	5.1	4.8	5.8
Italgen	56.8	50.0	13.7	12.6	9.8	29.0
SIDI Sport <sup>1</sup>	23.8	33.2	(28.3)	(2.7)	3.7	n.s.
Capitelli	22.4	19.2	16.8	3.5	2.8	24.6
Callmewine	13.5	16.2	(16.5)	(1.8)	(1.6)	n.s.
Tecnica Group	540.3	561.0	(3.7)	84.1	94.5	(11.0)
Iseo	159.7	163.3	(2.2)	16.9	20.5	(17.8)
Bene Assicurazioni <sup>2</sup>	222.1	170.7	30.1	n.a.	n.a.	n.a.
<b>Total Industrial Portfolio Companies</b>	<b>1,438.0</b>	<b>1,355.3</b>	<b>6.1</b>	<b>213.0</b>	<b>211.6</b>	<b>0.7</b>
Clessidra Group	38.5	30.6	25.9	7.2	6.3	13.6
<b>Total Portfolio Companies</b>	<b>1,476.5</b>	<b>1,385.9</b>	<b>6.5</b>	<b>220.2</b>	<b>218.0</b>	<b>1.0</b>

(\*) The 2022 figures differ from those published as the associated company AGN Energia was sold on February 28, 2024 and has therefore been excluded from the table.

Note that the information contained in the table refers to the reporting packages prepared according to the IFRS of the individual companies/groups, regardless of the date of acquisition of control by Italmobiliare and the percentage ownership. In addition, bear in mind that Tecnica Group and Iseo have been included in the consolidated financial statements of the Italmobiliare Group using the equity method.

1. The 2022 income statement figures refer to the consolidation of SIDI Sport S.r.l. and La Sierra Scarpe S.r.l. and have not been consolidated with Italmobiliare. They have been drawn up according to Italian accounting principles and reclassified according to Group formats.

2. Figures as of December 31, 2023 were still not available at the date of preparation of this report. The 2023 figures are based on information provided by the Company.

n.s. not significant

n.a. not available

In terms of the scope of consolidation, note that the above figures for the Industrial Portfolio Companies do not include AGN Energia, as the buyback of the entire stake held by Italmobiliare was completed on February 28, 2024. Italmobiliare held a 32.02% stake in AGN Energia and received 100 million euro from selling it, approximately 20% more than the latest valuation of its NAV, with a capital gain of around 40 million euro and a cash on cash return of 1.8x.

In 2023, Italmobiliare's portfolio gave further confirmation of solidity and resilience, thanks to the quality of the assets and proactive risk management, complete integration of sustainability into its development strategies and management responsiveness at the Holding and Portfolio Companies. Even in the face of often challenging market dynamics, due to the increase in the costs of raw materials (such as coffee for Caffè Borbone and pork for Capitelli), the temporary contraction of certain segments (e.g. the bicycle segment for SIDI Sport) or regulatory evolution (impact of the Price Cap and Sostegni Ter rules for Italgen during the first half of the year), overall the Portfolio Companies showed better results at an aggregate level in terms of both revenue and EBITDA.



Looking at the pro-forma aggregate:

- The revenues of the Industrial Portfolio Companies amount to 1,438.0 million euro, up 6% on the previous year. What stands out in particular is the good performance of all the companies operating in the sectors where the Group is concentrating the most, also with a view to developing genuine industrial platforms: Caffè Borbone in food, Officina Profumo-Farmaceutica di Santa Maria Novella in beauty, CDS - Casa della Salute in healthcare and Italgel in the production of renewable energy.
- The aggregate gross operating profit of the Industrial Portfolio Companies is equal to 213 million euro, up by 1%. Also in this case there is a growth trend in the industrial platforms that are strategic for the Holding Company, while other Portfolio Companies are affected by the challenging market context of the sectors in which they operate.
- Cash generation net of dividends paid, increases/returns of capital, the impact of non-recurring transactions and the effects deriving from the application of IFRS 16 is positive for 32.5 million euro. This figure includes the significant investments made during the year to support the companies' growth (65.9 million euro).

Looking at the individual companies, the results of which are detailed in the individual sections, it should be noted that:

- In the food sector, Caffè Borbone and Capitelli closed the year with double-digit growth in revenue and EBITDA compared with 2022, an even more significant result considering that both companies had to deal with a considerable increase in the cost of their principal raw material, namely coffee and pork. In particular, Caffè Borbone closed 2023 with revenue above 300 million euro for the first time (+14%) and EBITDA at 79.7 million euro (+21%), with cash generation of 69.2 million euro; Capitelli closed with revenue of 22.4 million euro (+17%), with gross operating profit up by 25%.
- The performance of Officina Profumo-Farmaceutica di Santa Maria Novella was very positive, which shows revenue increasing by 21% to 56.2 million euro and EBITDA growing by 38% to 15.7 million euro. These good results are attributable to the success of the new line of products launched during the year, and in particular the Eau de Parfum collection and the excellent trend in the retail channel, which has grown in all geographies due to good performances on the part of the existing stores and the new openings.
- During the course of 2023, CDS - Casa della Salute continued its growth and expansion trajectory by inaugurating 12 new facilities, which bring the total of the group's clinics to 26, of which 20 in Liguria and 6 in Piemonte, with revenue increasing by 32% to 42.8 million euro. The gross operating profit came in at 5.1 million euro; if we neutralise the 3.5 million euro in non-recurring costs aimed to support the growth mentioned previously, gross operating profit comes to 8.6 million euro, an increase of 33% compared with 2022 (again net of non-recurring costs).
- Italgel's hydroelectric energy production stands at 266.7 GWh for the year, up compared with a very dry 2022, but still lower than the historical average. The company's revenue has increased to 56.8 million euro (+14%), with a gross operating profit of 12.6 million euro despite the impact of the Sostegni Ter Decree and the Price Cap legislation on the first half of the year.
- In the outdoor sector, the Tecnica Group closed 2023 with revenue of 540.3 million euro and a gross operating profit of 84.1 million euro, down on the previous year. If we neutralise non-recurring costs of 7.1 million euro, linked on the one hand to the Group's digital transformation project and, on the other, to the celebrations of LOWA's 100th anniversary, gross operating profit came to 91.2 million euro. SIDI closed 2023 with revenue decreasing to 23.8 million euro, mainly due to the sharp slowdown in the entire cycling sector having reported excellent results during the pandemic, but which led to excess stock at distributors.
- Callmewine has posted revenue of 13.5 million euro, down because of the difficulties of wine e-commerce, as explained below. Extending the analysis to the pre-pandemic period, the CAGR of revenue from 2019 to the present day (+21%) confirms the company's growth trajectory.
- ISEO closed 2023 with turnover slightly down to 159.7 million euro, due to the decline in the mechanical segment. This is attributable to the economic downturn in the market compared with the positive trend in 2022; gross operating profit was also affected by investments in commercial personnel to prepare for future growth.

- The development path of Bene Assicurazioni continues. In 2023 it recorded gross premiums that rose by 30% to 222 million euro, much higher than the average increase in the sector.

Clessidra, a non-industrial portfolio company, closed the year with a positive brokerage margin of 32.5 million euro (27.8 million euro at December 31, 2022), which includes 19.9 million euro in management fees for the Clessidra Funds (19 million euro at December 31, 2022) and 11.4 million euro in commissions from the factoring activity (9.2 million euro at December 31, 2022). The consolidated result of the Clessidra Group at December 31, 2023, net of taxes of 1.4 million euro, comes to 1.7 million euro.

## SUMMARY OF RESULTS FOR THE FOURTH QUARTER

(in millions of euro)	Revenue			Gross operating profit (EBITDA)		
	4th qtr 2023	4th qtr 2022	Change %	4th qtr 2023	4th qtr (*) 2022	Change %
Italmobiliare	56.0	(8.2)	(783.2)	46.0	(19.3)	n.s.
<b>Portfolio companies</b>						
Caffè Borbone	79.2	69.8	13.5	21.4	17.6	21.4
Officina Profumo-Farmaceutica di Santa Maria Novella	18.7	15.3	21.9	6.4	4.2	52.4
Casa della Salute	12.8	8.8	45.5	1.9	1.9	(0.0)
Italgen	17.2	13.3	29.3	6.6	6.8	(2.9)
SIDI Sport	7.4	n.a.	n.a.	(3.5)	n.a.	n.a.
Capitelli	6.0	5.1	17.6	1.1	0.8	37.5
Callmewine	4.1	5.4	(23.5)	(0.5)	(0.4)	n.s.
Tecnica Group	183.7	197.5	(7.0)	35.9	44.1	(18.6)
Iseo	43.6	43.3	0.7	7.1	5.9	19.5
Bene Assicurazioni	72.6	57.1	27.1	n.a.	n.a.	n.a.
<b>Total Industrial Portfolio Companies</b>	<b>445.3</b>	<b>415.5</b>	<b>7.2</b>	<b>76.3</b>	<b>80.8</b>	<b>(5.5)</b>
Clessidra Group	10.9	7.6	43.7	(1.3)	(0.8)	68.3
<b>Total Portfolio Companies</b>	<b>456.2</b>	<b>423.2</b>	<b>7.8</b>	<b>75.0</b>	<b>80.1</b>	<b>(6.4)</b>

Note that the quarterly figures have not been audited.

(\*) The 2022 figures differ from what was published as the associated company AGN (sold on February 28, 2024) was excluded from the table.

n.a. not available

n.s. not significant

Looking just at the fourth quarter:

- The revenue of Industrial Portfolio Companies amount to 445.3 million euro, which is higher than in the previous period. Compared with the same period in 2022, worthy of note are the increases recorded by CDS - Casa della Salute (+45.5%) and Officina Profumo-Farmaceutica di Santa Maria Novella (+21.9%), in line with the good results achieved during the year.
- The gross operating profit of the Industrial Portfolio Companies comes to 76.3 million euro. If we normalise the results of SIDI Sport, given that the fourth quarter 2022 figure is not yet available, gross operating profit fell slightly (-1%) compared with 2022.

## Italmobiliare Group

### KEY CONSOLIDATED FIGURES

(in millions of euro)	2023	2022	Change %
<b>Revenue and income</b>	<b>585.8</b>	<b>483.6</b>	<b>21.1</b>
<b>Gross operating profit</b>	<b>99.2</b>	<b>54.9</b>	<b>80.7</b>
% of revenue	16.9	11.4	
Amortisation and depreciation	(37.4)	(32.3)	15.7
Impairment losses on non-current assets	(5.6)	0.1	>100
<b>Operating profit</b>	<b>56.2</b>	<b>22.7</b>	<b>&gt;100</b>
% of revenue	9.6	4.7	
Net finance income (costs)	(9.4)	(2.9)	>100
Impairment losses on financial assets	0.0	0.0	
Share of profit/(loss) of equity-accounted investees	57.3	24.7	>100
Profit/(loss) before tax	104.0	44.5	>100
% of revenue	17.8	9.2	
Income tax	(19.3)	(8.0)	>100
<b>Profit (loss) from continuing operations</b>	<b>84.7</b>	<b>36.5</b>	<b>&gt;100</b>
Profit/(loss) from assets classified as held for sale	0.0	(0.1)	>100
<b>Profit/(loss) for the period</b>	<b>84.7</b>	<b>36.4</b>	<b>&gt;100</b>
<i>attributable to:</i>			
- Owners of the parent company	<b>66.6</b>	<b>21.0</b>	<b>&gt;100</b>
- Non-controlling interests	18.1	15.4	17.7
Cash flows from operating activities	72.4	(78.0)	
Cash flows from investing activities	153.6	278.9	

(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	1,691.9	1,610.1
Equity attributable to owners of the parent company	1,499.3	1,426.8
Net financial position	(32.4)	(15.7)
Employees (headcount) at the end of the year	1,523.0	1,305.0

- **Revenue and income:** 585.8 million euro compared with 483.6 million euro at December 31, 2022 (+21.1%);
- **Gross operating profit:** 99.2 million euro compared with 54.9 million euro at December 31, 2022 (80.7%);
- **Operating profit:** 56.2 million euro compared with 22.7 million euro at December 31, 2022 (+100%);
- **Profit/(loss) before tax:** a profit of 104.0 million euro compared with 44.5 million euro at December 31, 2022 (>100%)

The positive change in revenue and income is mainly attributable to Caffè Borbone (+37.7 million euro), SIDI Sport S.r.l. (+23.8 million euro), Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. (+9.5 million euro), Italgem (+6.9 million euro), Clessidra Holding (+7.9 million euro) and Casa della Salute (>10.3 million euro) partly offset by Italmobiliare (-16.6 million euro considering infragroup eliminations).

At December 31, 2023, **total equity** was 1,691.9 million euro, while **equity attributable to the owners of the parent company** was 1,499.3 million euro, compared with 1,610.1 million euro and 1,426.8 million euro respectively at December 31, 2022.

In 2023, **financial and industrial investments** totalled 153.6 million euro, down compared with 2022 (278.9 million euro).

The consolidated **financial position** at December 31, 2023 was a negative balance of 32.4 million euro (-15.6 million euro at the end of December 2022). The negative change of 16.8 million euro is mainly due to Sirap Gema S.p.A. (-10.9 million euro), FT2 S.r.l. (-15.8 million euro), Gruppo Clessidra (-48.9 million euro), Casa della Salute (-21.7 million euro) and Italgem (-4.8 million euro), partially offset by the positive change by Caffè Borbone (37.7 million euro) and Italmobiliare S.p.A. (52.8 million euro).

The **gross operating profit** of 99.2 million euro has gone up by 44.3 million euro compared with 31 December 2022 (54.9 million euro), mainly thanks to the results of Caffè Borbone (13.9 million euro), Italgem (2.8 million euro), Officina Profumo-Farmaceutica di Santa Maria Novella (4.3 million euro) and Italmobiliare (21.9 million euro net of intragroup eliminations).

After an increase in amortisation and depreciation and impairment losses on non-current assets compared with the previous year, **operating profit** came to 56.2 million (22.7 million in 2022).

## FINANCE COSTS AND OTHER ITEMS

**Net finance costs** show a negative amount of 9.4 million euro, an increase of 6.5 million euro from December 31, 2022.

Please note that, the caption does not include Italmobiliare's finance income and costs as they form part of the Company's core business and are therefore classified under the items that make up gross operating profit.

**The share of profit of the equity-accounted investees** is 57.3 million euro (24.7 million euro in 2022), thanks to the positive contribution made by Florence (+41.7 million euro), the Tecnica group (+8.7 million euro), the Iseo group (+1.3 million euro) and the AGN Energia group (+4.6 million euro), partially offset by the negative contribution of Gardawind (-0.2 million euro).

## PROFIT FOR THE PERIOD

The Group's **profit before tax** is 104.0 million euro (44.5 million euro in 2022).

After negative income taxes of 19.3 million euro (negative for 8.0 million euro in 2022), the **consolidated net result** for the year shows a profit of 84.7 million euro, of which 66.6 million euro is attributable to the Group, compared with 36.4 million euro at December 31, 2022 (of which 21.0 million euro attributable to the Group).

## REVENUE AND OPERATING PROFIT FOR 2023

### CONTRIBUTION TO CONSOLIDATED REVENUE AND INCOME

(net of intragroup eliminations)

(in millions of euro)	2023		2022		Change	
		%		%	%	% <sup>1</sup>
<b>Business segments</b>						
Italmobiliare	31.9	5.4	24.1	5.0	32.6	32.6
Caffè Borbone	300.4	51.3	262.7	54.3	14.3	13.1
Officina Profumo-Farmaceutica di Santa Maria Novella	56.1	9.6	46.6	9.6	20.4	21.1
Casa della Salute	42.8	7.3	32.5	6.7	31.8	30.3
Italgen	54.0	9.2	49.7	10.3	8.8	8.8
SIDI Sport	23.8	4.1	0.0	0.0	n.a.	n.a.
Capitelli	22.4	3.8	19.2	4.0	16.8	16.8
Callmewine	13.5	2.3	16.2	3.3	-16.5	-16.5
Clessidra	38.5	6.6	30.7	6.3	25.7	25.7
Other companies	2.3	0.4	2.1	0.4	6.8	6.8
<b>Total</b>	<b>585.8</b>	<b>100.0</b>	<b>483.6</b>	<b>100.0</b>	<b>21.1</b>	<b>15.5</b>

1. On a like-for-like basis and at constant exchange rates

## BREAKDOWN OF CONSOLIDATED PROFIT BY SEGMENT

(in millions of euro)	December 2023	% of total	December 2022	% of total
Italmobiliare	51.6	77.4	33.5	>100
Caffè Borbone	28.8	43.3	23.3	>100
Officina Profumo-Farmaceutica di Santa Maria Novella	6.2	9.3	4.4	21.0
Casa della Salute	(3.2)	(4.8)	(1.5)	(7.2)
Italgen	3.2	4.8	5.0	23.6
SIDI Sport	(6.5)	(9.8)	(1.0)	(4.9)
Capitelli	1.4	2.1	1.0	4.9
Callmewine	(5.2)	(7.8)	(1.3)	(6.0)
Tecnica Group	8.7	13.0	15.7	74.7
Iseo	1.3	2.0	3.5	16.5
Clessidra	1.8	2.7	2.0	9.3
Other companies (*)	5.2	7.8	0.6	14.2
Elimination of dividends and intragroup gains/losses	(26.6)	n.s.	(64.2)	n.s.
<b>Profit/(loss) for the period attributable to the owners of the parent company</b>	<b>66.6</b>	<b>100.0</b>	<b>21.0</b>	<b>100.0</b>

(\*) It should be noted that the item Other Companies includes AGN Energia, which was sold on February 28, 2024.

## STATEMENT OF COMPREHENSIVE INCOME

In 2023 the components of the comprehensive income statement had a positive balance of 26.3 million euro (positive for 4.0 million euro in 2022), mainly thanks to the positive change in the fair value of FVTOCI assets (27.8 million euro before the tax effect), partially offset by the negative change in fair value of financial flow hedging derivatives (-0.2 million euro before the tax effect), by negative adjustments deriving from net liabilities/(assets) for employee benefits (-0.6 million euro) and the conversion reserve of foreign operations (-0.3 million euro).

Considering the profit for the year of 84.7 million euro and the above items, total comprehensive income in 2023 was positive for 111.0 million euro (positive in 2022 for 40.5 million euro).

The statement of comprehensive income forms part of the consolidated financial statements.

## RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in millions of euro)	December 31, 2023	December 31, 2022
Property, plant & equipment and investment property	292.4	225.5
Intangible assets	617.2	607.5
Other non-current assets	603.6	674.4
<b>Non-current assets</b>	<b>1,513.2</b>	<b>1,507.4</b>
<b>Current assets</b>	<b>651.9</b>	<b>579.3</b>
Assets classified as held for sale	74.6	0.0
<b>Total assets</b>	<b>2,239.7</b>	<b>2,086.7</b>
Equity attributable to owners of the parent company	1,499.3	1,426.8
Non-controlling interests	192.6	183.3
<b>Total equity</b>	<b>1,691.9</b>	<b>1,610.1</b>
Non-current liabilities	237.3	193.0
Current liabilities	310.5	283.6
<b>Total liabilities</b>	<b>547.8</b>	<b>476.6</b>
Liabilities directly associated with assets classified as held for sale		
<b>Total equity and liabilities</b>	<b>2,239.7</b>	<b>2,086.7</b>

## EQUITY

**Total equity** at December 31, 2023 was 1,691.9 million euro, up 81.8 million euro from December 31, 2022. The overall change was due to:

- Positive change in the result for the period of 84.7 million euro;
- Positive change in fair value of equity investments for 27.4 million euro
- Negative change in the exchange-rate reserve for 0.3 million euro;
- Negative change in dividends of 41.9 million euro;
- Other changes for 11.9 million euro.

## NET FINANCIAL POSITION

At December 31, 2023, the consolidated **net financial position** showed a negative balance of 32.4 million euro, up by 16.7 million euro on the figure at December 31, 2022 (negative for 15.7 million euro).

Cash flows for the period show a negative balance for 16.7 million euro, mainly due to the investments for 153.6 million euro, partially offset by disposals for 122.5 million euro. Other components were dividends paid for 41.9 million euro and proceeds from operating activities for 72.4 million euro.



## BREAKDOWN OF THE NET FINANCIAL POSITION

(in millions of euro)	December 31, 2023	December 31, 2022
Current financial assets	307.6	262.9
Current financial liabilities	(174.4)	(143.3)
Non-current financial assets	11.8	12.1
Non-current financial liabilities	(177.4)	(147.4)
NFP of assets held for sale	0.0	0.0
<b>Net financial position</b>	<b>(32.4)</b>	<b>(15.7)</b>

A breakdown of the "Net financial position" is given in the notes to the consolidated financial statements in the section dedicated to IFRS 7.

## CONDENSED STATEMENT OF CASH FLOWS

(in millions of euro)	December 31, 2023	December 31, 2022
<b>Net financial position at the beginning of year</b>	<b>(15.7)</b>	<b>354.0</b>
Cash flows from operating activities	72.4	(78.0)
Capital investment in:		
<i>PPE, investment property and intangible assets</i>	<i>(108.7)</i>	<i>(51.3)</i>
<i>Non-current financial assets</i>	<i>(44.9)</i>	<i>(227.6)</i>
Cash flows from investing activities	(153.6)	(278.9)
Proceeds from disposal of non-current assets	122.5	37.7
Dividends paid	(41.9)	(80.2)
Translation and structure differences	(4.6)	11.4
Other	(11.5)	18.3
<b>Net cash flows for the year</b>	<b>(16.7)</b>	<b>(369.6)</b>
Cash flows relating to assets classified as held for sale	-	-
<b>Net financial position at the end of year</b>	<b>(32.3)</b>	<b>(15.7)</b>

## INVESTMENTS

(in millions of euro)	Investments in non-current financial assets		Investments in PPE and investment property		Investments in intangible assets		Total investments	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Business segments</b>								
Italmobiliare	32.7	132.4	6.7	1.4			39.4	133.8
Caffè Borbone		2.2	8.0	9.3	2.3	0.2	10.3	11.7
Officina Profumo-Farmaceutica di Santa Maria Novella	0.7	-	16.7	4.0	0.3	0.1	17.7	4.1
Casa della Salute	5.3	-	40.0	15.0	5.2	5.1	50.5	20.1
Italgen		1.4	16.2	8.9	0.4	0.3	16.6	10.6
SIDI Sport		87.1	1.1	-	0.1	-	1.2	87.1
Capitelli		-	1.3	0.6	-	-	1.3	0.6
Callmewine		4.5	0.4	0.1	0.7	0.3	1.1	4.9
Tecnica Group		-		-		-	-	-
Iseo		-		-		-	-	-
Other companies <sup>2</sup>	6.2	-	8.5	2.8	0.6	2.4	15.3	5.2
Inter-segment eliminations		-		-		-	-	-
<b>Total investments (*)</b>	<b>44.9</b>	<b>227.6</b>	<b>98.7</b>	<b>42.1</b>	<b>9.6</b>	<b>8.5</b>	<b>153.3</b>	<b>278.2</b>

1. This figure includes the Clessidra Group.

(\*) The item "total investments" does not include the change in investment payables of 0.4 million euro.

Group investments during the year amounted to 153.3 million euro, a decrease from 2022 (278.2 million euro).

The cash flows for financial investments, equal to 44.9 million euro (227.6 million euro in 2022), mainly refer to the investments made by Italmobiliare S.p.A. (32.7 million euro) and Clessidra (5.8 million euro).

The cash flows for investments in property, plant and equipment amount to 98.7 million euro and mainly refer to the investments made by Casa della Salute for 40.0 million euro, Caffè Borbone for 8.0 million euro, Officina Profumo-Farmaceutica di Santa Maria Novella for 16.7 million euro and Italgen for 16.2 million euro.

## RECONCILIATION BETWEEN THE PARENT'S PROFIT FOR THE YEAR AND EQUITY, AND THE PROFIT FOR THE YEAR AND EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT

(in millions of euro)	December 31, 2023
<b>Profit for the year of the parent company Italmobiliare S.p.A.</b>	<b>51,577</b>
Consolidation adjustments	
• Profit for the year at consolidated companies (Group share)	24,000
• Adjustment to the carrying amount of equity-accounted investees	17,323
• Derecognition of dividends in the year	(43,445.0)
• Derecognition of intercompany gains or losses and other changes	(9,845.0)
• Reversal of write-downs in consolidated equity investments	26,986
<b>Profit for the year attributable to owners of the parent company</b>	<b>66,596</b>
 <b>Equity of the parent company Italmobiliare S.p.A.</b>	 <b>1,343,396</b>
• Derecognition of the carrying amount of consolidated equity investments	
<i>in fully consolidated companies</i>	(824,608.0)
<i>in equity-accounted associates and subsidiaries</i>	(169,413.0)
• Recognition of equity of consolidated equity investments	
<i>in fully consolidated companies</i>	864,591
<i>in equity-accounted associates and subsidiaries</i>	174,240
• Gains allocated to equity of subsidiaries and associates	118,834
• Elimination of intragroup transactions and other changes	(7,749.0)
<b>Consolidated equity attributable to owners of the parent company</b>	<b>1,499,291</b>

## RISKS AND UNCERTAINTIES

Risks and uncertainty are examined in the sections on the individual segments, since they are different and specific to each Group segment.

## INFORMATION ON PERSONNEL AND THE ENVIRONMENT

Information on personnel and the environment is provided in the sections on the individual segments, since each segment presents its own specific characteristics.

## Italmobiliare S.p.A.



### KEY FIGURES

(in millions of euro)	2023	2022	Change %
<b>Revenue and income</b>	<b>120.4</b>	<b>137.0</b>	<b>(12.1)</b>
<b>Gross operating profit (EBITDA)</b>	<b>67.7</b>	<b>70.3</b>	<b>(3.7)</b>
% of revenue	56.2	51.3	
Amortisation and depreciation	(0.8)	(0.8)	5.0
<b>Operating profit (EBIT)</b>	<b>66.9</b>	<b>69.5</b>	<b>(3.8)</b>
% of revenue	55.5	50.7	
Net finance costs	-	-	-
Impairment losses on financial assets	(19.2)	(48.1)	(60.1)
<b>Profit/(loss) before tax</b>	<b>47.7</b>	<b>21.4</b>	<b>&gt;100</b>
% of revenue	39.6	15.6	
Income tax	4.0	12.1	(67.3)
<b>Profit/(loss) for the period</b>	<b>51.6</b>	<b>33.5</b>	<b>54.1</b>

n.s. not significant

(in millions of euro)	December 31, 2023	December 31, 2022
Equity	1,343.4	1,289.7
Net financial position	204.3	151.5
Employees (headcount) at the end of the year	45	47

**Revenue and income** for the year amounted to 120.4 million euro (137.0 million euro in 2022), and consisted of dividends from equity investments (46.3 million euro), gains and fair value gains on equity investments, funds and securities (67.8 million euro), other finance income (5.3 million euro) and revenue from services provided (1.0 million euro).

## RESULTS IN ACCORDANCE WITH THE FINANCIAL MODEL

Given the specific nature of the Company, in order to allow a full understanding of its performance, the following table shows the results in a format normally used for finance companies. The model reflects the following classification:

- "Net gains (losses) on equity investments" include, with regard to FVTOCI equity investments, dividends received; on the other hand, with regard to the investments in subsidiaries and associates, the item includes both dividends and gains/losses realized on sales, as well as any impairment losses/recoveries.
- "Net gains (losses) on investments of cash and cash equivalents", which includes interest income on bank coupons and deposits, impairment gain or losses on bonds and trading equities, gains/losses realized on the sale of trading securities, income/expense on trading derivatives and investment funds, and "Net borrowing costs". "Net borrowing costs" consist essentially of interest expense on borrowings, bank commissions and costs;
- "Other income and expense" include personnel expense and operating expenses for the financial structure, net of amounts recovered from other Group companies or third parties.

(in millions of euro)	2023	2022	Change %
Net gains (losses) on equity investments	71.8	68.8	4.4
Net gains on investments of cash and cash equivalents	10.3	(19.1)	n.s.
<b>Total finance income/costs</b>	<b>82.1</b>	<b>49.8</b>	<b>64.8</b>
Other expenses	(34.5)	(28.4)	21.4
Income tax	4.0	12.1	(67.3)
<b>Profit/(loss) for the year</b>	<b>51.6</b>	<b>33.5</b>	<b>54.0</b>

n.s. not significant

Net income and charges from equity investments are positive for 71.8 million euro, up by 3.0 million euro compared with 68.8 million euro at December 31, 2022. This change is mainly because of the capital gain from the sale of the investment in Florence InvestCo S.r.l. (44.7 million euro), partially offset by the reduction in dividends from subsidiaries and associated companies (-70.6 million euro, due to the lack of the Sirap Gema dividend of 60 million euro distributed during 2022) and lower write-downs of equity investments (+28.9 million euro).

Net income and expenses from the investment of liquid assets, on the other hand, increased by 29.4 million euro, mainly due to the positive performance of the investment and private equity funds.

Other income and expenses are negative for 34.5 million euro, an increase compared to the previous year as they include higher operating expenses of 6.4 million euro (relating to the LTI disbursement for the previous three-year period).

Taxes are positive for 4.0 million euro as they were positive for 12.1 million euro in 2022.

Equity of 1,343.4 million euro increased by 53.7 million euro compared with the previous year, mainly due to the profit for the year of 51.6 million euro and the positive change in the FVTOCI reserve for 30.9 million euro, partially offset by dividends distributed to the shareholders (29.6 million euro).

## SIGNIFICANT EVENTS DURING THE PERIOD

During 2023, the framework of uncertainty at both national and international level meant that Italmobiliare's strategy focused more and more on its core investment portfolio.

Thanks to a team with a wide variety of industrial, managerial and financial skills and a widespread network of strategic relationships, Italmobiliare has been able to provide ongoing support to the Portfolio Companies' management in identifying rapid responses and defending profitability and growth prospects in a very complex market scenario: hedging strategies, intra-group synergies in energy procurement and transitions to alternative energy sources, refinancing operations, hiring and training of qualified resources, partnerships for development, organic and inorganic growth and international expansion projects.

Florence InvestCo S.r.l., in which Italmobiliare held a 13.98% stake, was sold to Permira in October. Italmobiliare was part of the shareholding structure of the Florence Group from the start. It was created with the aim of aggregating Italian industrial excellence in the sector of luxury textile manufacturing on behalf of third parties. On completion of the sale, Italmobiliare received 78.2 million euro, versus an investment of 30.7 million euro, giving a cash on cash return of 2.5x and an IRR of 51.2%.

## ITALMOBILIARE S.P.A.'S NET FINANCIAL POSITION

(in millions of euro)	December 31, 2023	December 31, 2022
<b>Current financial assets</b>	<b>191.2</b>	<b>154.8</b>
Current financial liabilities	(4.7)	(21.0)
<b>Current net financial position</b>	<b>186.5</b>	<b>133.8</b>
Non-current financial assets	18.2	17.8
Non-current financial liabilities	(0.4)	(0.1)
<b>Non-current net financial position</b>	<b>17.8</b>	<b>17.7</b>
<b>Net financial position</b>	<b>204.3</b>	<b>151.5</b>

At December 31, 2023 the net financial position of Italmobiliare S.p.A. is showing an increase of 52.8 million euro, going from 151.5 million euro at December 31, 2022 to 204.3 million at December 31, 2023, allocated 43% to the Vontobel Fund, a multi-asset portfolio with a conservative risk profile in line with the Company's investment policies. Among the main outflows are: investments in private equity funds, net of redemptions (-25.2 million euro), investments in portfolio companies (-31.9 million euro), other investments (-7.8 million euro), overheads, taxes and incentive plans (-39.1 million euro). These outflows were more than offset by the sales of Florence InvestCo (+78.2 million euro), of Heidelberg Materials AG and other equity investments (+36.6 million euro), the repayment of capital by Sirap Gema and FT2 (+16.0 million euro) and the positive net flow between payment of the ordinary dividend and dividends received (+16.1 million euro). Lastly, cash management was positive, generating 9.5 million euro.

The composition of the "Net financial position" is shown in the notes to the separate financial statements in the section dedicated to IFRS 7.

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Note that the sale of the investment in AGN Energia was completed on February 28, 2024. Italmobiliare held a 32.02% stake in AGN Energia and realised 100 million euro from selling it, approximately 20% more than the latest valuation of its NAV, with a capital gain of around 40 million euro and a cash on cash return of 1.8x.

## RISKS AND UNCERTAINTIES

As in previous years, an integrated analysis of the main risk factors and related mitigation measures was again carried out in 2023. A number of analyses were performed, specifically:

- a quantitative analysis of the risk level and correlation among the various companies belonging of the Italmobiliare investment portfolio as a whole;
- analysis of risk factors specific to individual companies and widespread for the Group and related mitigation measures;
- a specific analysis to assess the actual exposure of the investment portfolio to the various geographical areas.

As regards the investment portfolio, an analysis of the main risks and trends of the Group made it possible to identify the most widespread and relevant issues as a whole and at the level of the individual portfolio companies and, for the priority risks and trends, to identify precise supervision/risk mitigation actions to be monitored over time.

### Holding Company risks

In the process of managing shareholdings and selecting further investments, particular attention was given to the analysis and management of risks, to sectoral diversification, also based on the acceleration of macro-trends, and to particular scrutiny of the aspects of technological evolution and sustainability of business models over time.

Italmobiliare S.p.A., directly and through its subsidiaries, carries out investment activities involving natural risks arising from the difficulty of identifying new investment opportunities that respond to its objectives, or difficulty in divesting, especially in non-listed companies.

The results of Italmobiliare S.p.A. also depend on:

- gains and losses on equity investments, if any, which characteristically are not of a periodical and/or recurring nature;
- consideration of dividends from non-controlling equity investments, whose distribution and payment policies are independent of the shareholder.

Consequently, business performance may not follow a linear and/or significantly comparable trend from one year to the next.

Italmobiliare S.p.A. also holds investments in listed securities. Exposure to this type of investment is part of following a core business as a long-term investor. Risk is monitored constantly; nevertheless, any significant contraction in the share prices of its equity investments could affect its financial position and results of operations.

Italmobiliare S.p.A. is active in a variety of segments and is therefore exposed to the risks typical of the markets and segments in which its investees operate.



## ESG and climate risks

In 2023, under the coordination of the Internal Audit Department, which is entrusted with risk management, and with the support of the Sustainability Department, the process of refining the ESG risk assessment continued, with particular attention to climate risk. The assessment adopts a precautionary approach, preferring to overestimate the risks in order to activate improvement processes that go well beyond mitigation. In fact, updating the risk assessment contributes to fuelling and refining the mitigation actions reflected in the budget or strategic planning and in the annual ESG Plans of the Holding and Portfolio Companies, transforming the risks, often intrinsic to the business segments, into opportunities and potential for value creation.

Italmobiliare S.p.A. is not subject to physical risks. However, two types of transition risks that are considered significant (with a medium-high risk rating) are legal risks connected to the obligations of transparency or information on the climate, and reputational risks, connected to the adequacy of communication on the commitment to fight climate change. Many mitigation measures have been activated, refined or integrated, including membership of the Science Based Targets initiative SBTi (March 2023), definition of the resulting decarbonisation strategy extended to the entire eligible investment portfolio, and continuous improvement in metrics and disclosure, in anticipation of the legal requirements.

For further details, please refer to the 2023 Sustainability Report.

## Financing risks

Access to the capital market and to other forms of financing, and related costs, depends on the company's creditworthiness and on general macro-financial conditions. Any downgrade in creditworthiness and/or a general credit squeeze can restrict access and raise the cost of borrowing, with negative repercussions on the financial position and results of operations of the company or its portfolio companies.

The liquidity of the equity and bond portfolio may be influenced by contingent market situations that reduce market variety and efficiency. The Group is committed to maintaining a high level of liquidity in its portfolio by diversifying investments, using financial instruments with systematic pricing, daily evaluation of resources using prudential approaches, and selection of counterparties on the basis of their creditworthiness and reliability. However, in the face of acute tensions and situations of market dislocation, which imply a significant contraction in trading volumes, there is no guarantee that it will be possible to divest as expected in terms of timing, methods and conditions. As part of the risk analysis and management process, the sustainability of the portfolio companies' debt, as well as their ability to generate cash, is constantly monitored by the Company, which makes specific interventions whenever necessary.

## Risks of fluctuation in interest and exchange rates

A significant portion of cash is invested in bonds: although the interest-rate risk is contained by low average duration, a rise in interest rates could have a negative impact on the value of the bond portfolio. There is limited exposure to currency risk: even though the exposure constitutes a factor in diversifying the overall NAV risk, sudden fluctuations in exchange rates could still have a negative impact on the Company's results.

## Legal and tax risks

Appropriate provisions have been made to cover legal risks, essentially connected to the risk of having to pay compensation to buyers following extraordinary operations for the sale of shareholdings, as well as fiscal risks that already exist and the economic effects related to them. Estimates and measurements are based on available information and are in any case regularly reviewed, with immediate recognition of any effects in the financial statements. Nonetheless, it is not possible to exclude future negative impacts connected with these risks on the financial positions and results of operations of Italmobiliare S.p.A. and/or of its subsidiaries and associates.

## INSURANCE

Italmobiliare S.p.A. has taken out policies with leading insurance providers to cover the main risks to people and property, as well as general third-party liability cover.

## ENVIRONMENT AND HUMAN RESOURCES

Given the nature of the Company, there are no significant environmental aspects worth mentioning.

At December 31, 2023, the Company employed 45 people, fewer than at the end of 2022.

## LITIGATION AND DISPUTES PENDING

A description of the main legal and tax disputes involving Italmobiliare S.p.A. is provided in the relevant section on page B68, to which you are referred.

## OUTLOOK

The business outlook for Italmobiliare S.p.A. is explained in the relevant section on page B70, to which you are referred.

## Caffè Borbone

(60% INTEREST)



### KEY FIGURES

(in millions of euro)	2023	2022	Change %
<b>Revenue and income</b>	<b>300.4</b>	<b>262.7</b>	<b>14.3</b>
<b>Gross operating profit (EBITDA)</b>	<b>79.7</b>	<b>65.8</b>	<b>21.0</b>
% of revenue	26.5	25.1	
Amortisation and depreciation	(11.5)	(11.0)	4.2
<b>Operating profit (EBIT)</b>	<b>68.2</b>	<b>54.8</b>	<b>24.4</b>
% of revenue	22.7	20.9	
Net finance income (costs)	(1.4)	(0.3)	>100
<b>Profit/(loss) before tax</b>	<b>66.8</b>	<b>54.5</b>	<b>22.5</b>
% of revenue	22.2	20.7	
Income tax	(18.8)	(15.7)	20.0
<b>Profit/(loss) for the period</b>	<b>48.0</b>	<b>38.8</b>	<b>23.6</b>
Cash flows from investing activities	10.2	11.8	

The figures in the table refer to Caffè Borbone S.r.l. and Caffè Borbone American Corp.

(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	387.2	369.4
Net financial position	17.1	(20.6)
Free Cash Flow	69.2	22.0
Employees (headcount) at the end of the year	304	279

2023 was a good year for Caffè Borbone. In addition to consolidating its market position in an extremely challenging context like Italy, the company managed to complete various projects in preparation for future growth both in Italy and abroad. In particular, please note that:

- During the first half of the year, the newco Caffè Borbone America Corp. (already established in 2022) became operational on the US market. For a total outlay of 2.3 million euro, of which 0.5 million euro deferred, the newco has acquired the assets it needs to start up the business from the previous company owned by third parties through which Caffè Borbone served the American market.
- The product range was further expanded with the launch in March of Crema Fredda Caffè, Borbone's first coffee-flavoured dessert. Crema Caffè, which won the 2023 New Entry Special Award in the coffee category at the Brands Awards, immediately achieved great success and in the second half of the year Caffè Borbone also launched a Hot version and a variant, Baileys Crema Caffè, in co-branding with the famous Irish liqueur. Another novelty is the MokaCiao, an innovative coffee pot dedicated to the pod, designed and created by Caffè Borbone. It is much more practical and quicker to use than traditional systems, offering a completely new consumption experience. A new K-cup line has also been launched, designed specifically for the American market and totally compostable, in line with the company's sustainable development strategy.
- On the commercial side, the organisation dedicated to the professional channel has been strengthened, with the addition of a new manager. Moreover, a new Modern Trade Department has been set up with the task of guiding future development in GDO (Large-Scale Retail Distribution) and GDE (Large-Scale Online Distribution).
- On the marketing side, the company has confirmed its long-standing partnerships with certain television programmes and has started new collaborations with *Stasera C'è Cattelan* (RAI) and *X Factor 2023* (SKY), two of the programmes that are most appreciated by young people. In September, the company also launched a new advertising campaign called "Everyday Heroes", which promotes coffee as a pleasure to be enjoyed every day, authentic, simple and for everyone. The campaign has been broadcast on the main national television channels as well as online.

Looking at the numbers, Caffè Borbone has closed 2023 with revenue of 300.4 million euro, 14% up on the previous year. The increase in revenue in Italy (+11%) is driven by Large-Scale Retail Trade, which grows by 28% on the same period of the previous year, an increase that is much higher than the average growth rate of the market (+12%, source: Nielsen). An excellent performance was also achieved by the digital channel, which includes direct e-commerce, Amazon and specialised portals, which grew by 32%; also worth mentioning is the launch of the new loyalty and subscription programmes on the company's website at the end of the year. Development of the foreign market also continues, with an increase of 59% on the previous year, including a good start on the part of direct management in America.

The gross operating profit comes to 79.7 million euro (+21%), with a margin on sales of 26.5%, an increase of 1 percentage point despite the fact that the cost of coffee remains very high (particularly that of Robusta, which represents the majority of the volumes purchased by the company) and investments in marketing and people in preparation for the company's development plan on the American market.

Net of amortisation and depreciation, slightly on the rise, operating profit came to 68.2 million euro, net of taxes of 18.8 million euro (compared with 15.7 million euro at December 31, 2022), leading to a profit for 2023 of 48.0 million euro.

The net financial position at December 31, 2023 is positive for 17.1 million euro, already net of the dividends of 30 million euro paid out in the second quarter. Neutralising the payment of dividends and the one-off impact of the asset acquisition in America, Free Cash Flow<sup>1</sup> in the period was positive for 69.2 million euro, confirming yet again the company's capacity for cash generation.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2023 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

## RISKS AND UNCERTAINTIES

The Caffè Borbone business is exposed to two main areas of risk and uncertainty: the trend in prices on the green coffee market and the competitive pressure on prices in outlet markets. The cost of raw materials, in particular, is posting record levels. Generally speaking, the green coffee market is highly volatile and subject to oscillations as a result of the strategies of large commodities investors, climate conditions in a specific year for a specific quality of bean, and geo-political conditions in the main producer countries. This increase in the price of green coffee beans is in any case less significant in the single-serve segment given the lower incidence on the cost of the finished product. On the other hand, the competition in the mono-portion segment will sooner or later lead to an increase in competitive pressure on prices and margins through aggressive pricing strategies by existing competitors or by new competitors entering the market. Management constantly monitors competitive dynamics on the markets where Caffè Borbone operates, and activates initiatives to support the distinctive value of its products and transfer it to consumers, also by strengthening the Caffè Borbone brand and the reorganisation of sales channels.

Exposure to climate risk in terms of physical risks is linked on the one hand to the fact of having a single production site, so with backup difficulties in the event of an extreme event that interrupts activity, and the supply of coffee on the other. The supply chain is heavily dependent on agricultural commodities (coffee in particular), which are intrinsically exposed to physical risk. The supply of green coffee comes from countries in tropical or sub-tropical areas, subject to significant events related to climate change. There are numerous mitigation initiatives: differentiation of countries of origin; purchase through qualified traders, also for the management of climate and ESG risks in general; purchase of increasing shares of ESG certified green coffee (30% in 2023, target 80% in 2026) also for the management of deforestation risk; involvement of green coffee traders/producers to promote more resilient agricultural practices. Even more important is the exposure to transition risks, particularly those connected to current or upcoming regulations with a focus on the climate and effects on direct or indirect operations (e.g. new EU Regulations in Deforestation and Packaging), those connected to the growing sensitivity of consumers and sales channels (large-scale retail) towards products with a low carbon footprint and those relating to the adequacy of communication on the commitment to fight climate change. Caffè Borbone has responded by joining the Science Based Targets initiative - SBTi (in January 2024) and starting to define an aligned decarbonisation strategy. Also relevant is the selection and involvement of suppliers of coffee and other production materials (filter paper, plastic, compostable plastic, paper and cardboard for packaging). Some strategic suppliers have already joined the SBTi. Design of the product (e.g. compostable pods and capsules) and packaging (predominantly FSC paper and cardboard mix) and of the product mix also aims to progressively reduce the carbon footprint. Lastly, the improvement of metrics and disclosure is continuous and progressive, in anticipation of legal requirements.

For further details, please refer to the 2023 Sustainability Report.

## SUSTAINABILITY

Caffè Borbone fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business. In 2023, Caffè Borbone joined the UN Global Compact, the most important global strategic corporate sustainability initiative. Attention to the management of internal social aspects ensures the protection of workers' health and the continuity of production activities, supporting the provision of training at all levels. In 2023, ISO 45001 certification of the health and safety management system was obtained. However, despite the professionalism and continuous efforts of all parties involved, four accidents at work took place. Since 2022, the Caivano plant has been using only electricity that is guaranteed as renewable. Moreover, in 2023 the new 500 kW photovoltaic system operated at full capacity, which helped to significantly reduce the need to purchase energy.

The partnership with the main coffee suppliers has been strengthened by progressive purchases of coffee lots (30% in 2023) certified for aspects relating to human and labour rights, the environment and business integrity. A social project in Uganda, a strategic country for Caffè Borbone, is continuing successfully. For the next five years, this project will promote female and youth empowerment of the many small coffee producers and improve their skills in the field of sustainable agriculture. In recognition of the sustainable approach that it has adopted, Caffè Borbone has again been given the Silver Sustainability Rating award by EcoVadis in 2023. Also of importance was obtaining the Legality Rating. Detailed qualitative and quantitative information on sustainable governance, social aspects and environmental initiatives of Caffè Borbone are explained in the Sustainability Report.

Lastly, it should be noted that, with a view to effectively dealing with possible increases and fluctuations in the cost of energy, which have been frequent and unpredictable in recent years, Caffè Borbone has signed a long-term agreement with Italgen for the fixed-price supply of renewable energy produced by a supply chain that is 100% made in Italy.

## HUMAN RESOURCES AND ORGANISATION

In 2023, the workforce grew by 25, going from 279 to 304 employees, mainly new hires for the commercial area.

## LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

## OUTLOOK

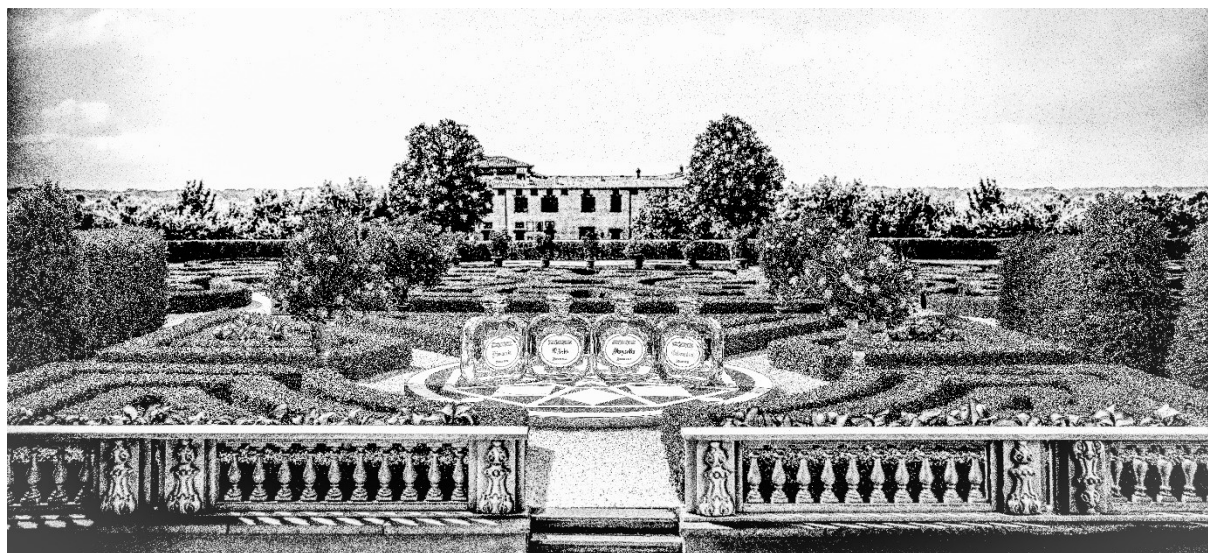
Thanks to the business initiatives mentioned previously, the further development of all sales channels and the growth abroad, the company plans to continue its development path in 2024 as well. These forecasts are corroborated by the good results recorded in the first few weeks of the current year and by the excellent order backlog.

In terms of margins, a further increase in the price of Robusta coffee was recorded in early 2024, reaching an all-time high. Management will continue to monitor trends in the cost of raw materials in general and of coffee in particular, reserving the right to increase the price list if necessary.



## Officina Profumo-Farmaceutica di Santa Maria Novella

(95% INTEREST  
THROUGH FT2 S.R.L.)



### KEY FIGURES

(in millions of euro)	2023	2022 (*)	Change %
<b>Revenue and income</b>	<b>56.2</b>	<b>46.6</b>	<b>20.5</b>
<b>Gross operating profit (EBITDA)</b>	<b>15.7</b>	<b>11.3</b>	<b>38.3</b>
% of revenue	28.0	24.4	
Amortisation and depreciation	(5.6)	(4.4)	27.2
<b>Operating profit (EBIT)</b>	<b>10.1</b>	<b>7.0</b>	<b>45.4</b>
% of revenue	18.0	14.9	
Net finance income (costs)	(0.5)	(0.3)	73.9
<b>Profit/(loss) before tax</b>	<b>9.6</b>	<b>6.7</b>	<b>44.0</b>
% of revenue	17.1	14.2	
Income tax	(3.1)	(1.8)	73.8
<b>Profit/(loss) for the period</b>	<b>6.5</b>	<b>4.9</b>	<b>33.0</b>
Cash flows from investing activities	16.0	4.1	

The figures refer to the consolidation of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. and its subsidiaries without including the vehicle FT2 S.r.l.

(\*) The 2022 figures have been restated excluding the contribution of the vehicle FT2 S.r.l. to allow their comparability.

(in millions of euro)	December 31, 2023	December 31, 2022 (*)
Total equity	171.3	165.0
Net financial position	(1.9)	5.8
Free Cash Flow	(1.2)	(0.9)
Employees (headcount) at the end of the year	242	187

2023 was a very good year for Officina Profumo-Farmaceutica di Santa Maria Novella, both in terms of financial results and in terms of strategic acquisitions and expansion of its stores. In particular, it should be noted that:

- In December, effective from January 2024, the acquisition of the distribution activities of Officina Profumo-Farmaceutica di Santa Maria Novella in Japan was completed. As part of this operation, 14 directly managed stores, the local e-commerce site and some physical and online dealers were taken over. As a result, Japan has become the first Asian market where the company is present with a dedicated branch and a direct distribution network.
- Please note that in the first quarter of the year, the acquisition of 100% of San Samuele S.r.l. was completed. This is the company that has an exclusive concession agreement to sell the products of Officina Profumo-Farmaceutica di Santa Maria Novella in the municipalities of Venice and Cortina d'Ampezzo. It also owns a shop in Venice. The acquisition aims to consolidate and develop directly the company's presence in two strategic locations, which look like being good growth opportunities.

The company's turnover amounts to 56.2 million euro, up by more than 20% on the previous year. Growth was driven by strategic product launches: in the fragrance category, *I Giardini Medicei*, the company's first Eau de Parfum collection, was launched in the first part of the year, achieving enormous success; in the cosmetics category, the positive trend continued with the launch of the *Idralia* line at the end of 2022 and the launch of the *Acqua di Rose* line at the beginning of 2023, both based on formulas with centuries of history behind them. At channel level, retail did extremely well, growing in all geographies thanks to a combination of new openings and a good performance by existing stores. Results are also improving for the wholesale channel and e-commerce.

Gross operating profit came to 15.7 million euro (+38%) with a 4 percentage point growth in margin compared with the previous year. This positive result was influenced by the increase in volumes and the mix of products, which allowed the company to continue investing in new direct stores, in expanding the team and its skills, and in marketing and branding activities with a global impact, but without diluting the company's overall profit margins.

Amortisation and depreciation was recorded for 5.6 million euro, with a rise of 27% compared with the previous year, mainly due to investments in new direct stores opened in Europe and the United States. Net of this item, the operating profit came to 10.1 million euro.

The 2023 profit is equal to 6.5 million euro, net of taxes of 3.1 million euro.

Investments during the period amounted to 16.0 million euro, an increase on the previous year due to the development of the retail channel. The new lease instalments stipulated during the period, in application of IFRS 16, have an impact of 8 million euro, while the other 8 million euro mainly refer to investments for the acquisition, renovation and setting up of the new stores.

At December 31, 2023, the net financial position showed borrowings of 1.9 million euro, negatively influenced by 19.2 million euro of lease liabilities for the rent of direct stores, accounted for in accordance with IFRS 16. Neutralising the effects of non-recurring transactions and IFRS 16, cash generation<sup>1</sup> is negative for 1.2 million euro, due to the investments made during the year and the increase in working capital to support the company's growth.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2023 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.



## RISKS AND UNCERTAINTIES

The company is exposed to risks associated with the high quality standards of products released for consumption. To mitigate this risk, accurate control procedures have been implemented, aimed at guaranteeing full compliance in terms of the safety and quality of all products.

Exposure to transition risks is potentially significant, in particular those connected to current or upcoming regulations with a focus on the climate and effects on direct or indirect assets (e.g. ETS for the supplies of high energy intensity materials such as glass, paper and plastic, EuDR and Packaging), those connected to the growing sensitivity of the markets towards products with a low carbon footprint and those relating to the adequacy of communication on the commitment to combat climate change.

For further details, please refer to the 2023 Sustainability Report.

## SUSTAINABILITY

Officina Profumo-Farmaceutica di Santa Maria Novella fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business. In 2023, Officina Profumo-Farmaceutica di Santa Maria Novella joined the UN Global Compact, the most important global strategic initiative for corporate sustainability.

Attention to the management of internal social aspects ensures the protection of workers' health and the continuity of production activities, supporting the provision of training at all levels. Four non-serious workplace accidents were recorded during 2023. In any case, Officina Profumo-Farmaceutica di Santa Maria Novella maintains high attention to risk management and has activated behavioural and training courses aimed at further improving the safety culture, also strengthening the internal resources allocated to running the production departments and HSEQ aspects. From 2021, the Florence plant used exclusively renewable electricity, derived from photovoltaic self-production and from the purchase of guarantee of origin certificates.

Moreover, it should be noted that, with a view to effectively dealing with possible increases and fluctuations in the cost of energy, which have been frequent and unpredictable in recent years, Officina Profumo-Farmaceutica di Santa Maria Novella has signed a long-term agreement with Italgas for the fixed-price supply of renewable energy produced by a supply chain that is 100% made in Italy.

Officina Profumo-Farmaceutica di Santa Maria Novella joined the Science Based Targets initiative - SBTi (in January 2024) and started to define an aligned decarbonisation strategy. Also of importance is the targeted involvement of some strategic suppliers (paper, glass), some of which have already started decarbonisation paths. New formulations that shorten the supply chain and the introduction of refills for some types of products are examples of initiatives aimed at progressively reducing the carbon footprint. Lastly, the improvement of metrics and disclosure is continuous and progressive, in anticipation of legal requirements.

Detailed qualitative and quantitative information on sustainable governance, social aspects and environmental initiatives of Officina Profumo-Farmaceutica di Santa Maria Novella are explained in the Sustainability Report.

## HUMAN RESOURCES AND ORGANISATION

In 2023, the workforce increased from 187 to 242 employees. This growth is due on the one hand to the opening of new stores with dedicated staff; on the other, investments continue to strengthen the team and introduce new skills within the company.

## LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In January the company appointed a new CEO and General Manager, Giovanna Paoloni, with 20 years of experience in leading companies in the luxury and retail sector.

## OUTLOOK

During 2024, Officina Profumo-Farmaceutica di Santa Maria Novella plans to continue the ambitious growth path it has started. In particular, an increase in sales is expected thanks to the results in Japan, a new country with direct management, and to the activation of new wholesale partners in Europe and Asia, who began collaborating with the company in 2023. Plans for the current year include the launch and development of new products to complete and expand the existing range on offer, as well as the adoption of solutions aimed at further reducing the carbon footprint in accordance with the long-term decarbonisation objectives taken on by the company.

## CDS - Casa della Salute

(84.73% INTEREST)



### KEY FIGURES

(in millions of euro)	2023	2022	Change %
<b>Revenue and income</b>	<b>42.8</b>	<b>32.5</b>	<b>31.8</b>
<b>Gross operating profit (EBITDA)</b>	<b>5.1</b>	<b>4.8</b>	<b>5.8</b>
% of revenue	11.8	14.7	
Amortisation and depreciation	(7.6)	(5.9)	28.0
<b>Operating profit (EBIT)</b>	<b>(2.5)</b>	<b>(1.1)</b>	<b>&gt;100</b>
% of revenue	(5.8)	(3.5)	
Net finance income (costs)	(2.6)	(1.1)	>100
<b>Profit/(loss) before tax</b>	<b>(5.1)</b>	<b>(2.2)</b>	<b>&gt;100</b>
% of revenue	(11.9)	(6.8)	
Income tax	1.4	0.5	>100
<b>Profit/(loss) for the period</b>	<b>(3.7)</b>	<b>(1.7)</b>	<b>&gt;100</b>
Cash flows from investing activities	50.4	20.0	

The figures in the table refer to the Casa della Salute Group, consisting of Casa della Salute S.p.A., BEA Biella S.p.A., Casa della Salute Sardegna S.r.l., CDS Medical S.r.l., D.O.G.M.A. S.r.l., PLV S.r.l. and SA.LU.COM. S.r.l.

(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	23.7	11.7
Net financial position	(66.3)	(44.5)
Free Cash Flow	(24.2)	(14.4)
Employees (headcount) at the end of the year	418	295

In 2023 CDS - Casa della Salute celebrated its first ten years of activity and continued its trajectory of growth and territorial expansion. In particular, it should be noted that:

- Seven new clinics have been opened, two in Piedmont (Asti, Arquata Scrivia) and five in Liguria (Lavagna, Genova Sestri Ponente, Sarzana, Sanremo and Cairo Montenotte). An additional sampling point was also inaugurated in Genoa.
- To further accelerate the company's trajectory, a process of inorganic growth was activated, with three acquisitions completed for a total outlay of more than 5 million euro. Specifically:
  - February saw the acquisition of Istituto Chiroterapic, a firm of excellence active for almost fifty years in the field of physiokinesitherapy and diagnostic imaging, with two clinics in Genoa and Rapallo.
  - The acquisition of Dogma, a Genoa-based company specialising in ophthalmology, was completed in May.
  - In November, CDS acquired two polyclinics in Piedmont in Savigliano (CN) and Vinovo (TO), which offer specialist visits and diagnostic imaging services. Following the acquisition, they will be renovated and equipped with the most modern and technologically advanced equipment and instruments, like all CDS - Casa della Salute health centres.
- During the year, the company gave a further boost to many communication and marketing initiatives, including the Medical Partnership with U.C. Sampdoria and Genoa CFC, which provides, among other things, that new members of the clubs carry out medical examinations in the CDS centres and that the company has high visibility during the home matches of the two clubs. The objective is to increase brand awareness of the company, as well as to communicate the mission of offering excellent healthcare, with the most advanced technologies and without long waiting lists, at affordable prices.
- The Group's corporate structure is still being revised. The process began in 2022 with the establishment of CDS Medical, a company 100% controlled by Casa della Salute and dedicated to the management of clinics accredited or in the process of being accredited with the National Health System. During 2023, CDS Medical expanded to twelve clinics compared with the three operated as of December 31, 2022.
- The company's management continued to be strengthened during the year, with the hiring of a person dedicated to managing the network of existing clinics and another person to manage the construction sites of the new clinics.

In total, between new openings and acquisitions, during 2023 CDS - Casa della Salute inaugurated twelve new facilities, which brings the total of the group's centres to twenty-six, of which 20 in Liguria (12 at the beginning of 2023) and 6 in Piedmont (2 at the beginning of 2023).

For Casa della Salute, 2023 closes with revenue of 42.8 million euro, 32% up compared on the previous year. Neutralising the impact of the new acquisitions and COVID-related activities carried out during 2022 (vaccines and swabs), growth is equal to 29%. Excluding the clinics opened during the three-year period 2021-2023, and therefore considering only the historical clinics, the like-for-like increase is 10%, an even more significant result if we consider that many of the new openings are located in Liguria. The growth curves shown by the new clinics is also very positive, confirming that the CDS model functions extremely well.

In terms of services, outpatient clinic activities and diagnostic services are still the main activities, with growth at above-average rates. Surgery is also growing (+42%), indeed it is becoming an increasingly strategic segment for the CDS group.

Gross operating profit comes to 5.1 million euro, a slight increase on the previous year, and includes 3.5 million of non-recurring costs to support growth. Neutralising these effects, the gross operating profit is equal to 8.6 million euro, up by 33% compared with the 6.5 million euro of 2022 (again net of non-recurring costs).

Amortisation and depreciation have risen to 7.6 million euro due to the investments made by the company for the new clinics.

The pre-tax result is negative for 5.1 million euro, affected by the non-recurring costs to support growth and by the fact that the recently opened clinics have not yet expressed their full potential.

The 2023 net result is negative for 3.7 million euro.

The net financial position as of December 31, 2023 is negative for 66.3 million euro, of which 33.9 are net of the impact of IFRS 16. If we neutralise the impact of the increases in capital (18.5 million euro) in the first nine months to service the company's growth and the acquisitions described in the introduction, free cash flow<sup>1</sup> is negative for 24.2 million euro, substantially explained by the investments made during the period (of 25.1 million euro) and largely relating to the works completed for the new clinics.

## RISKS AND UNCERTAINTIES

The company has an ambitious plan to open new clinics in Italy, but it is burdened by risks linked to possible delays in fulfilling the obligations of the Public Administration (e.g. receipt of information regarding the compatibility of the property's intended use with local town planning, or obtaining the necessary health authorisations). Such delays could cause a temporary financial imbalance due to the lengthening of the interval between making the investment and opening the clinic; management carefully monitors the company's liquidity position in close coordination with the equivalent structures of the Italmobiliare Group. With regard to new investments, on one hand, the company conducts preliminary analyses during new acquisitions aimed at addressing the physical impacts associated with the territory where the new structure is located. On the other hand, clinics located in multiple territories provide an additional element of mitigation.

Furthermore, due to the nature of the business, the company is exposed to the risk of possible computer attacks, which could lead to the disclosure of sensitive data on patients. This risk is particularly high for diagnostic/reporting systems and for systems managed by third parties. The company, which already has important security measures in place, is committed to continuously mitigating this risk through interventions to evaluate and strengthen its organisational and technological safeguards, also thanks to the entry of new dedicated figures in the digital/IT area. Lastly, Casa della Salute is committed to improving its recruiting process and implementing retention measures for its personnel, also with a view to supporting the ambitious development plan which requires a constant search for specialised professionals.

Casa della Salute has joined the Science Based Targets initiative - SBTi (January 2024), which will track the future evolution of its climate strategy.

For further details, please refer to the 2023 Sustainability Report.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2023 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

## SUSTAINABILITY

Casa della Salute fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business.

In 2023, Casa della Salute joined the UN Global Compact, the most important global strategic initiative for corporate sustainability.

Four accidents at work were recorded. In a context that is characterised by a high presence of internal and external staff, customers and patients, the quality control in terms of health and safety at all locations remains high, thanks to an intense audit programme and continuous training. The entire complex of Casa della Salute clinics has newly or recently installed heating and cooling systems with high levels of energy efficiency and, out of choice, powered exclusively by certified electricity from renewable sources.

The certification process as a BCorp is also underway.

Detailed qualitative and quantitative information on Casa della Salute's sustainable governance, social aspects and environmental initiatives are described in the Sustainability Report.

## HUMAN RESOURCES AND ORGANISATION

In 2022 the workforce grew from 295 to 418 employees, mainly linked to the new clinics that were opened during the financial year.

## LITIGATION AND DISPUTES PENDING

As indicated in the previous annual financial report, CDS Medical, a company of the Casa della Salute group, filed appeals with the Liguria Regional Administrative Court against resolutions of the Ligurian Health Authority and the Liguria Region. These concerned the allocation of public sector budgets for the purchase of diagnostic imaging services from accredited entities under an agreement with the Regional Health Service (RHS). CDS Medical considers the methods of assignment to be in contrast with the applicable legislation on the protection of free competition and the market, as well as the constitutional principles of good performance and impartiality of the Public Administration. The proceedings are underway before the Council of State following CDS Medical's appeal against the sentences of the Liguria Regional Administrative Court. At the same time, the company submitted a report to the Competition and Market Authority, which published on its website (bulletins nos. 14 of 11 April 2023 and 39 of 16 October 2023) an opinion and a report in which it reiterated, among other things, *"the need to remove obstacles to the implementation of a competitive system of agreements between private healthcare facilities and individual RHSs"*. In particular, according to the Authority it was necessary for *"the definition of the spending ceilings to be attributed to each affiliated healthcare facility to take place on the basis of the use, or at least the predominant use, of qualitative-performance criteria [...] rather than on the basis of historical turnover"*. Furthermore, it was essential *"to avoid the mechanism of extending existing contracts"* with the entities accredited for the provision of health services in agreement with the RHS – which is *"a source of anti-competitive effects as it is capable of crystallising the positions of individual operators and, therefore, the structure of the market"* – and *"therefore, to proceed with periodic selections of healthcare facilities, based on principles of non-discrimination and transparency."*

## OUTLOOK

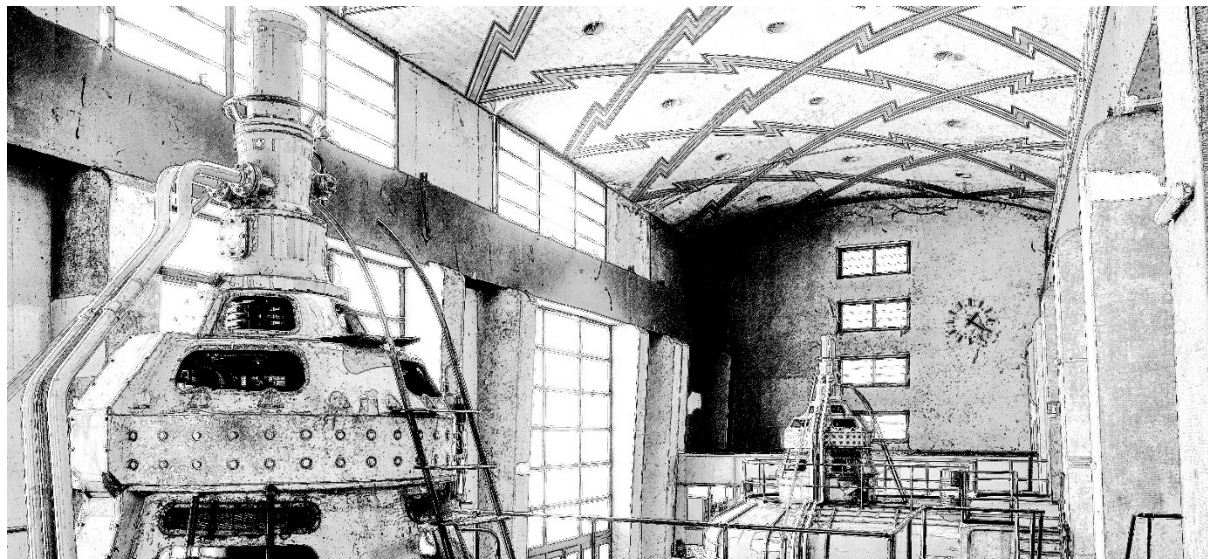
The company expects very significant growth in turnover during 2024, mainly thanks to the clinics which will start operating at full capacity, having not been able to express their full potential in 2023. Furthermore, the plan to open new clinics will also contribute to growth, with a focus on Piedmont and possible expansion to the regions of Sardinia, Valle d'Aosta and Lombardy.

In terms of margins, the company expects significant growth in the gross operating profit, linked to the increase and progressive scaling up of the business; again in 2024, the results will be weighed down by non-recurring costs, given the growth trajectory expected by the company.



## Italgen

(100% INTEREST)



### KEY FIGURES

(in millions of euro)	2023	2022	Change %
<b>Revenue and income</b>	<b>56.8</b>	<b>50.0</b>	<b>13.7</b>
<b>Gross operating profit (EBITDA)</b>	<b>12.6</b>	<b>9.8</b>	<b>29.0</b>
% of revenue	22.2	19.6	
Amortisation and depreciation	(6.2)	(6.3)	(1.6)
Impairment losses on non-current assets	0.0	0.0	
<b>Operating profit (EBIT)</b>	<b>6.4</b>	<b>3.5</b>	<b>82.9</b>
% of revenue	11.3	7.0	
Net finance income (costs)	(1.6)	(0.5)	>100
Share of profit (loss) of equity-accounted investees	(0.2)	2.7	>100
<b>Profit/(loss) before tax</b>	<b>4.6</b>	<b>5.7</b>	<b>(18.9)</b>
% of revenue	8.1	11.4	
Income tax	(1.5)	(0.8)	(84.0)
<b>Profit/(loss) for the period</b>	<b>3.1</b>	<b>4.9</b>	<b>(36.2)</b>
Cash flows from investing activities	16.6	9.9	

The figures in the table refer to the Italgen Group

n.s. not significant

(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	35.4	36.5
Net financial position	(34.4)	(29.6)
Free Cash Flow	(0.8)	(0.5)
Employees (headcount) at the end of the year	60	65

During 2023 Italgas continued its strategic plan to strengthen its position in the renewable energy sector and diversify production sources, in particular through the construction of new photovoltaic systems. Among the main initiatives launched during the year, it is worth mentioning that:

- In February, a new photovoltaic system (0.8 MW) built in Valdaro (MN) on the flat roof of Sisma's plant came into operation;
- In June, the largest photovoltaic project developed by Italgas to date was inaugurated in Modugno: this is a ground-based system built on what used to be an industrial area, so without new land consumption, composed of over ten thousand latest generation photovoltaic panels, total power of approximately 5.5 MW and an expected annual production of around 8.5 GWh;
- In July, a new 1.8 MW PV plant built with the help of the subsidiary Rovale S.r.l. came into operation on the roof of the Antonio Merloni Pressure Vessels plant in Matelica (MC).

Lastly, as part of a strategy of multi-year agreements with industrial counterparts, it should be remembered that during the first quarter of the year Italgas signed a long-term agreement with L'Oréal Italia for the supply of certified green energy.

During 2023, the Italgas Group's hydroelectric energy production came to 266.7 GWh, an increase compared with the 179.6 GWh of the previous year, but still lower than the historical average due to a first half of the year that suffered extreme drought.

In 2023 Italgas posted revenue of 56.8 million euro, up on the previous year. Neutralising the effect of pass-through revenue, as well as the impact of the Sostegni Ter Decree and the Price Cap legislation, normalised revenue increased by 2.2 million euro compared with the previous year, with the higher level of production partially offset by lower incentives; note that neither of these regulations got confirmed, so they did not have any impact on the second half of the year.

Gross operating profit amounts to 12.6 million euro. Normalising the impact of the Sostegni Ter/Price Cap rules, the gross operating profit for the period would be positive for 16.8 million euro. Returning to the figures, the growth of 2.8 million euro in gross operating profit compared with 2022 is explained by the increase in normalised revenue (+2.2 million euro) and the reduction in electricity buybacks (with a saving of 4.0 million euro compared with 2022, an extremely dry year), partially offset by the increase in regional rents (1.9 million euro) and by the increase in fixed costs to support the company's growth path.

Considering amortisation and depreciation of 6.2 million euro, the operating profit for the year came to 6.4 million euro, an increase of 83% compared with the previous year.

In 2023, the Italgas Group's profit came to 3.1 million euro, down compared with 2022, taking into account the lower performance achieved during the year by the equity-accounted investees and a penalising tax rate given the non-deductibility of the charges generated by the Support Decree and Price Cap.

The investments made during the period amounted to 16.6 million euro and mainly include the photovoltaic parks mentioned in the introduction and the project to revamp and increase the weight of the Cassiglio dam. This included removal of over 40 thousand cubic metres of sediment from the lake to restore its original storage capacity and improve the quality of the river ecosystem. Then there was the modernisation of the Olmo al Brembo hydroelectric power plant, with the installation of 3 new turbines which, when fully operational, will be able to deliver a total of 5.2 MW.

The net financial position of the Italgas Group at December 31, 2023 is negative for 34.4 million euro. Neutralising the dividends of 4.0 million euro paid in the second quarter, cash generation<sup>1</sup> was negative for 0.8 million euro. Considering the investments of 16.8 million euro made during the period, this result confirms the company's ability to generate cash, helped in 2023 by a reduction in working capital.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2023 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

## RISKS AND UNCERTAINTIES

The Group is exposed to uncertainties linked to the evolving regulatory context, which in 2023 saw the extension of Art.15-*bis* of the Sostegni *ter* Decree and the EU Price Cap, which then ceased to exist on June 30, 2023. Regulatory developments are carefully monitored by management in order to promptly identify market opportunities or threats.

The Italgas Group is exposed to both meteorological risks, linked to the volume of rainfall which in a single year can differ significantly from the historical average, with negative effects on production volumes, and to price risk. In recent years it has started a process of diversification of energy production sources. As far as price risk is concerned, the company has had a hedging strategy for some time, which involves the physical sale at a fixed price of a part of the expected production through the negotiation of forward contracts with wholesalers and industrial entities. The Vaprio, Mazzunno and Mezzoldo power plants (with installed power of 33 MW, out of a Group total of 75 MW) have an average annual nominal power of more than 3,000 kW and are therefore among the power plants subject to the regulations contained in the so-called "Simplification Decree" and the so-called "Competition Bill" definitively approved in 2022. It regulates the conditions of large-scale hydroelectric concessions and provides for tendering as a generalised method for awarding the concession upon expiry. While waiting for more precise indications from the legislator, the company has started in-depth discussions with the region to explain some specific aspects of Italgas's power plants, such as the fact that they own a network of power lines.

Attention remains regarding the exposure to physical risks of its assets in the value chain (ecosystem services), as hydroelectric production is highly dependent on the volume of rainfall. In fact, the assumption in the drafting of the business plan for the forecast of future rainfall is the average of the rainfall of the last five years, a low average compared with the ten years used in the past. The idea is to be more reactive so as to fully grasp the evolution linked to the dynamics of climate change. Physical risk is also mitigated thanks to the presence of multiple production sites. This is as a result of the timely maintenance of intake works, reservoirs and emergency facilities of the power plants, automation of operations with detection systems, video surveillance and remote control, and the differentiation of energy sources with significant development of photovoltaic projects, which are not exposed to this type of risk. On the other hand, Italgas is not exposed to significant transition risks, while maintaining continuous attention to technological trends in the sector. On the contrary, it positions itself as an enabler of the low carbon transition, confirmed by joining the Science Based Targets initiative - SBTi (in January 2024), which will guide the future evolution of the climate strategy.

For further details, please refer to the 2023 Sustainability Report.

## SUSTAINABILITY

Italgas fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business.

In 2023 Italgas joined the UN Global Compact, the most important global strategic initiative for corporate sustainability, and at the beginning of 2024 it formally signed the Women's Empowerment Principles, already referred to in the Code of Ethics.

Attention to the management of internal social aspects ensures the protection of workers' health and the continuity of production activities, supporting the provision of training at all levels. No accidents at work were recorded. Important recognition of Italgas's sustainable approach came from the ESG Gold Medal ratings of Ecovadis, Cerved and Cribis.

The certification process as a BCorp is also underway.

Detailed qualitative and quantitative information on Italgas's sustainable governance, social aspects and environmental initiatives are described in the Sustainability Report attached to this document.

## HUMAN RESOURCES AND ORGANISATION

At December 31, 2023 Italgen had 60 employees, 5 fewer than at December 31, 2022 as a result of contingent departures.

## LITIGATION AND DISPUTES PENDING

The main law suits currently pending concern disputes of an administrative nature with which Italgen has, over time: (i) contested the provisions issued by the Lombardy Region to regulate the continuation, under a provisional regime, of the concessions called "large derivations" of water for hydroelectric use even after the relevant deadline, to introduce "additional" fees for said provisional operation, review the fee calculation mechanism from fixed to "binomial", and provide for the monetisation of so-called "free energy"; as well as (ii) challenged the measures introduced by the Government, and regulated by ARERA, to deal with so-called "expensive energy" with the "Sostegni ter Decree" (art. 15-bis, DL 4/22, converted by Law 25/22) with the provision, for companies active in the energy sector, of a two-way refund mechanism on the price of electricity produced by certain types of renewable plants. For these various disputes, the company has set aside a risk fund equal to 100% of the potential liabilities.

## OUTLOOK

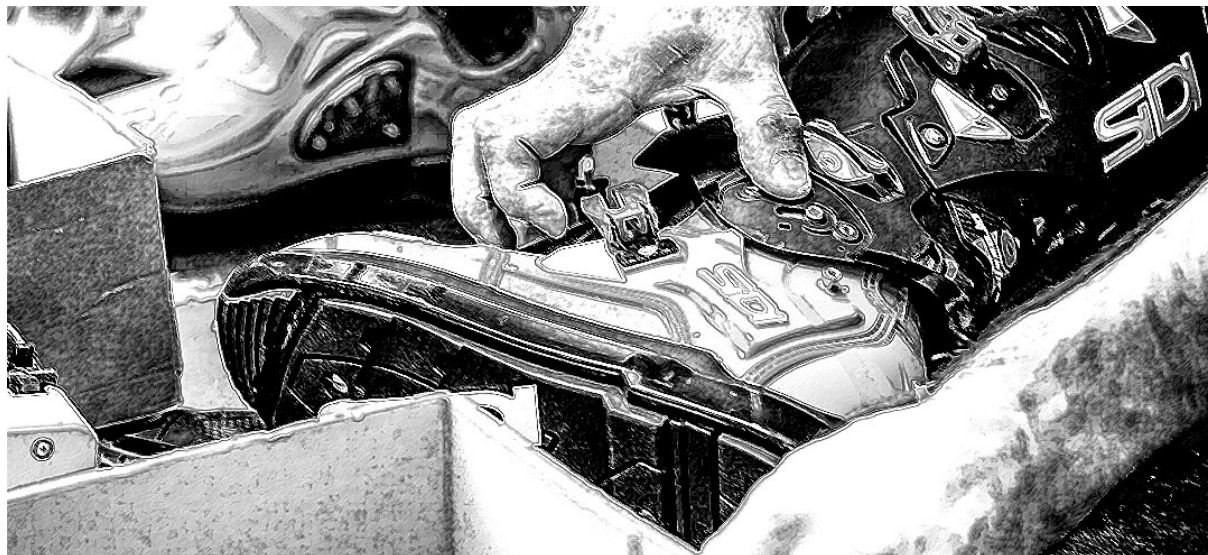
For 2024 the company expects the trend to improve compared with the previous year which, as mentioned in the previous paragraphs, was conditioned on the one hand by production below the historical average. The expectations of this increase are corroborated by the figures for the first few weeks of 2024. On the other, it has been penalised by the regulatory impact of the Sostegni ter Decree and the European price cap which subsequently ceased to exist on June 30, 2023.

In 2024 there remain the physiological uncertainty regarding the trend in rainfall and the uncertainties regarding prices, which already showed a slight decline in the first few months of the current year. The company continues to monitor markets carefully and has adopted strategies aimed at partially covering this risk.



## SIDI Sport

(100% INTEREST)



### KEY FIGURES

(in millions of euro)	2023 (*)	2022 (**)	Change %
<b>Revenue and income</b>	<b>23.8</b>	<b>33.2</b>	<b>(28.3)</b>
<b>Gross operating profit (EBITDA)</b>	<b>(2.7)</b>	<b>3.7</b>	<b>n.s.</b>
% of revenue	-11.3	11.2	
Amortisation and depreciation	(1.4)	(0.9)	55.6
Impairment losses on non-current assets	(1.2)	-	
<b>Operating profit (EBIT)</b>	<b>(5.3)</b>	<b>2.8</b>	<b>n.s.</b>
% of revenue	-22.4	8.5	
Net finance costs	(2.1)	(0.6)	
<b>Profit/(loss) before tax</b>	<b>(7.5)</b>	<b>2.2</b>	<b>n.s.</b>
% of revenue	-31.5	6.6	
Income tax	1.0	(0.7)	
<b>Profit/(loss) for the period</b>	<b>(6.5)</b>	<b>1.5</b>	<b>n.s.</b>
Cash flows from investing activities	1.2	87.1	

(\*) The income statement figures for 2023 are drawn up according to international accounting standards.

(\*\*) The 2022 income statement figures refer to the consolidation of SIDI Sport S.r.l. and La Sierra Scarpe S.r.l. and have not been consolidated with Italmobiliare. The figures have been prepared according to Italian accounting standards (ITA GAAP) and reclassified according to Group formats.

(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	62.9	52.5
Free Cash Flow	(6.3)	1.9
Net financial position	(10.6)	(19.7)
Employees (headcount) at the end of the year	259	273

Having joined the Italmobiliare Group at the end of 2022, in 2023 SIDI Sport was undergoing a reorganisation with a view to developing the brand's growth potential at an international level.

During the first year, a series of actions were implemented in order to integrate the company within the Italmobiliare Group. As part of the corporate reorganisation, with effect from October 25, 2023, FT4 S.r.l. - the newco through which the company was acquired - was absorbed by SIDI Sport S.r.l. through a reverse merger.

The company has invested in strengthening the management team and has launched numerous initiatives for business growth, through the consolidation of the commercial strategy, the development of new products and the launch of sustainability projects. During the first half of the year, the management team was completed with the entry of new professionals in the marketing, product, commercial and operations fields, all with consolidated experience gained within the cycling and/or motorcycling sector in international contexts.

Looking at the financial performance, SIDI closed 2023 with revenue of 23.8 million euro, down 28% compared with the previous year. This decline is mainly attributable to the slowdown of the entire cycling sector. Having had excellent results during the pandemic, it was affected during the year by excess stock at distributors. Given the situation, SIDI has been working on a new commercial strategy and on continuous development of the product range, both for the bicycle and motorbike segments, which together are already having a positive impact on the business.

At gross operating level, the result was negative for 2.7 million euro, lower than the previous year. If we neutralise the effects of prior-year expenses and non-recurring costs, the gross operating result is still negative for 0.5 million euro. This result is mainly attributable to the decline in revenue mentioned earlier, and impacted by the higher consulting costs for the development of the new models. Furthermore, during the year the company continued to invest in building a management team and in marketing activities to support growth. Among the initiatives to promote the brand, it should be noted that SIDI has taken part in various international events, the most important of which were EICMA and the Italian Bike Festival.

The item "Impairment losses on non-current assets" (equal to -1.2 million euro) relates to the write-down of the goodwill recognized by the company following verification of its recoverability through the impairment test carried out at December 31, 2023. Net of this adjustment and amortisation and depreciation of 1.4 million euro, the operating result is negative for 5.3 million euro.

Considering the finance costs for the period of 2.1 million euro, and positive taxes for 1.0 million euro, the loss for the year comes to 6.5 million euro.

The net financial position is negative for 10.6 million euro, which is affected by the lease liabilities relating to rents for offices and factories in Italy and Romania. Neutralising the payment towards a future increase in capital of 15 million euro made in favour of the company by the parent company Italmobiliare and the effects of applying IFRS 16, the generation of cash<sup>1</sup> is negative for 6.3 million euro, also due to the growth in net working capital linked to the increase in orders for the year 2024.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2023 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

## RISKS AND UNCERTAINTIES

As already highlighted, a contraction in demand has been recorded in the last two years - especially in the bike segment - due to the high stocks accumulated in all distribution channels to cope with the peak in orders during the pandemic. However, the outlook for 2024 shows signs of recovery.

The growing sensitivity of consumers towards issues of climate change and, more generally, towards the question of sustainability presents companies with new challenges and exposes them to possible critical issues. Ever since it joined the Italmobiliare group, SIDI has been integrating ESG principles into all areas of its business. In the coming months the company will take further important steps through membership of the Science Based Targets initiative (SBTi) – expected in early 2024 – and the alignment of metrics and disclosure in anticipation of legal requirements.

Furthermore, with a view to effectively dealing with possible increases and fluctuations in the cost of energy, which have been frequent and unpredictable in recent years, SIDI Sport has signed a long-term agreement with Italgen for the fixed-price supply of renewable energy produced by a supply chain that is 100% made in Italy.

For further details, please refer to the 2023 Sustainability Report.

## SUSTAINABILITY

SIDI Sport fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business. During 2023, SIDI Sport successfully completed the year of ESG "onboarding", which includes a series of activities codified by the Responsible Investment Policy of the Italmobiliare Group.

Furthermore, in 2023, SIDI Sport had already joined the UN Global Compact, the most important global strategic corporate sustainability initiative. There were no accidents at work during the year.

Detailed qualitative and quantitative information on sustainable governance, social aspects and environmental initiatives are described in the Sustainability Report.

## HUMAN RESOURCES AND ORGANISATION

In 2023 the workforce decreased from 273 to 259 employees, with a decrease of 14, mainly in the production sector.

## LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would need to be mentioned in this report.

## OUTLOOK

In a context of high uncertainty, characterised by the general contraction in demand, especially as regards the bike segment, the company is focusing on projects related to business development and to date it has achieved a good order backlog, which shows signs of recovery.

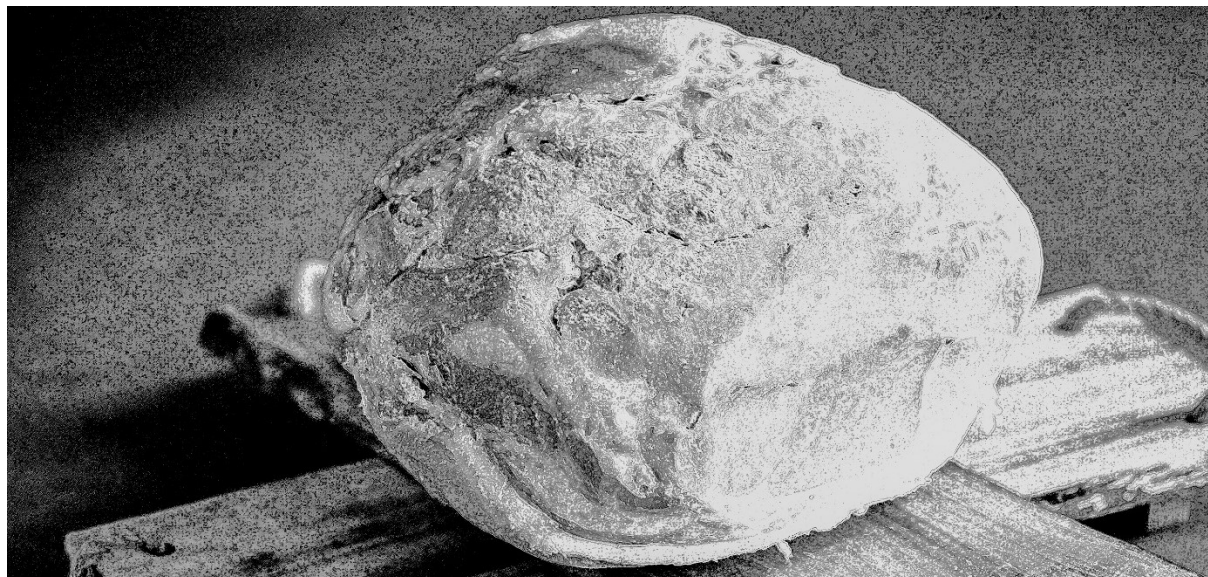
On the marketing side, the goal is to consolidate SIDI's positioning and improve brand awareness, further enhancing collaborations with some of the best riders and athletes in the world. At the same time, the commercial strategy will be reinforced, strengthening the existing channels and the brand's presence on the market.

On the product side, progress has already been made, with the inclusion of new models in the range, and planning for the 2025 bike and motorbike season has already begun. On the industrial front, efforts will be made to further streamline operations.



# Capitelli

(80% INTEREST)



## KEY FIGURES

(in millions of euro)	2023	2022	Change %
<b>Revenue and income</b>	<b>22.4</b>	<b>19.2</b>	<b>16.8</b>
<b>Gross operating profit (EBITDA)</b>	<b>3.5</b>	<b>2.8</b>	<b>24.6</b>
<i>% of revenue</i>	<i>15.4</i>	<i>14.5</i>	
Amortisation and depreciation	(1.1)	(1.0)	6.0
<b>Operating profit (EBIT)</b>	<b>2.4</b>	<b>1.7</b>	<b>35.6</b>
<i>% of revenue</i>	<i>10.6</i>	<i>9.1</i>	
Net finance income (costs)	(0.1)	(0.0)	n.s.
<b>Profit/(loss) before tax</b>	<b>2.3</b>	<b>1.7</b>	<b>36.4</b>
<i>% of revenue</i>	<i>10.5</i>	<i>9.0</i>	
Income tax	(0.6)	(0.4)	40.0
<b>Profit/(loss) for the period</b>	<b>1.7</b>	<b>1.3</b>	<b>35.1</b>
Cash flows from investing activities	1.3	0.6	

n.s. not significant

(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	17.4	17.2
Net financial position	0.0	(1.4)
Free Cash Flow	3.1	1.5
Employees (headcount) at the end of the year	42	45

During 2023 the company consolidated its growth path. More specifically:

- For the third year running, Capitelli's San Giovanni cooked ham was awarded the Top Italian Food seal by Gambero Rosso. This seal distinguishes a short list of products recognised as the best in their category within Top Italian Food 2024, Gambero Rosso's guide to the excellences of the best agri-food companies on the Italian peninsula.
- At the beginning of 2023, the first television commercial created by the company in its entire history was broadcast on the main national television channels.
- The gastronomic documentary "Capitelli Per Un Giorno", now in its second edition and broadcast on the company's social channels, was awarded the title as the "Best Co-Marketing Initiative" at the "Salumi&Consumi Awards 2023", awards given to companies within the Cibus Fair who have distinguished themselves in the conception and implementation of marketing and communication activities.

In 2023, Capitelli posted higher revenue, rising to 22.4 million euro, an increase of 16.8% compared with the same period of 2022, attributable equally to growth in volumes and the rise in prices. The growth in volumes (+8%) is particularly positive considering that in the first nine months of 2023 the Italian pork market saw a decline in sales volumes of 3.4% (source: ISMEA). It should be noted that the temporary difficulty encountered in September following the spread of swine fever in the Pavia area eased in the following months, so much so that growth of 20% was achieved in the last quarter. With specific reference to the various distribution channels, a positive trend was recorded in Large-Scale Retail sales (+24%), which grew at above-average rates, representing approximately 60% of the company's turnover. Analysing the products, San Giovanni cooked ham continues to be the company's key product, with growth of 22% on 2022.

The gross operating profit was 3.5 million euro, up by 25% compared with last year. The margin on revenue has increased by 1 percentage point. This result, although positive, is still lower than the company's historical levels due to the high cost of pork. Today it is at an all-time high (6.09 euro/kilo). The price of pork has increased by 11% compared with 2022, which had already posted a high level, and it is 31% higher than the average for the last ten years<sup>1</sup>. Gross operating profit includes non-recurring costs of 0.3 million euro, mainly attributable to the first advertising campaign mentioned in the introduction; neutralising this effect, the gross operating profit comes to 3.8 million euro.

After amortisation and depreciation, which were more or less constant, the operating profit (EBIT) came to 2.4 million euro.

Capitelli's net profit is equal to 1.7 million euro, net of taxes equal to 0.6 million euro, up 35% compared with the previous year.

The net financial position at December 31, 2023 was zero, net of dividends of 1.5 million euro paid during the year; not taking them into consideration, cash generation<sup>2</sup> during the period was positive for 3.1 million euro, which once again confirms the company's ability to generate cash.

1. CUN national price list for fresh pork leg 13-16 kg; 10-year average 2014-2023.

2. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2023 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

## RISKS AND UNCERTAINTIES

The main risk for Capitelli undoubtedly concerns the procurement of pork meat, its raw material, both in terms of cost and in terms of quality, a situation that has got worse following the outbreak of cases of swine fever in Italy, though limited to the Pavia area. This has had a direct effect on the availability of pigs, and an indirect effect in terms of further volatility in the cost of the raw material, which has increased even more.

These two factors have pushed up the price of pork. The company has put a number of specific measures in place to counter these risks. The most important undoubtedly concerns the creation and progressive strengthening of a supply chain dedicated to Capitelli. Indeed, the company already guarantees a safe and certified source of supply for a significant percentage of the company's production through partnerships with breeders and slaughterhouses.

Capitelli invests continuously in process improvements in order to guarantee the excellence of its products and in 2023 it obtained IFS certification for the quality and traceability of its food output.

The production site, unique and therefore with no easy backup in the event of an extreme event that interrupts the activity, is exposed to physical risk. The maintenance and improvement of the plant's adaptation measures are the most effective type of mitigation that has been implemented. The supply chain is highly dependent on farmed commodities (pork), which are exposed - especially in the warmer seasons - to the risk of insufficient nutrition for the quality standards that are needed. The most relevant mitigation initiative is the launch of the Capital Supply Chain, which promotes animal welfare, resilient farming practices, entrepreneurial culture and financial support. Even more important is the exposure to transition risks, particularly those connected to regulations in force or being adopted with a focus on the climate and effects on direct or indirect operations (e.g. packaging), those connected to the growing sensitivity of consumers and sales channels (large-scale retail) towards products with a low carbon footprint and those relating to the adequacy of communication on the commitment to fight climate change. Capitelli responds by joining the Science Based Targets initiative - SBTi (January 2024) and starting to define an aligned decarbonisation strategy, also through the selection and growing involvement of suppliers (e.g. packaging). Lastly, the improvement of metrics and disclosure is continuous and progressive, in anticipation of legal requirements. With a view to effectively dealing with possible increases and fluctuations in the cost of energy, which have been frequent and unpredictable in recent years, Capitelli has signed a long-term agreement with Italgas for the fixed-price supply of renewable energy produced by a supply chain that is 100% made in Italy.

For further details, please refer to the 2023 Sustainability Report.

## SUSTAINABILITY

Capitelli fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business. In 2023, Capitelli joined the UN Global Compact, the most important global strategic corporate sustainability initiative. In 2023, two accidents occurred at work. Capitelli continues to implement a methodological approach aimed at creating a full culture of safety. Since 2022, Capitelli has been using exclusively renewable electricity, self-produced or purchased with guarantees of origin, in further evolution as already mentioned in the previous paragraph.

The fulcrum of the strategic programme of sustainable development and emissions reduction is the agreement reached with Italgas for the construction of a photovoltaic park adjacent to the Capitelli factory with approximately 4 MW of power. The new plant, which is expected to come into operation in the first few months of 2025, will make it possible to satisfy most of the company's electricity and heating needs.

Detailed qualitative and quantitative information on Capitelli's sustainable governance, social aspects and environmental initiatives are described in the Sustainability Report.

## HUMAN RESOURCES AND ORGANISATION

As of 31 December 2023, the number of Capitelli employees was 42, substantially in line with the end of 2022.

## LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

## OUTLOOK

The first months of 2024 confirmed the company's expectations of volume growth; in terms of profitability, the company monitors the price trend of the raw material, which has also posted very high figures in the first few weeks of 2024.

# Callmewine

(80% INTEREST  
THROUGH FT3 S.r.l.)



## KEY FIGURES

(in millions of euro)	2023	2022(*)	Change %
<b>Revenue and income</b>	<b>13.5</b>	<b>16.2</b>	<b>(16.5)</b>
<b>Gross operating profit (EBITDA)</b>	<b>(1.8)</b>	<b>(1.6)</b>	<b>n.s.</b>
% of revenue	(13.3)	(9.7)	
Amortisation and depreciation	(0.5)	(0.1)	
Impairment losses on non-current assets	0.0		
<b>Operating profit (EBIT)</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>37.2</b>
% of revenue	(17.0)	(10.5)	61.1
Net finance income (costs)	0.0	0.0	
<b>Profit/(loss) before tax</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>37.2</b>
% of revenue	(17.0)	(10.6)	
Income tax	0.6	0.4	59.5
<b>Profit/(loss) for the period</b>	<b>(1.7)</b>	<b>(1.3)</b>	<b>30.1</b>
Cash flows from investing activities	1.2	0.4	

The figures refer to the consolidation of Callmewine and Callmewine UK and do not include the vehicle FT3 S.r.l.

(\*) The 2022 figures have been restated to exclude the contribution of the vehicle FT3 S.r.l. to allow their comparability.

(in millions of euro)	December 31, 2023	December 31, 2022 (*)
Total equity	1.0	2.8
Net financial position	(1.1)	1.1
Free Cash Flow	(2.2)	(2.4)
Employees (headcount) at the end of the year	23	21



During the year, Callmewine continued its growth path both on the national market, through ongoing development of its digital platforms and marketing activities, and abroad. In particular, it should be noted that:

- In the first quarter of the year the company entered the UK through the newly established Callmewine UK Limited and the launch of the callmewine.co.uk portal. Great Britain is the first foreign market where the company is present with a warehouse and a dedicated product catalogue, made up of a selection of more than 800 labels.
- Strengthening of the product range continues, consistently with the overall "Personal Sommelier" positioning. In particular, during the year there was an acceleration along two strategic lines; on the one hand, the product portfolio distributed exclusively online, which has now reached 600 labels. On the other, the higher presence of international wines selected by the company's sommeliers, with a particular focus on France and Spain.
- During the course of the year, the new web portal and the new Callmewine app were launched; the new digital ecosystem integrates the most innovative User Experience and User Interface technologies with the contents produced by Callmewine's personal sommeliers.
- The company continued its sustainable development. In 2023 it became one of the first Italian carbon neutral e-commerce portals, a result made possible by the combined effect of various measures to reduce direct and indirect CO<sub>2</sub> emissions and by purchasing CO<sub>2</sub> credits to offset the company's entire carbon footprint for the two-year period 2023-24. Still in the ESG field, in October Callmewine organised a conference on sustainability in the wine supply chain aimed at suppliers, producers and experts in collaboration with the University of Gastronomic Sciences of Pollenzo.

Callmewine closed 2023 with revenue of 13.5 million euro, down 16% compared with 16.2 million in 2022. This contraction is attributable to a generalised slowdown in the market of pure e-commerce players linked to wine, which was affected by: the normalisation of online wine orders after the exponential growth recorded during the pandemic period, the decline in discretionary consumption linked to the less than brilliant phase of the macroeconomic cycle. In such a challenging context, comforting indications come from analysing CAGR, which from 2019 to the present day is showing growth of 21%, confirming the company's development trajectory. The comparison between 2023 and 2020, the year that benefited from the lock-down during the pandemic, with growth of 11%, is also positive.

At gross operating level, the result was negative for 1.8 million euro, slightly lower than the previous year. Despite the difficult macroeconomic context, the company has been able to keep product margins substantially stable, while sales margins are contracting mainly due to the increase in logistics costs, which has had repercussions on the entire sector.

Taking into account depreciation and amortisation of 0.5 million euro, which is growing on the previous year, the operating result is negative for 2.3 million euro.

Taxes are positive for 0.6 million euro due to the effect of joining the Italmobiliare Group's tax consolidation. The net loss for 2023 therefore comes to 1.7 million euro.

Investments of 1.2 million euro made during the year mainly refer to the development of the digital platforms mentioned in the introduction.

The net financial position at December 31, 2023 is negative for 1.1 million euro, with cash generation<sup>1</sup> in the period negative for 2.2 million euro, an improvement on the previous year thanks to greater efficiency in warehouse management.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2023 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

## RISKS AND UNCERTAINTIES

The current macroeconomic context is changing the business dynamics in which the company operates and has generated a contraction in consumption by customers; these aspects expose the company to the risk of reduced demand and a consequent decline in sales. Market fragmentation also makes the company exposed to price competition, plus the fact that it is fairly easy for competitors to replicate products, particularly at the lower end of the price range.

To face the risk of a market with these characteristics, Callmewine has implemented numerous initiatives (including the exclusive products mentioned in the introduction), with a view to strengthening brand awareness and achieving a distinctive positioning, becoming one of the market leaders over time.

Exposure to physical risks concerns the supply chain, which is heavily dependent on agricultural commodities (wine), which are intrinsically exposed to climate risk. Geographical distribution, differentiation of wine suppliers and their involvement in promoting more resilient agricultural practices are the most significant mitigation initiatives that have been activated.

Even more important is the exposure to transition risks, particularly those connected to current or upcoming regulations with a focus on the climate and effects on direct or indirect operations (e.g. packaging), those connected to the growing sensitivity of consumers towards products with a low carbon footprint. Callmewine has responded by joining the Science Based Targets initiative - SBTi (in January 2024) and implementing a decarbonisation strategy which also involves the involvement and awareness of suppliers. It is worth highlighting that the company has already achieved carbon neutrality for at least the two-year period 2023-2024 thanks to the combined effect of the many actions launched to reduce direct and indirect CO<sub>2</sub> emissions and the purchase of verified CO<sub>2</sub> credits to offset the rest. Lastly, the improvement of metrics and disclosure is continuous and progressive, in anticipation of legal requirements.

For further details, please refer to the 2023 Sustainability Report.

## SUSTAINABILITY

Callmewine fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business. In 2023, Callmewine joined the UN Global Compact, the most important global strategic initiative for corporate sustainability. There were no accidents at work during the year.

Detailed qualitative and quantitative information on sustainable governance, social aspects and environmental initiatives are described in the Sustainability Report.

## HUMAN RESOURCES AND ORGANISATION

In 2023, the workforce grew from 21 to 23 employees, with an increase in the headcount of 2 employees.

## LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.



## OUTLOOK

The Company has implemented various initiatives to prepare for future growth: for example, the launch of the new website, which being more effective will translate into greater end customer satisfaction in the medium term, or the launch of Callmewine UK. However, the market uncertainty that has characterised recent years will also have repercussions on 2024. In terms of margins, the company expects an improvement on the 2023 result, even if a negative result in absolute terms is also expected in 2024.

## Tecnica Group

(40% INTEREST)



### KEY FIGURES

(in millions of euro)	2023	2022 (*)	Change %
<b>Revenue and income</b>	<b>540.3</b>	<b>561.0</b>	<b>(3.7)</b>
<b>Gross operating profit (EBITDA)</b>	<b>84.1</b>	<b>94.5</b>	<b>(11.0)</b>
<i>% of revenue</i>	15.6	16.8	
Amortisation and depreciation	(24.2)	(22.7)	6.6
<b>Operating profit (EBIT)</b>	<b>59.9</b>	<b>71.8</b>	<b>(16.6)</b>
<i>% of revenue</i>	11.1	12.8	
Net finance income (costs)	(16.9)	(10.3)	>100%
Share of profit (loss) of equity-accounted investees	(2.8)	(0.8)	>100%
Non-recurring charges	(4.2)	(2.5)	
<b>Profit/(loss) before tax</b>	<b>36.0</b>	<b>58.2</b>	<b>(38.1)</b>
<i>% of revenue</i>	6.7	10.4	
Income tax	(9.8)	(13.4)	(26.9)
<b>Profit/(loss) for the period</b>	<b>26.2</b>	<b>44.8</b>	<b>(41.5)</b>
Cash flows from investing activities	38.5	27.7	39.0

(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	151.8	137.4
Equity attributable to owners of the parent company	121.5	109.0
Net financial position	(156.0)	(139.3)
Free Cash Flow	(7.3)	(5.9)
Employees (headcount) at the end of the year	3,829	3,891

The Tecnica Group has closed 2023 with revenue of 540.3 million euro, a slight contraction (-3.7%) on the previous year. Looking at the individual business areas, the performances of the winter brands are good, driven by Moon Boot, which has given further impetus to its multi-year growth plan. LOWA slowed down in the last quarter, closing the year with a slight contraction compared with 2022. Rollerblade, after the significant growth recorded in the previous three years, when the entire inline skate sector benefited from a strong increase in consumption, is contracting and is going back to pre-pandemic levels.

The Group's gross operating profit amounted to 84.1 million euro, down by 11% on the previous year. 2023 was an important year of planning for the company: on the one hand, LOWA celebrated its first centenary, which required extra investment in marketing; and on the other, the Tecnica Group started a project of digital transformation, already mentioned in previous reports, which has had a massive roll-out with impacts on the productivity of its footwear factories. Neutralising the combined effect of these two situations, which led to non-recurring costs of 7.1 million euro, the gross operating profit came to 91.2 million euro, with a slight increase in margins compared with the previous year.

Depreciation and amortisation amounted to 24.2 million euro, slightly up on the previous year. The operating profit came to 59.9 million euro.

Financial income and expenses were negative for 16.9 million euro, up on the previous year, mainly due to the exchange rate effect.

The consolidated profit of the Tecnica Group in 2023 was 26.2 million euro, decreasing due to the effects of the above matters.

Investments amounted to 38.5 million euro (of which 4.8 million attributable to the application of IFRS 16), an increase on the previous year due to the investments in support of the digital transformation project, the improvement of production plants and the construction of the photovoltaic system.

At December 31, 2023, the net financial position of the Tecnica Group showed borrowings of 156.0 million euro. Neutralising the effects of applying IFRS 16 and the distribution of dividends for 10.0 million euro, free cash flow<sup>1</sup> was negative for 7.3 million euro due to seasonality and the trend in working capital.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2023 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

## RISKS AND UNCERTAINTIES

The Tecnica Group operates in a business that is influenced to a considerable extent by macroeconomic trends and consumption. Therefore the company continues to work to strengthen and consolidate the positioning of its brands in high-potential strategic markets. As mentioned in previous reports, the Tecnica Group has located part of its production of winter sports brands in Ukraine and owns a factory in Chop, a city on the border with Slovakia and Hungary. To date, the situation remains stable and production is regular.

Exposure to both acute and chronic physical risks is considerable for the winter sports segment due to the effects of global warming on snowfall, which create volatility in demand. The exposure to transition risks is of a certain importance for those connected to current or upcoming regulations with a focus on the climate and effects on direct or indirect operations (e.g. CSRD for the transparency requirements, ETS for the supply of high-energy intensity materials such as metals, plastic, carbon fibre and packaging), those connected to the growing sensitivity of markets towards products with a low carbon footprint and those relating to the adequacy of communication on the commitment to fight climate change. The risks identified helped to confirm the mitigation initiatives already in progress or to define additional action plans to deal with the transition in the best way possible, transforming risks into business opportunities.

In the broader risk management programme, the Tecnica Group sustainability strategy takes on considerable importance. It permeates and inspires the company's industrial, production and commercial decisions, taking into consideration the environmental challenges, internal social and market dynamics and the approach adopted for business integrity.

In this sense, the fact that the Tecnica Group has joined the UN Global Compact, the largest strategic corporate responsibility initiative in the world, is particularly important. The improvement of metrics and disclosure continues, in anticipation of legal requirements.

For further details, please refer to the 2023 Sustainability Report.

## MAIN DISPUTES IN PROGRESS

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

## HUMAN RESOURCES AND ORGANISATION

In 2023 the workforce decreased from 3,891 to 3,829 people.

## OUTLOOK

2024 will be a challenging year for the company, winter sports brands will have to maintain a growth trajectory and to this end continuous investments in marketing are expected. LOWA, in particular, has launched multiple development projects in the commercial, digital and product fields which should start showing results during the year.

At the same time, the most critical phases of the digital transformation project will come to an end in 2024 and positive transversal impacts on all brands are expected from this.

## AGN Energia

(32.02% INTEREST)



### KEY FIGURES

(in millions of euro)	September 30, 2023*
<b>Revenue and income</b>	<b>434.2</b>
<b>Gross operating profit (EBITDA)</b>	<b>42.2</b>
<i>% of revenue</i>	9.7
<b>Operating profit (EBIT)</b>	<b>22.9</b>
<i>% of revenue</i>	5.3
Net finance income (costs)	(0.3)
<b>Profit/(loss) before tax</b>	<b>22.6</b>
<i>% of revenue</i>	0.1
Income tax	(5.4)
<b>Profit/(loss) for the period</b>	<b>17.2</b>

(in millions of euro)	September 30, 2023*
Net financial position	(67.0)

\* The figures shown here as included in the scope of consolidation relate to September 30, 2023.

On February 28, 2024, Italmobiliare sold its 32.02% interest in AGN Energia. On completion of the sale, Italmobiliare received 100 million euro, with a capital gain of approximately 40 million euro and a cash-on-cash return of 1.8x.

Italmobiliare has accompanied AGN Energia over the last few years, giving a boost to the process of development that has made it possible to consolidate the company's leadership in the LPG business, responding to the challenges of the energy transition and becoming an energy multi-utility. AGN Energia has made a significant leap in size and has been able to maximise the benefits and synergies of this growth thanks to the evolution of its governance and a growing managerialisation of all company functions. A success story that demonstrates the great growth potential of Italian companies. It is also representative of the role that Italmobiliare can play in supporting excellent mid caps.

At an accounting level, the figures shown here are as of September 30, 2023. They have already been commented on in the previous report and are included in the Italmobiliare consolidation, as at the closing date AGN Energia had not yet approved its financial statements for 2023.

As of September 30, 2023, the AGN Energia Group recorded revenue of 434.2 million euro and a gross operating profit of 42.2 million euro. If we neutralise the capital gain generated by the sale of the gas bottle business and other non-recurring costs, this figure comes to 38.6 million euro, which is an improvement of 3.6 million euro (+10%) on the same period of the previous year.

At September 30, 2023, the net financial position of AGN Energia is negative for 67.0 million euro.



## Iseo

(39.246% INTEREST)



## KEY FIGURES

(in millions of euro)	2023	2022	Change %
<b>Revenue and income</b>	<b>159.7</b>	<b>163.3</b>	<b>(2.2)</b>
<b>Gross operating profit (EBITDA)</b>	<b>16.9</b>	<b>20.5</b>	<b>(17.8)</b>
% of revenue	10.6	12.6	
Amortisation and depreciation	(7.7)	(7.9)	n.s.
<b>Operating profit (EBIT)</b>	<b>9.2</b>	<b>12.6</b>	<b>(27.0)</b>
% of revenue	5.8	7.7	
Net finance income (costs)	(2.5)	0.5	n.s.
<b>Profit/(loss) before tax</b>	<b>6.7</b>	<b>13.1</b>	<b>(49.0)</b>
% of revenue	4.2	8.0	
Income tax	(2.5)	(3.0)	n.s.
<b>Profit/(loss) for the period</b>	<b>4.2</b>	<b>10.1</b>	<b>(58.9)</b>
Cash flows from investing activities	13.8	12.0	

The figures in the table refer to the Iseo Group.

(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	71.6	72.7
Equity attributable to owners of the parent company	68.9	70.1
Net financial position	(43.4)	(38.8)
Free Cash Flow	2.1	(10.1)
Employees (headcount) at the end of the year	1,101	1,156



During 2023, the Iseo Group continued along the development path outlined by management. That essentially involves expanding the electronic business, which is strategic for the Group. Among the main events of the year, the following should be remembered:

- The reorganisation of the Supply Chain, with the creation of a new logistics hub in the immediate vicinity of Pisogne with a warehouse of approximately 4,000 m<sup>2</sup> of surface area, almost double the size of the previous one.
- The finalisation of some important contracts, including the one for the three-year supply of mechanical and electronic smart solutions for access management to approximately 18 thousand sites in Europe of Vantage Towers, one of the main European tower operators.
- Participation in some of the main trade fairs in the sector, including SicherheitsExpo in Munich, SantExpo in Paris, Salone del Mobile in Milan and MIPI in Cannes to support ISEO brand awareness and development of the electronic business.
- Completion of the first phase of the IT project relating to implementation of the new ERP (Enterprise Resource Planning) to optimise the management of business activities, operational in Italy from January 2024 with the plan to adopt it, according to a predefined roll-out programme, in the other European countries over the next few years.

Looking at the numbers, 2023 closed with a turnover of 159.7 million euro, a decrease of 2%. With reference to the individual sectors, there was a decline in the mechanical segment (-4%), attributable to the economic downturn in the market compared with the positive trend of 2022; on the other hand, the "connected" products sector is growing by 11% with interesting prospects for the next few years. At the channel level, there was a considerable slowdown in the OEM, while the professional channel, which is predominant for the company, turned in good growth compared with the previous year.

Gross operating profit for the period came to 16.9 million euro, down by 18%. This result was conditioned for more than 2 million euro by the important investments in the recruitment of commercial staff in preparation for future growth in the access control segment linked to the recent acquisition of Sofia. The industrial margin is constant, even if it suffers from a higher incidence of industrial fixed costs due to the contraction in mechanical volumes. In addition, the fixed costs to support the IT project mentioned in the introduction affect the organisation's structural costs.

Net of depreciation and amortisation of 7.7 million euro, more or less stable compared with 2022, the operating result came to 9.2 million euro.

Finance costs are negative for 2.5 million euro: the increase is due on the one hand to the growth in interest expense and on the other to the positive impact in 2022 of 0.8 million euro relating to the fair value of IRS derivative contracts of the parent company.

The net result for the period amounted to 4.2 million euro, down on 10.1 million euro in 2022.

Investments in the period amounted to 13.8 million euro, an increase on the previous year, partly due to the investments for the digitalisation process.

At December 31, 2023 Iseo's net financial position was negative for 43.4 million euro, net of the 5.0 million euro of dividends paid in the course of the year. Cash generation during the period<sup>1</sup> is positive for 2.1 million euro, despite the significant flow of investments in the period.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2023 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

## RISKS AND UNCERTAINTIES

The exposure to transition risks is important for those connected to current or upcoming regulations with a focus on the climate and effects on direct or indirect operations (e.g. CSRD for the transparency requirements, ETS for the supply of high-energy intensity materials such as metals), those connected to the growing sensitivity of B2B markets towards products with a low carbon footprint and those relating to the adequacy of communication on the commitment to fight climate change. The risks identified helped to confirm the mitigation initiatives in progress or to define additional action plans to deal with the transition in the best way possible, transforming risks into business opportunities. In this sense, Iseo is considering joining the UN Global Compact, the largest strategic corporate responsibility initiative in the world, and the Science Based Targets initiative (SBTi), as methodological support for structuring the decarbonisation path. The improvement of metrics and disclosure continues, in anticipation of legal requirements.

For further details, please refer to the 2023 Sustainability Report.

## LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

## HUMAN RESOURCES AND ORGANISATION

In 2023, the workforce decreased by 55 person, going from 1,156 to 1,101 employees.

## OUTLOOK

After a 2023 characterised by a slight decline linked to the economic situation, in 2024 the company expects a return to the growth envisaged in the business plan. Margins are expected to increase compared with 2023, even if this indicator is closely related to the evolution of the macroeconomic scenario, about which there is considerable uncertainty.

## Bene Assicurazioni

(19.996% INTEREST)



### KEY FIGURES

(in millions of euro)	2023	2022
<b>Premiums</b>	<b>222.1</b>	<b>170.7</b>
<b>Employees (headcount) at the end of the year</b>	<b>60</b>	<b>49</b>

Figures as of December 31, 2023 were still not available at the date of preparation of this report. The figures referring to 2023 are based on the information provided by the company.

In a complex and uncertain economic context, it is estimated that the Italian non-life insurance market saw an 8.5% increase in premiums compared with 2022, with growth in all sectors for a total volume of almost 39 billion euro. While there was significant growth in premium income, it is worth remembering that 2023 was affected by a series of calamitous events that hit the country during the year and which represented the largest loss that the Italian insurance market has ever recorded, with economic impacts across the entire sector.

Looking at the results of Bene Assicurazioni, in 2023, the company recorded gross premiums that rose by 30% to 222 million euro, a much better result than the average increase in the sector. All sales channels grew by double digits, with the physical channel also benefiting from further development of the network throughout the country following the opening of 45 agencies (net of closures) during the year. Expansion of the company's product range also helped to grow the business, with the introduction of, for example, the new "Bene Viaggi" travel insurance policy. The advertising campaign launched in 2023 on the main national television networks continues to support the growth in brand awareness and this will continue during the current year.

The impact of the calamitous events mentioned previously was also significant for Bene Assicurazioni, but the effects were mitigated considerably thanks to the protection provided by reinsurance.

Compared with last year, there has been a significant increase in the number of employees (+22% on last year) to support the company's growth.

## RISKS AND UNCERTAINTIES

The overall climate risk for Bene was confirmed as medium-low. The company is moderately subject to physical risks, linked to the increase in claims paid as compensation for damages from extreme weather events, most of which were reinsured (as happened in 2023). Among the transition risks, however, legal risks are relevant, connected to transparency or information obligations on the climate (e.g. CSRD, IVASS requirements), as are reputational risks, connected to the adequacy of communication on the commitment to fight climate change.

For further details, please refer to the 2023 Sustainability Report.

## LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

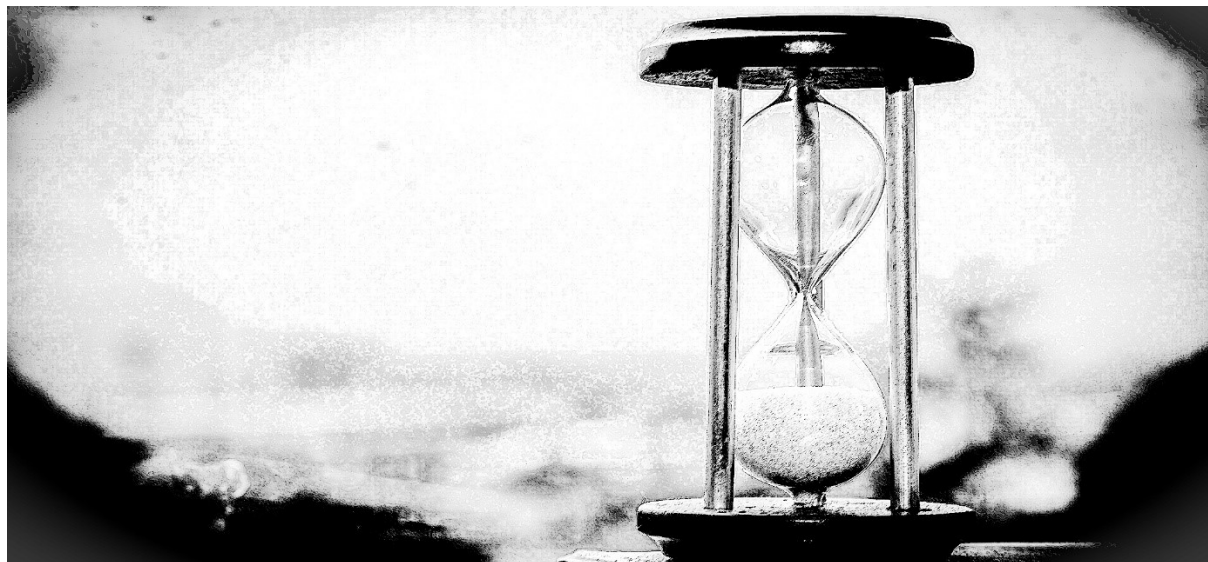
## OUTLOOK

Based on estimates regarding the evolution of the Italian economy, it is believed that in 2024 the motor sector will see further growth in premium income, also due to the increase in the average premium; growth estimates for non-motor insurance are also good, thanks to growing market penetration.

In line with the strategic plan, Bene Assicurazioni expects growth in premium income, with the ambitious objective of simultaneously reducing the combined ratio. In this context, the professional brokerage channel will remain the cornerstone of the company's distribution. As regards the other channels, good growth is expected both in the partnerships, thanks to the positive effects of some agreements closed in 2023, and in the direct channel, where it is important to maintain a high focus on margins.

## Clessidra Group

(100% INTEREST)



### KEY FIGURES

(in millions of euro)	2023	2022	Change %
<b>Net interest income</b>	<b>2.5</b>	<b>1.0</b>	<b>146.0</b>
<b>Net fees and commissions</b>	<b>29.8</b>	<b>27.1</b>	<b>10.0</b>
Income (expenses) from financial assets	0.2	(0.3)	(166.7)
<b>Brokerage margin</b>	<b>32.5</b>	<b>27.8</b>	<b>16.8</b>
Administrative expenses	(29.9)	(26.5)	13.2
Other operating income and expenses	0.5	2.0	(64.0)
<b>Result of operations</b>	<b>3.1</b>	<b>3.3</b>	<b>(3.6)</b>
Income tax	(1.4)	(1.5)	(3.3)
<b>Profit/(loss) for the period</b>	<b>1.7</b>	<b>1.8</b>	<b>(3.9)</b>

The figures are presented according to the formats provided by the Bank of Italy and the comparative figures for 2021 have been reclassified on the same basis.

n.s. not significant

(in millions of euro)	December 31, 2023	December 31, 2022
Total equity	38.0	36.3

At December 31, 2023, the Clessidra Financial Group was made up of the parent company Clessidra Holding S.p.A., which has direct control over 100% of the shares of Clessidra Private Equity SGR S.p.A., Clessidra Capital Credit SGR S.p.A. and Clessidra Factoring S.p.A., as well as indirect control of Società Semplice Clessidra CRF G.P., in which it holds 51% directly with the other 49% held indirectly through the subsidiary Clessidra Capital Credit SGR S.p.A.

For the Clessidra Group 2023 closed with a positive brokerage margin of 32.5 million euro (27.8 million euro at December 31, 2022), which includes 19.9 million euro in management fees for the Clessidra Funds (19 million euro at December 31, 2022) and 11.4 million euro in commissions from the factoring business (9.2 million euro at December 31, 2022).

Administrative expenses in 2023 amount to 29.9 million euro (26.5 million euro at December 31, 2022) and are made up of personnel costs of 17.8 million euro (15.9 million euro at December 31, 2022) and consulting and operating costs, classified under other administrative expenses, which total 12.1 million (10.5 million euro at December 31, 2022).

The consolidated result of the Clessidra Group at December 31, 2023, net of taxes of 1.4 million euro, comes to 1.7 million euro (1.8 thousand euro at December 31, 2022).

During the period, the companies of the financial group continued their activities in various business segments, in particular:

- Clessidra Holding continued its investment management activity as the group holding company and, as outsource, it continued to provide Fund Administration, Corporate Administration, Human Resources and Organisation, Budget and Planning, Legal and Corporate, Compliance and Anti-Money Laundering services to the two asset management companies, as well as services relating to the management of Human Resources, Compliance and Anti-Money Laundering to Clessidra Factoring;
- Clessidra Private Equity SGR has concluded the fund raising activity of the Clessidra Capital Partners 4 Fund, reaching a subscribed amount of 580.6 million euro, managing and enhancing the value of the companies in the portfolio and making a further investment. With regard to the management of the Clessidra Capital Partners 3 Fund, during the year Clessidra continued to manage and enhance the value of the companies in its portfolio;
- Clessidra Capital Credit SGR continued the management activity of the Clessidra Restructuring Fund with the aim of maximising the recovery rate of the receivables and instruments in the portfolio. It also concluded fund-raising for the Clessidra Restructuring Parallel Fund, achieving, overall between the two funds, a total endowment of 273.7 million euro. As regards the Clessidra Private Debt Fund, the subscription period ended on December 31, 2023 with the Fund reaching a total endowment of around 179 million euro. Furthermore, the first 7 investments in equity, bonds and loans were made and the first sale was made during the fourth quarter. 2023 saw completion of the merger by absorption of the company Value Italy SGR S.p.A. and the related credit funds which in December, under the management of Clessidra Capital Credit, were involved in the purchase and transfer of new portfolios of positions under management;
- Clessidra Factoring confirms the significant growth in terms of volumes (turnover, employment, outstanding) compared with the previous year, due to the significant acceleration in commercial development and consolidation of the customer portfolio acquired. At December 31, 2023, turnover for the year amounted to 681 million euro, total receivables amounted to 214 million euro, while gross loans at the end of the year amounted to 181 million euro. There were 255 active customers at December 31, 2023. In order to further strengthen the funding structure, especially over a prospective time horizon, after having finalised the issue of a bond loan of 35.6 million euro in 2022, in October 2023 the company launched its first revolving securitisation programme, which involves the issuance of senior securities that can be subscribed by institutional investors for up to 150 million euro.

## MAIN RISKS AND UNCERTAINTIES

The companies' risk factors differ, depending on the activities they perform. In particular, through the funds that they manage, Clessidra Private Equity SGR and Clessidra Capital Credit SGR carry out activities that involve risks deriving both from the difficulty in identifying new investment opportunities with characteristics that meet their objectives and from the difficulties involved in carrying out disinvestments, especially in unlisted companies. The risks connected to effective management of these activities could have negative effects on the companies' financial position and results of operations.

## INFORMATION ON PERSONNEL AND THE ENVIRONMENT

The staff is adequate to the needs of the Group companies. At December 31, 2023 there were 78 employees (around 70 at December 31, 2022). No material environmental issues exist.

## OUTLOOK

During 2024, the Group will pursue its objectives in the various business segments, in particular:

- Clessidra Private Equity SGR will continue its scouting and investment activities for the CCP4 Fund, taking advantage of the current pipeline which offers good visibility of possible new deals;
- Clessidra Capital Credit SGR will continue its scouting and investment activity for the Clessidra PD Fund and for the recently acquired credit funds. At the same time, it will continue the management and valorisation of the Clessidra CRF and Clessidra CRF Parallel funds, with the objective of maximizing the recovery rate of the receivables and instruments in the portfolio;
- Clessidra Factoring plans to continue increasing the volumes that it handles in consideration of a market presence that is gradually consolidating compared with the initial start-up phase of the company. The target product will remain that of factoring, alongside the traditional "Crossover" segment, aimed at SMEs with little access to bank credit, greater intervention and rising volumes in "Distressed" factoring, aimed at companies with good fundamentals, but affected by crisis settlement procedures in- or out-of-court.



## Other companies

The following are included in “Other companies” of the Italmobiliare Group: a number of companies that own property and land, service companies that carry out activities essentially for the Group, a credit institution based in the Principality of Monaco and Farmagorà Holding S.p.A. (which is consolidated according to the equity method).

At December 31, 2023, total revenues and income amounted to 4.6 million euro, essentially in line with 2022, turning in a gross operating result close to zero (-1.5 million euro at December 31, 2022). After amortisation and depreciation of 0.6 million euro, the share of the profit/(loss) of equity-accounted investees of 3.1 million euro and taxes, the result for the year was a profit of 2.5 million euro (-3.4 million euro in 2022).

## Main financial assets of Italmobiliare S.p.A.

### OTHER EQUITY INVESTMENTS

In its portfolio, the Company has listed investments that include Heidelberg Materials AG. To date, the Company holds 205,000 shares for a fair value at December 31, 2023 of 16.6 million euro. Based on market dynamics, the strategy in 2024 will be a further reduction in exposure and the implementation of hedges.

In addition, the Company owns shares in other companies, such as: Archimede S.p.A., the parent company of Formula Impresoft, ITM Bacco S.r.l. co-investor vehicle Argea, KKR Teemo Co-Invest, co-investor vehicle in the FiberCop project and Fin. Priv. S.r.l.

### PRIVATE EQUITY FUNDS

The Company has invested in a portfolio of select Italian and international Private Equity funds with a view to diversifying sectors and geographical investments, including the CCP3 and CCP4 funds, the Clessidra Restructuring Fund, the Clessidra Private Debt Fund, the Clessidra CRF Parallel Fund, the BDT Capital Partners Funds II and III, Isomer Capital I and II, Isomer Capital Opportunities, Connect Ventures 3 and 4, Iconiq IV and V; Lindsay Goldberg Fund V, Lauxera Growth I, 8-Bit Capital I, Expedition Growth Capital Fund I, Famiglia Fonds III GmbH, JAB Consumer, Visionaries Club Seed Fund II GmbH & Co. KG and Lakestar Growth II e IV. At December 31, the Private Equity funds showed an overall growth in value of 26.0 million euro, of which 4.3 million euro for the positive change in fair value and 31.1 million euro of new investments, partially offset by 3.5 million euro of exchange losses and 5.9 million euro repaid on disinvestment.

## Other significant information on the Group

### HUMAN RESOURCES

At December 31, 2023 the Italmobiliare Group had 1,496 employees, 191 more than at December 31, 2022. The following table provides a breakdown of employees by operating segment.

(headcount)	December 31, 2023		December 31, 2022	
		%		%
<b>Business segments</b>				
Italmobiliare	45	3.0	47	3.6
Caffè Borbone	304	20.3	279	21.4
Officina Profumo-Farmaceutica di Santa Maria Novella	242	16.2	187	14.3
Casa della Salute	418	27.9	295	22.6
Italgen	60	4.0	65	5.0
Sidi Sport	259	17.3	273	20.9
Capitelli	42	2.8	45	3.4
Callmewine	23	1.5	21	1.6
Clessidra	78	5.2	67	5.1
Other companies	25	1.7	26	2.0
<b>Total</b>	<b>1,496</b>	<b>100.0</b>	<b>1,305</b>	<b>100.0</b>

### TRANSACTIONS WITH RELATED PARTIES

For the purposes of the Group consolidated financial statements, transactions with related parties were with:

- associates and their subsidiaries;
- other related parties.

All transactions with related parties, whether for the exchange of goods and services or of a financial nature, are conducted at normal market conditions and in compliance with the Code of Corporate Governance.

Highlights at December 31, 2023 for transactions with related parties are provided in the notes.

No atypical or unusual transactions as defined by Consob Communication no. DEM/6064293 of July 28, 2006 took place during the period.

#### Transactions with subsidiaries, associates and their subsidiaries

Transactions with subsidiaries, associates and their non-consolidated subsidiaries are of a commercial nature (exchange of goods and/or services) or of a financial nature.

The parent company Italmobiliare S.p.A. also provides administrative services to certain subsidiaries, which are billed at cost.

### Transactions with other related parties

Transactions with other related parties in 2023 were as follows:

- legal consultancy and assistance on judicial and extrajudicial matters provided to Italmobiliare S.p.A. by the Gattai Minoli & Partners (now Pedersoli – Gattai law firm), of which the director Luca Minoli is a partner, for fees totalling 71,032 euro;
- compensation for the work performed as an employee by Giampiero Pesenti, son of Carlo Pesenti, paid by Officina Profumo-Farmaceutica di Santa Maria Novella for a total of 153,574 euro;
- compensation for the work performed as an employee by Roberto Pesenti, son of Carlo Pesenti, paid by Italmobiliare for a total of 268,103 euro.
- compensation for the work performed as an employee by Roberto Pesenti, son of Carlo Pesenti, paid by Callmewine S.r.l. for a total of 30,000 euro.
- compensation for the work performed as an employee by Giulio Pesenti, son of Carlo Pesenti, paid by Clessidra Capital Credit SGR for a total of 163,032 euro.
- a donation of 600,000 euro and charge back of costs of staff on secondment for 19,275 euro to the "Fondazione Cav. Lav. Carlo Pesenti", whose Board of Directors is chaired by Carlo Pesenti;
- membership contributions and sponsorship activities for 57,200 euro to ISPI-Institute for Internal Policy Studies, of which Carlo Pesenti is a member of the board.

Fees paid are in line with market conditions for the type of professional service provided.

The equity investments held by Directors, Statutory Auditors, the Chief Operating Officer, and the Financial Reporting Officer in Italmobiliare S.p.A. and subsidiaries, as well as their remuneration for the positions they hold in the Group, are set out in the Remuneration Report.

Highlights at December 31, 2023 for transactions with related parties are provided in the notes.

## LEGAL AND TAX DISPUTES

As explained in previous financial reports, following the completion of various M&A transactions in recent years, the Company - as the seller - is subject to compensation claims, notified by the respective purchasing parties, for alleged violations of the declarations and guarantees given by the seller and/or non-fulfilment of obligations placed on it by the related contractual documentation. In this regard, an increase in risk provisions was recorded during the period, for an amount of some 400 thousand euro, compared with what was shown in the annual report.

The 2nd level Tax Court of Justice of Lombardy with sentence no. 1237 of April 5, 2023 upheld the appeals presented by the Company against the assessment notices relating to CFCs for the years 2010 and 2011, thus completely overturning the 1st level sentences which saw Italmobiliare as the losing party.

On June 8, 2023, the revocation sentence concerning the "Ansaldo dispute" was published. With this sentence, while not overturning the previous ruling, the Court ordered the case to be referred to the 2nd level Tax Court of Justice of Lombardy, just for the penalties, allowing the Company to start a discussion with the Tax Office to obtain at least a reduction in the penalties charged.

On September 30, 2023 the Company accepted the "fiscal peace" facilitation offered under the 2023 Budget Law to settle disputes about CFCs for the years 2012-2016, which were definitively closed.

## COMPLIANCE WITH THE CONDITIONS FOR LISTING ACCORDING TO CONSOB'S MARKET REGULATION

With reference to the Conditions for the listing of certain companies, laid down in art. 15 et seq. of the market regulation adopted by CONSOB with Resolution no. 20249 of December 28, 2017, on the basis of the Audit Plan, no subsidiary headquartered in a non-European Union country is included in the scope of materiality.

## COMPLIANCE WITH THE SIMPLIFIED RULES PURSUANT TO ARTS. 70 AND 71 OF THE ISSUERS' REGULATION

Italmobiliare S.p.A. has adopted the opt-out regime envisaged by the CONSOB Issuers Regulation, exercising the right to waive the obligations to publish disclosure documents required in connection with significant merger and demerger transactions, acquisitions, sales or share capital increases by contributions in kind.

In compliance with this regime, Italmobiliare S.p.A. provided appropriate disclosures to the market.

## CONSOLIDATED NON-FINANCIAL REPORT

The Italmobiliare S.p.A. consolidated disclosure on non-financial information drafted pursuant to Legislative Decree no. 254/16, is a separate report (Sustainability Report) from this Director's Report, pursuant to art. 5, par 3, head b) of Legislative Decree 254/16, and is available on the [www.italmobiliare.it](http://www.italmobiliare.it) website in the "Sustainability" section and included in the Annual Report.

\* \* \*

Information on "Significant events after the reporting date" is provided in the sections on the individual segments.

\* \* \*

## Outlook

In 2023, the global economy recorded a change in real GDP (estimated at +3%) in line with the growth potential, with a second quarter of the year characterised, however, by a general slowdown in the economy, particularly in manufacturing and in Europe.

Although the expansionary phase remains below the long-term trend, the start of the new year has highlighted an acceleration of the cycle, driven above all by services. After sixteen months of contraction, the manufacturing sector has stabilised with an increase in the ratio between new orders and inventory to the highest level seen in the last twenty-four months, which suggests a further strengthening. The Eurozone remains in contraction, but the indicators (including employment) point to a gradual recovery, including industry, burdened by the repercussions of the energy crisis and the decline in world trade. Faced with moderate expansion in China, grappling with the deflationary effect of reduced leverage in the real estate sector, the United States has seen an increase in pace, particularly in services.

The average inflation rate in advanced economies fell to 4.6% in 2023, from 7.3%, pushed down by the dynamics of goods and energy prices, while the decline in service prices continues with greater stickiness, bolstered by the increase in wages. Unemployment in the main economies remains at all-time lows, despite the monetary tightening started two years ago.

The current year's prospects for the main economies, including the Eurozone, should benefit from a foreseeable increase in real incomes, which should generate more demand for consumer goods: wage growth, despite having reached its peak and slowing down, still stands above the sequential trend of inflation. With the exception of impromptu monthly data, inflation should fall even more with the main contribution coming from services other factors, including energy, remaining generally stable. Global price dynamics are also contained by China, a global deflationary factor. Tensions in the Suez Canal may have an impact on value chains (delivery times, tariffs) but they currently appear to be under control. Financial and credit conditions should also generate a positive impulse, with the central banks of the main countries expected to lower their interest rates over the coming months. Fiscal policy remains expansionary, although the boost to growth is neutral or negative compared with 2023. Investments benefit from topics related to infrastructure spending, reallocation of value chains and investment in technology. In the Eurozone, the lower investments in the first half of the year resulting from the delayed effects of the monetary tightening should be partially offset by the higher spending foreseen by the national programmes relating to the NextGeneration EU post-covid recovery plan.

The probability of a global recession remains low, but one could be triggered by various endogenous and exogenous factors. Deglobalisation, high debt and demographic effects reduce the growth potential of the Chinese economy. In particular, debt reduction in the real estate sector is having an impact on the country's overall demand, triggering off a deflationary trend. This vicious circle can only be interrupted through economic policy interventions, especially fiscal policy to support consumption. If they proved to be insufficient, the effects would be global (China's weight in terms of global GDP comes to 19.5%), with significant repercussions in Asia, Europe and Latin America. The issue of the sustainability of public debt, on the other hand, involves the main advanced economies, exposed to the relative trend of interest expenditure compared with the nominal growth rate (in Italy, but not only). Moreover, central banks face a symmetrical risk between inflation and recession: an excessive time lag between the fall in inflation and "delays" in the interest rate cut (leading to a further increase in real interest rates) would be reflected in a higher impact of monetary tightening, while a premature or "aggressive" reduction in rates could "unmoor" inflation expectations. Lastly, the scenario is exposed to various potential exogenous shocks: the escalation of conflicts and geopolitical tensions, the possible repercussions of a year full of elections (in USA/Europe in particular). The effects would be immediately reflected on certain variables and factors, such as raw materials, the crisis of value chains, the volatility of financial markets and a consequent deterioration in financial/credit conditions.

Italmobiliare's portfolio has once again confirmed the characteristics of resilience that it had shown previously, thanks to proactive risk management, the complete integration of sustainability into its development strategies and management reactivity on the part of the Holding and Portfolio Companies. Even though results differed between the various Portfolio Companies, some of which were heavily penalised by adverse market trends, overall at an aggregate level, they showed slightly better results in terms of both turnover and EBITDA, which is reflected in the decidedly positive performance of the NAV per share.

In a scenario which for 2024 remains characterised by macroeconomic uncertainties and geopolitical tensions of extraordinary importance, the challenge will be to further consolidate the resilience of the portfolio as a whole and support the investee companies in maintaining or recovering growth trajectories, in terms of both volumes and margins, with a view to creating sustainable value.

Realising the value of the stake in AGN Energia at the end of February 2024, as well as the previous sale of the interest in the Florence Group during 2023, both achieved excellent returns on investment. This confirms Italmobiliare's ability to create value by proactively supporting the transformation and growth phase of the investee companies, as well as its strategic flexibility in seizing opportunities to rotate the portfolio if the process of accompanying the business has been completed and market conditions suggest that it is the right time to sell.

In addition to the continuous search for management efficiency and integration of strategic skills that are consistent with the increasingly high level of challenges facing Italian SMEs, in 2024 the focus will continue to be on encouraging the main portfolio companies to grow through targeted M&A and add-ons, and initiatives involving organic development and international expansion.

The progressive development or acquisition of synergetic assets characterises the strategy of Casa Della Salute and Italgen to consolidate their presence in two highly strategic sectors such as healthcare, increasingly affected by a need for high quality and accessible services, territorial capillarity and innovation technology, and the renewable energy sector, at the heart of the transition towards a low-carbon economy and diversification of energy sources.

M&A and development transactions aimed at building the direct presence in key markets are also accompanying the international expansion of Officina Profumo-Farmaceutica di Santa Maria Novella, especially in areas of high potential such as Asia and the USA, together with the continuous development of new products that are able to intercept the requests of an increasingly wide audience in the wake of a centuries-old tradition of excellence that is unique in the world.

Caffè Borbone, which continues its path of consolidation among the leaders of the single-serve coffee sector in Italy, has undertaken a strong process of growth abroad with the aim of proposing its products with an excellent quality/price ratio in selected European markets and in the United States.

Among the other main portfolio companies, Capitelli will continue to promote brand awareness, enhancing the extraordinary quality of its products, while Sidi, whose year was affected by the strong global slowdown in the bicycle sector, by a significant strengthening of the management team and by the progressive optimisation of the distribution and supplier network, aims to recover volumes and margins in the high-end segment which has always characterised its positioning in technical footwear for motorbikes and bicycles, also thanks to the launch of new product categories.

At the same time, Italmobiliare will continue its proactive role as a strategic partner in the growth plans of minority investments such as Tecnica Group, Iseo and Bene Assicurazioni.

On the alternative investment fund front, in addition to the active monitoring of a varied portfolio spread across a wide variety of asset classes, Italmobiliare's leading role continues in the development of the Clessidra Group's multi-asset platform, with projects for further evolution, growth and diversification in all of its areas of activity that are already consolidated: Private Equity, Credit/Debt and Factoring.

**Milan, March 7, 2024**

**For the Board of Directors  
The Chief Executive Officer  
(Carlo Pesenti)**





# ANNEX

## Annex

The Net Asset Value (NAV) of Italmobiliare S.p.A., an item that is not identified as an accounting measurement, is defined as the fair value of financial assets and property investments, net of financial liabilities and the tax effect.

### NET ASSET VALUE

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
Portfolio companies	A	1,518	1,359	159
Other equity investments	B	167	222	(55)
Private equity funds	C	239	213	26
Properties and related assets	D	72	53	19
Financial assets, trading and cash and cash equivalents	E	205	182	23
<b>Total Net Asset Value</b>		<b>2,201</b>	<b>2,029</b>	<b>172</b>

The following is a reconciliation of the captions that make up the NAV with the statement of financial position of Italmobiliare included in the Italmobiliare Group's consolidated financial statements as at December 31, 2023. The figures as of December 31, 2022 have undergone some reclassifications carried out between different NAV items.

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Portfolio Companies as per NAV</b>	<b>A</b>	<b>1,518</b>	<b>1,359</b>	<b>159</b>
<b>Equity investments in subsidiaries and associates</b>				
Caffè Borbone		144	144	(0)
Italgen		20	20	0
Fratelli Capitelli		14	14	0
FT2 Santa Maria Novella		194	186	8
FT3 S.r.l. Callmewine		11	18	(8)
SIDI Sport		61	54	7
Casa della Salute		48	31	17
Tecnica		43	43	(0)
Iseo		43	43	(0)
AGN Energia		60	60	0
Bene Assicurazioni		41	41	0
Clessidra Holding S.p.A.		33	33	0
<b>Total amounts as per statement of financial position</b>	<b>F</b>	<b>711</b>	<b>687</b>	<b>24</b>
<b>Difference</b>	<b>F-A</b>	<b>807</b>	<b>672</b>	<b>135</b>

The difference relates to the fact that in the statement of financial position of Italmobiliare S.p.A. the investments are measured at cost (except for Bene Assicurazioni), whereas in the NAV they are measured at fair value; moreover, the investment in Bene Assicurazioni (41 million euro at December 31, 2023) has been reclassified for NAV purposes to Portfolio Companies, whereas in the financial statements it is shown under investments in other companies; similarly, the investment in Sirap (2.4 million euro at December 31, 2023) has been reclassified for NAV purposes to Financial assets, trading and cash and cash equivalents, whereas in the financial statements it is shown under equity investments in subsidiaries.

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Other equity investments as per NAV</b>	<b>B</b>	<b>167</b>	<b>222</b>	<b>(55)</b>
Heidelberg Materials		17	35	(18)
<b>Total amounts as per statement of financial position</b>	<b>G</b>	<b>17</b>	<b>35</b>	<b>(18)</b>
Archimede		14	9	5
Vontobel		7	7	(0)
Unicredit		0	3	(3)
Cairo Communication		0	0	0
Piaggio		0	0	0
Sesaab		1	1	(0)
Fin.Priv. Mediobanca shares		23	19	4
035 Investimenti		1	1	(0)
KKR Teemo CO-INVEST L.P.		21	12	9
Ariston		6	9	(3)
New Flour S.p.A.		9	6	3
CCC Holdings Europe		8	8	(0)
Compagnia Fiduciaria		1	1	(0)
<b>Total</b>	<b>H</b>	<b>90</b>	<b>76</b>	<b>14</b>
<b>Equity investments in subsidiaries and associates</b>				
Credit Mobilier de Monaco		6	6	(0)
SES		8	7	1
Franco Tosi Ventures		1	1	(0)
Farmagorà		16	14	2
ITM Bacco S.r.l.		12	12	(0)
Dokime		0	2	(2)
Florence InvestCo		0	31	(31)
<b>Total</b>	<b>I</b>	<b>42</b>	<b>72</b>	<b>(30)</b>
<b>Total amounts as per statement of financial position</b>	<b>H+I</b>	<b>132</b>	<b>148</b>	<b>(16)</b>
<b>Difference</b>	<b>(G+H+I)-B</b>	<b>(18)</b>	<b>(39)</b>	<b>21</b>
The difference relates to the fact that in the statement of financial position of Italmobiliare S.p.A. the investments in ITM Bacco S.r.l., Farmagorà are valued at cost, whereas in the NAV they are measured at fair value and the loan to Archimede has been reclassified.				
(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Private equity funds as per NAV</b>	<b>C</b>	<b>239</b>	<b>213</b>	<b>26</b>
<b>Bonds and mutual funds</b>				
Clessidra (Funds)		101	85	16
BDT2		62	58	4
BDT3		11	8	3
Isomer		11	13	(2)
Isomer II		1	1	0
Isomer Opportunities		1	1	0
ICONIQ IV		16	20	(4)
ICONIQ V		10	13	(3)
LINDSAY		4	2	2
Lauxera		1	1	0
Expedition		3	2	1
Connect Ventures		2	2	0
Jab Consumer		15	7	8
Other		2	0	2
<b>Total</b>	<b>L</b>	<b>239</b>	<b>213</b>	<b>26</b>
<b>Difference</b>	<b>L-C</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Properties and related assets</b>	<b>D</b>	<b>72</b>	<b>53</b>	<b>19</b>
of which properties		16	12	4
of which subsidiaries		13	13	0
				0
<b>Property, plant and equipment of Italmobiliare S.p.A.</b>				
Property - Via Borgonuovo, Milan		5	5	0
<b>Total</b>	<b>M</b>	<b>5</b>	<b>5</b>	<b>0</b>
				0
<b>Investment property of Italmobiliare S.p.A.</b>				
Property - Via Borgonuovo, Milan app. 20-23		7	0	
Property - Via Sallustiana, Rome		6	7	(1)
<b>Total</b>	<b>N</b>	<b>13</b>	<b>7</b>	<b>6</b>
				0
<b>Equity investments in subsidiaries and associates (which own properties)</b>				
Punta Ala		2	2	(0)
Sepac		0	0	
ITM Servizi		11	12	(1)
<b>Total</b>	<b>O</b>	<b>13</b>	<b>14</b>	<b>(1)</b>
<b>Investments in other companies</b>				
Astra Immobiliare		0	0	0
<b>Total</b>	<b>P</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total amounts as per statement of financial position</b>	<b>(M+N+O+P)</b>	<b>32</b>	<b>26</b>	<b>6</b>

The difference relates for approximately 41 million euro to the fact that in the statement of financial position of Italmobiliare S.p.A. properties are valued at cost, whereas in the NAV they are shown at fair value (including the subsidiaries that own the buildings).

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Financial assets, trading and cash and cash equivalents as per NAV</b>	<b>E</b>	<b>205</b>	<b>182</b>	<b>23</b>
Cash and bank balances		18	22	(4)
FV of derivatives receivable		0	0	(0)
Other current assets (1)		173	135	38
Non-current financial assets (2)		18	15	3
<b>Total cash and cash equivalents</b>		<b>209</b>	<b>172</b>	<b>37</b>
				0
Current loans and borrowings		0	0	0
Current financial liabilities		(4)	(20)	16
Current options on securities		(0)	(1)	1
Non-current lease payables (3)		(0)	(0)	(0)
<b>Total financial position</b>		<b>(5)</b>	<b>(22)</b>	<b>17</b>
<b>Total net financial position ITM S.p.A.</b>		<b>204</b>	<b>151</b>	<b>54</b>
Other assets FT2 (*)		0	16	(16)
Other current assets Sirap S.r.l. (*)		9	21	(12)
Other current assets Archimede (**)		(6)	(6)	0
Other current liabilities Florence InvestCo (***)		(3)	0	(3)
<b>Total Financial assets, trading and cash and cash equivalents as per NAV (*)</b>	<b>Q</b>	<b>205</b>	<b>182</b>	<b>23</b>
<b>Difference</b>	<b>Q-E</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

(1) this item also includes mutual investment funds, bond loans, intercompany current accounts, accrued interest and commission income on loans and mutual funds.

(2) this item includes bonds, medium/long-term loans and cashes.

(3) this item includes intercompany receivables/payables and short-term payables for lease contracts.

(\*) note that the item "Financial assets, trading and cash and cash equivalents" includes the investment in Sirap Gema S.r.l. for 9 million euro (21 million euro at December 31, 2022 and the financial position of FT2 S.r.l. of 0.2 million euro (16 million euro at December 31, 2022).

(\*\*) note that the item "Financial assets, trading and cash and cash equivalents" includes the loan granted to Archimede S.p.A., which was reclassified from "Financial assets, trading and cash and cash equivalents" to "Other equity investments". Moreover, in the interests of a better comparison, the amount at December 31, 2022 is expressed net of this loan, following the events that took place in 2023.

(\*\*\*) note that the item "Financial assets, trading and cash and cash equivalents" is expressed net of the charges to be paid on the sale of the investment in Florence InvestCo.

## RECONCILIATION OF THE CAPTIONS IN THE STATEMENT OF FINANCIAL SITUATION OF ITALMOBILIARE S.P.A.

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Equity investments in subsidiaries and associates</b>				
Figure in the statement of financial position of ITM S.p.A.		727	762	(36)
Amount as per reconciliation	<b>F+I+O</b>	765	779	(14)
<b>Difference</b>		<b>(39)</b>	<b>(17)</b>	<b>(21)</b>

The difference at December 31, 2023 and December 31, 2022 is due to the fact that in the statement of financial position of Italmobiliare S.p.A. this item includes the investment in Sirap Gema S.r.l. of 2.4 million euro at December 31, 2023 (8.5 million euro at December 31, 2022), reclassified for NAV purposes as a financial asset, whereas it does not include the investment in Bene Assicurazioni (41 million euro, acquired in 2022), shown under "Investments in other companies" and reclassified for NAV purposes to Portfolio Companies.

The investment in Santa Maria Novella is shown net of FT2's NFP, equal to 0.2 million euro (16 million euro at December 31, 2022), reclassified for NAV purposes as a financial asset. Furthermore, in the interests of a better comparison, the reconciliation value at December 31, 2022 is shown net of the investment in CCC Holdings, shown under "Investments in other companies" following the events that took place in 2023.

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Investments in other companies</b>				
Figure in the statement of financial position of ITM S.p.A.		149	144	5
Amount as per reconciliation	<b>G+H+C</b>	108	111	(3)
<b>Difference</b>		<b>41</b>	<b>33</b>	<b>8</b>

The difference is due to the fact that in the statement of financial position of Italmobiliare S.p.A., this item includes the value of the interest in Bene Assicurazioni, acquired in 2022 and equal to 41 million euro at December 31, 2023, reclassified for NAV purposes to Portfolio Companies.

Furthermore, in the interests of a better comparison, the reconciliation value at December 31, 2022 is shown net of the investment in CCC Holdings, shown under "Investments in other companies" following the events that took place in 2023.

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Other non-current assets</b>				
Figure in the statement of financial position of ITM S.p.A.		274.2	236.3	37.9
Amount as per reconciliation	<b>L</b>	239.4	213.3	26.1
<b>Difference</b>		<b>34.8</b>	<b>23.0</b>	<b>11.8</b>
Bond loans	<b>Included in NFP</b>	0.0	0.0	0.0
CASHES	<b>Included in NFP</b>	1.8	1.8	0.0
<b>Difference</b>		<b>33.0</b>	<b>21.2</b>	<b>11.8</b>
Receivables due from subsidiaries	<b>Included in NFP</b>	16.0	16.0	0.0
Other assets	<b>Not Included in NFP</b>	2.7	2.6	0.1
Guarantee deposits	<b>Not Included in NFP</b>	0.0	0.0	0.0
Receivables on tax consolidation due from subsidiaries	<b>Not Included in NFP</b>	13.9	2.5	11.4
<b>Difference</b>		<b>0.4</b>	<b>0.1</b>	<b>0.3</b>

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Property, plant &amp; equipment</b>				
Figure in the statement of financial position of ITM S.p.A.		6.8	6.8	0.0
Amount as per reconciliation	<b>M</b>	5.5	5.4	0.1
<b>Difference</b>		<b>1.3</b>	<b>1.5</b>	<b>(0.1)</b>

The difference is due to the fact that in the statement of financial position of Italmobiliare S.p.A. this item also includes investments in plant and machinery for 0.6 million euro and the impact of applying the new IFRS 16 for 0.2 million euro.

(in millions of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Investment property</b>				
Figure in the statement of financial position of ITM S.p.A.		12.9	8.1	4.8
Amount as per reconciliation	<b>N</b>	13.0	7.1	5.9
<b>Difference</b>		<b>(0.1)</b>	<b>1.0</b>	<b>(1.1)</b>
<b>Net financial position</b>				
Figure in the statement of financial position of ITM S.p.A.		204.6	188.1	16.5
Amount as per reconciliation	<b>Q</b>	204.7	181.7	23.1
<b>Difference</b>		<b>(0.1)</b>	<b>6.4</b>	<b>(6.6)</b>

Note that the item "Financial assets, trading and cash and cash equivalents" does not include the loan granted to Archimede S.p.A., which was reclassified from "Financial assets, trading and cash and cash equivalents" to "Other equity investments". For better presentation, this reclassification has also been repeated at December 31, 2022, so the balance is different from what was shown in the approved financial statements.

## RECONCILIATION OF INTERMEDIATE RESULTS AND AGGREGATES WITH THE FIN. STATS.

(in millions of euro)		Notes	31.12.2023	31.12.2022	Change
<b>Gross operating profit (EBITDA)</b>		<b>A</b>	<b>99.2</b>	<b>54.9</b>	<b>44.3</b>
Revenue and income			585.8	483.6	102.2
Other revenue and income			5.2	4.4	0.8
Change in inventories			(1.4)	3.7	(5.1)
Internally produced and capitalised assets			2.6	1.1	1.5
Raw materials and supplies			(223.4)	(205.4)	(18.0)
Services			(120.1)	(96.0)	(24.1)
Employee benefits			(104.0)	(84.5)	(8.1)
Other operating income (expenses)			(45.5)	(52.0)	6.5
<b>Total amounts as per statement of financial position</b>		<b>B</b>	<b>99.2</b>	<b>54.9</b>	<b>44.3</b>
<b>Difference</b>		<b>A-B</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(in millions of euro)		Notes	31.12.2023	31.12.2022	Change
<b>Operating profit (EBIT) as per report</b>		<b>C</b>	<b>56.2</b>	<b>22.7</b>	<b>33.5</b>
Revenue and income			585.8	483.6	102.2
Other revenue and income			5.2	4.4	0.8
Change in inventories			(1.4)	3.7	(5.1)
Internally produced and capitalised assets			2.6	1.1	1.5
Raw materials and supplies			(223.4)	(205.4)	(18.0)
Services			(120.1)	(96.0)	(24.1)
Employee benefits			(104.0)	(84.5)	(19.5)
Other operating income (expenses)			(45.4)	(52.0)	6.6
Amortisation and depreciation			(37.4)	(32.3)	(5.1)
Impairment losses on non-current assets			(5.6)	0.1	(5.7)
<b>Total amounts as per statement of financial position</b>		<b>D</b>	<b>56.2</b>	<b>22.7</b>	<b>33.5</b>
<b>Difference</b>		<b>C-D</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>
(in millions of euro)		Notes	31.12.2023	31.12.2022	Change
<b>Net financial position</b>		<b>E</b>	<b>(32.4)</b>	<b>(15.7)</b>	<b>(16.8)</b>
<b>Caption</b>	<b>Financial statement class</b>				
Cash and bank balances	Cash and bank balances		121.9	101.6	20.3
Short-term derivatives	Other current assets including derivative financial instruments		0.2	0.7	(0.5)
Equity investments measured at FVTPL	Investments, bonds and current financial receivables		16.7	16.5	0.2
Financial assets at amortised cost	Investments, bonds and current financial receivables		29.7	0.0	29.7
Funds and other financial instruments	Investments, bonds and current financial receivables		124.5	126.6	(2.1)
Other receivables	Investments, bonds and current financial receivables		3.0	6.7	(3.7)
Other loan assets and financial instruments	Other current assets including derivative financial instruments		11.6	10.8	0.8
Prepaid expenses	Other current assets including derivative financial instruments		0.0	0.0	0.0
<b>Total current financial assets</b>			<b>307.6</b>	<b>262.9</b>	<b>44.7</b>
Bank loans and overdrafts	Bank loans and overdrafts		(118.8)	(99.7)	(19.1)
Borrowings	Borrowings		(48.6)	(33.9)	(14.7)
Due to financial and private equity companies	Other liabilities		(6.8)	(9.3)	2.5
Derivatives	Other liabilities		(0.2)	(0.5)	0.3
<b>Total current financial liabilities</b>			<b>(174.4)</b>	<b>(143.4)</b>	<b>(31.0)</b>
Non-current receivables	Trade receivables and other non-current assets		7.7	7.9	(0.2)
Other	Trade receivables and other non-current assets		1.5	1.7	(0.2)
Financial assets measured at amortised cost	Trade receivables and other non-current assets		0.0	0.0	0.0
Financial assets at FVTPL in NFP	Trade receivables and other non-current assets		2.5	2.1	0.4
Derivative financial instruments	Trade receivables and other non-current assets		0.1	0.5	(0.4)
<b>Total non-current financial assets</b>			<b>11.7</b>	<b>12.2</b>	<b>(0.5)</b>
Borrowings	Borrowings		(177.3)	(147.4)	(29.9)
Derivatives payable on loans	Other non-current payables and liabilities		(0.1)	0.0	(0.1)
<b>Total non-current borrowings</b>			<b>(177.4)</b>	<b>(147.4)</b>	<b>(30.0)</b>
<b>Financial assets held for sale</b>					<b>0.0</b>
Liabilities directly associated with assets classified as held for sale	Liabilities directly associated with assets classified as held for sale			0.0	0.0
<b>Total NFP held for sale</b>			<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total net financial position</b>		<b>F</b>	<b>(32.4)</b>	<b>(15.7)</b>	<b>(16.7)</b>
<b>Difference</b>		<b>E-F</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.1)</b>





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**ITALMOBILIARE**  
INVESTMENT HOLDING

# REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE 2023

TRADITIONAL  
ADMINISTRATION  
AND CONTROL MODEL

APPROVED BY THE BOARD OF DIRECTORS  
ON MARCH 7, 2024

**Italmobiliare S.p.A.**  
REGISTERED OFFICE:  
Via Borgonuovo 20, Milan  
[www.italmobiliare.it](http://www.italmobiliare.it)

# REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE 2023

## Introduction

This report on corporate governance and the ownership structure (the "**Report**") explains the corporate governance system adopted by Italmobiliare S.p.A. ("**Italmobiliare**" or the "**Company**").

The Report contains information on the ownership structure and on the methods of application of the Corporate Governance Code approved by the Corporate Governance Committee in January 2020, (the "**Corporate Governance Code**" or the "**Code**", available on the Italian Stock Exchange website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020-eng.en.pdf>), to which the Company resolved to adhere in 2021, subsequently implementing its principles and recommendations. For the purposes of applying the Code, Italmobiliare qualifies, according to the Code's definitions, as a "**large company**" with "**diffused ownership**". With regard to this last aspect, it is worth noting that, as of November 2023, based on communications pursuant to Article 120 of the Consolidated Law On Finance (CLF), 50.37% of the share capital is owned, directly and indirectly, by Mr. Carlo Pesenti.

The Report refers to the year ended December 31, 2023 but has been updated for any significant subsequent events that took place up to the date of its approval.

## I. General information and the ownership structure

### 1. PROFILE OF THE ISSUER

Italmobiliare, the company headed up by the Pesenti family, was founded in 1946 and listed on the Italian Stock Exchange in 1980. It is an investment holding company with a diversified portfolio that is managed with a strategic vision backed by a financial and industrial history that goes back more than 150 years. The Company plays an active, ongoing role in the process of expanding and enhancing the value of its portfolio, combining development, internationalisation and innovation with an effective governance and risk management model.

The profile of Italmobiliare and its activities is defined by

- portfolio companies, i.e., a portfolio of investments in a limited number of subsidiaries or associates, with representatives on the associate's governance bodies, which leverages on Italmobiliare's experience in managing business operations. The portfolio has a mid-long term investment horizon with a focus on value creation;
- investments in private equity funds and alternative investments aiming at taking up growth opportunities in geographical areas or business sectors where Italmobiliare is not directly involved and at fostering potential business development in diversified sectors;
- a portfolio of investments in diversified sectors focused on listed or not listed companies offering interesting growth prospects or steady investments returns;
- liquidity under management and financial assets, represented by limited-value investments, which constitute a reserve of cash and cash equivalents allocated to instruments with a conservative risk profile available to the Company in order to seize new investment opportunities.

Italmobiliare applies a traditional governance model with a Board of Directors and a Board of Statutory Auditors (the "**Board of Statutory Auditors**"), both appointed by the Shareholders' Meeting (the "**Shareholders' Meeting**"), as this system of corporate governance is deemed to be the most suitable to combine "efficient management" and "effective controls", while at the same time pursuing the interests of Italmobiliare's shareholders (the "**Shareholders**") and making full use of management's skills.

The Company's system of Corporate Governance is defined by the By-laws (the "**By-laws**") and the Corporate Governance Code, as well as by the following documents, codes and internal regulations:

- a. the Code of Ethics and the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001;
- b. the procedure for the management of relevant and inside information.
- c. the Code of Conduct on Internal Dealing;
- d. the procedure for transactions with related parties;
- e. the procedure for maintaining the list of people with access to inside information (the so-called "insider list");
- f. the procedure on market sounding;
- g. the rules governing the Financial Reporting Officer (the "**Financial Reporting Officer**").

These documents are available on the Company's website, except for: (i) the Rules governing the Financial Reporting Officer, which are distributed electronically to the members of the Board of Directors (the "**Directors**") and Board of Statutory Auditors (the "**Statutory Auditors**"), the Financial Reporting Officer and the Heads of Finance, Administration and Control of the companies controlled by Italmobiliare (the "**Group**"); and (ii) the "Special Section of the Organisation, Management and Control Model", which is distributed electronically to the Company's Directors, Statutory Auditors and all employees.

## 2. INFORMATION ON THE OWNERSHIP STRUCTURE PURSUANT TO ART. 123-BIS OF THE CONSOLIDATED LAW ON FINANCE (CLF)

### a) Share capital structure, indicating the various categories of shares, their rights and obligations, as well as the percentage of share capital that they represent

Italmobiliare's share capital as of December 31, 2023 amounts to Euro 100,166,937, fully subscribed and paid in, divided into 42,500,000 ordinary shares with no par value, that give a right to vote at the Company's Ordinary and Extraordinary Shareholders' Meetings.

The shares are listed on the Euronext STAR Milan segment of the Italian Stock Exchange, a regulated market organized and managed by Borsa Italiana S.p.A.

Each share gives a right to one vote. Holders of Italmobiliare shares can vote at Ordinary and Extraordinary Shareholders' Meetings and exercise the corporate and patrimonial rights as provided by current legislation, subject to the limits laid down in law and the Company's By-laws. The Company does not currently have any savings shares in issue nor any other categories of shares apart from ordinary shares.

There are currently no stock option plans.

### b) Restrictions on share transfers

There are no restrictions on share transfers, such as limits on the possession of shares or clauses involving the acceptance of transfers by the Company or other shareholders.

### c) Significant shareholdings according to the communications received under art. 120 of the CLF

The following is a list of Shareholders with shareholdings over 3% of the share capital, according to the communications received by the Company under art. 120 of the CLF.

**SIGNIFICANT SHAREHOLDINGS AT 31.12.2023**

Shareholder	Number of shares	% of the share capital	% of voting capital
<b>Carlo Pesenti</b>	21,407,509	50.370%	50.629%
<i>(indirectly through Efi-parind BV, Efi-parind BV &amp; CIE SCPA, Cemital Privital Aureliana S.p.A. and with fiduciary registration to CFN Generale Fiduciaria S.p.A.)</i>	20,969,250	49.339%	49.593%
<i>Directly in a personal capacity</i>	438,259	1.031%	1.036%
<b>Serfis S.p.A.</b>	4,765,000	11.212%	11.269%
<b>Mediobanca S.p.A.</b>	2,894,044	6.81%	6.844%
<b>Morgan Stanley</b>	1,870,172	4.4%	4.423%

**d) Shares that confer special control rights**

No shares conferring special control rights have been issued.

There are no special powers and the By-laws do not foresee shares with multiple or increased voting rights.

**e) Employee shareholdings: mechanism for exercising voting rights**

There is no system for employees to hold shares in the Company.

**f) Restrictions on voting rights**

There are no restrictions on the exercise of voting rights.

**g) Shareholders' agreements under art. 122 CLF of which the Company is aware**

As far as the Company is aware, there are no agreements of any kind regarding the exercise of voting rights assigned to the shares and the transfer of such shares or any of the situations envisaged in art. 122 of the CLF.

**h) Change of control clauses and provisions of the By-laws on takeover bids**

There are no significant contracts to which the Company or its subsidiaries are parties and which become effective, modified or terminated in the event of a change of control over the Company. Contractual documentation relating to M&A transactions may include change of control clauses.

Some framework contracts on derivatives provide for early termination in the event of extraordinary events that could involve a change of control.

With regard to takeover bids, the By-laws do not derogate from the provisions of the CLF in relation to the passivity rule or application of the neutralisation rules.

**i) Mandates to increase the share capital and authorisations to purchase treasury shares**

There are no mandates to increase the share capital.

The Shareholders' Meeting of April 27, 2023, under art. 2357 of the Italian Civil Code, authorised the purchase of 1,000,000 of the Company's ordinary shares on one or more occasions for a period of 18 months from the date of the resolution.

At the date of this Report the Company holds 217,070 treasury shares, purchased under the authorisations previously approved by the Shareholders' Meeting.

The Shareholders' Meeting of April 23, 2024, convened for the approval of the 2023 financial statements, will also be called to resolve on the renewal of the authorisation to purchase treasury shares pursuant to art. 2357 of the Italian Civil Code, subject to revocation of the previous Shareholders' resolution.

## j) Management control and coordination

The Board of Directors of the Company, most recently on February 19, 2024 assessed and confirmed that neither Etiparind B.V. (the company at the top of the investment chain of Italmobiliare, where Mr. Carlo Pesenti asserts effective control through dominant influence in the ordinary Shareholders' Meeting) nor any other entity or company in the Italmobiliare investment chain exercises management control and coordination over the Company pursuant to arts. 2497-2497-septies of the Italian Civil Code. In fact:

- a) Italmobiliare does not receive from companies or entities in the investment chain that leads to Etiparind B.V. any instructions, directives or constraints regarding the preparation or approval of business, financial or strategic plans, nor regarding the approval of budgets or the definition of investment or divestment plans, nor regarding the choice of counterparties with whom to do business;
- b) Italmobiliare is not a party to any industrial or financial policy or practice performed under the direction or through the coordination of companies or entities of the said investment chain, such as cash pooling, tax consolidation or similar sharing of functions;
- c) there is no trace of any contractual relationship currently or previously in place between the Company and other companies or entities in its investment chain, nor with other companies or entities subject to control by, or connected to, companies or entities in its investment chain;
- d) there is no trace of requests for prior approval by companies or entities included in the investment chain of ordinary or extraordinary transactions carried out or seriously considered by the Company;
- e) the Company has not received any policies, regulations or organisational charts from companies or entities in the investment chain;
- f) there are no Executive Directors that are common to the companies or entities in the investment chain and Italmobiliare; incidentally, there is only one common non-Executive Director of Italmobiliare, Luca Minoli, who has not been granted any powers in either of the companies in which he is a board member, namely Italmobiliare and Cemital Privital Aureliana S.p.A.

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Note that the information required by art. 123-bis, first paragraph, letter i) on agreements between the Company and the Directors, which provide for compensation in the case of resignation or dismissal without just cause or if their employment relationship is terminated following a takeover bid, is contained in the report on the remuneration policy and compensation paid published in accordance with art. 123-ter of the CLF.

The information required by article 123-bis, first paragraph, letter l) on the amendment of the By-laws as well as the appointment and replacement of directors is provided below, in the paragraph dedicated to the Shareholders' Meeting and in the paragraph dedicated to the Appointment and Replacement of Directors, respectively.

As regards the Company's diversity policies, please refer to the specific paragraph in section VI.

## II. Relations with the Shareholders

### 1. DIALOGUE WITH THE SHAREHOLDERS AND OTHER STAKEHOLDERS

The Company makes sure that there is continuous dialogue with the Shareholders and the market, in accordance with the laws and regulations on the disclosure of inside information. The Company's behaviour and procedures are designed, among other things, to anticipate and avoid information asymmetries and to ensure proper application of the principle whereby all investors and potential investors are entitled to receive the same information in order to make sound investment decisions.

In 2021, the Board of Directors approved the "Policy for managing dialogue with the shareholder base", to govern relations with the shareholders in general, including institutional investors, in order to guarantee systematic dissemination of information that is complete, transparent and timely about the Company's business and pursuit of its mission.



Relations with the shareholders and the financial community are maintained by:

- the Chairman;
- the Chief Executive Officer-Chief Operating Officer;
- The Investor Relations Officer who, on specific topics or for special events, is supported by other business functions (principally the Sustainability Department, the Communication Department, the Corporate Affairs Department and the Investment Management Department).

The Policy is consistent with the characteristics of the Company in terms of size and ownership structure. It is available on the Company's website in the "Governance/Documents and Procedures" section.

The Investor Relations Officer (IRO) supervises communication between the Company and its shareholders, including historical institutional investors and potential investors interested in entering the Company's capital. The Board of Directors is informed by the IRO about his activities and significant contents of the dialogue with current as well as potential shareholders. As part of these activities, during 2023 the Investor Relations function held approximately 90 meetings with Italian and foreign institutional investors, both in dedicated meetings and by participating in various conferences reserved for listed companies, such as the *Euronext STAR Conference*, the *Italian Sustainability Week*, the *Italian Investment Conference*, the *Equita Conference in Paris*, the *Exane Mid Cap Conference*, the *Virgilio Equity Conference London*, the *Virgilio Mid & Small Milan*; presentation roadshows were also organised with 75 new investors in Paris, Luxembourg, Brussels and Monaco. During these meetings, the topics covered concerned the performance of the portfolio companies, also in light of the main macroeconomic issues that emerged during 2023, including: easing of inflationary pressures on raw materials and energy costs, international tensions, rising interest rates and macroeconomic slowdown prospects. The investors met showed interest in the consolidation of Italmobiliare's portfolio, the evolution of the investment strategy and potential exits, even partial, on more mature investments. Another point of attention is the widening of the NAV discount inherent in Italmobiliare's stock performance in 2023, despite the positive portfolio performance. However, it could also present an appealing entry opportunity for certain potential investors.

As for the other stakeholders, according to their specific relevance to Italmobiliare and its portfolio companies, they are regularly involved in defining the ESG strategy, particularly in the annual review of the materiality matrix, a shared tool for analysing the strategic levers of the business. Furthermore, the ESG performance of Italmobiliare and its portfolio companies are disseminated through the corporate website, with the possibility for all institutional and non-institutional stakeholders to send questions and requests for further information.

Information of major interest to investors is made available on the Company's website, in the "Investor" section, in addition to official communications. The "Governance" section includes information on Shareholders' Meetings, with particular reference to how to participate and exercise the right to vote, the documentation on items on the agenda, including reports on the matters on the agenda and the slates of candidates for the offices of Director and Statutory Auditor with an indication of their personal and professional characteristics.

## 2. SHAREHOLDERS' MEETING

The Shareholders' Meeting is the body that expresses the corporate will. It is called, according to the laws and regulations for companies whose shares are listed on regulated markets, to pass resolutions on the matters reserved for it by law. The decisions taken in accordance with the law and the By-laws are binding on all shareholders, including those absent or dissenting, without prejudice to the right of withdrawal in certain situations. The majorities required to amend the By-laws are those established by law.

The Board of Directors recommends to all of its members to participate regularly in Shareholders' Meetings and seeks to encourage and facilitate the widest possible participation of Shareholders and to facilitate the exercise of voting rights.

The Board of Directors reports to the Shareholders' Meeting on its past activities and future plans and acts to ensure that the Shareholders have adequate information to allow them to take the decisions required of the Shareholders' Meeting on an informed basis.

All those who have the right to vote as certified by the legally required communication received by the Company by the end of the third trading day prior to the date set for the Shareholders' Meeting at a single calling are entitled to attend the Shareholders' Meeting. The right to attend and vote is retained if the communications are received by

the Company after the deadline, as long as they are received before proceedings of the Shareholders' Meeting begin.

Shareholders who, individually or jointly, own at least one fortieth of the share capital represented by shares with voting rights can, by the legal deadline, ask for items to be added to the agenda, stating in their request what other issues they have proposed for discussion or what other motions they have suggested on matters already on the agenda. Shareholders may ask questions on items on the agenda prior to the Shareholders' Meeting. The notice of calling specifies the deadline for submitting questions.

The Company can designate a person (the so-called Designated Representative), giving a clear indication thereof in the notice of calling, for each Shareholders' Meeting to whom all eligible parties may grant a proxy with voting instructions on all or some of the proposals on the agenda, in the manner provided for by law.

A specific regulation governing Shareholders' Meetings has not been adopted as the extensive powers attributed to the Chairman by law and doctrine are considered adequate enough to ensure the orderly conduct of Shareholders' Meetings, also because art. 13 of the By-laws expressly gives the Chairman the power to direct the debate and establish the order and methods of voting, providing it is open.

Shareholders may ask questions on items on the agenda prior to the Shareholders' Meeting. The notice of calling specifies the deadline for submitting questions, which will be addressed no later than during the Shareholders' Meeting.

The Shareholders' Meeting was held on April 27, 2023 to vote on the following agenda:

1. Financial statements for the year ended December 31, 2022.
2. Allocation of the profit for the year and distribution of the dividend.
3. Report on the Remuneration Policy and on the Compensation Paid, pursuant to art. 123-ter of the Consolidated Law on Finance: remuneration policy for 2023.
4. Report on the Remuneration Policy and on the Compensation Paid, pursuant to art. 123-ter of the Consolidated Law on Finance: consultation on the compensation paid in 2022.
5. Determination of the number of members of the Board of Directors.
6. Determination of the term of office of the Board of Directors.
7. Appointment of the members of the Board of Directors.
8. Determination of the remuneration of the Board of Directors.
9. Appointment of the members and Chairman of the Board of Statutory Auditors for the three-year period 2023-2025.
10. Determination of the remuneration of the Board of Statutory Auditors.
11. Authorisation to buy and sell treasury shares, subject to revocation of the authorisation given by the Ordinary Shareholders' Meeting held on April 21, 2022.
12. Incentive plan based on financial instruments pursuant to art. 114 bis of the Consolidated Law on Finance.

## III. Board of Directors

### 1. ROLE AND DUTIES

The Board of Directors has the task of defining the strategic guidelines of the Company and the Group and is responsible for managing them. It is vested with all powers of ordinary and extraordinary administration of the Company, as all matters not expressly reserved for the Shareholders' Meeting by law and the By-laws fall under its remit.

In consideration of Italmobiliare's role as the holding company of the Group's equity investments, the Board of Directors pursues its sustainable success through the flow of investments and disposals and the management over time of the equity investments held in portfolio. In particular, it evaluates and approves all possible investments with

reference to: *i)* the Company's mission; *ii)* the strategic guidelines approved by the Board during the annual budget review; *iii)* the Code of Ethics, Sustainability Policies and Responsible Investment Policy; *iv)* the additional ESG commitments adopted in line with the Group's strategic response to global challenges.

At each meeting of the Board of Directors, a specific point on the agenda is dedicated to an in-depth analysis of ESG issues, progress on the annual ESG Plan and the activities of the Committee for Sustainability and Social Responsibility. A similar practice has been adopted by the Board of Directors of each portfolio company. The sustainability profiles are also taken into consideration for remuneration purposes: part of the short-term variable remuneration (MBO) of the Chief Executive Officer and the Company's top management is in fact linked to the achievement of predetermined ESG objectives under the ESG plan (depending on the degree to which the plan has been implemented). Furthermore, the long-term incentive plan, approved at the Shareholders' Meeting called to approve the 2022 financial statements and assigned in May 2023, provides for the performance indicators to include, in addition to net asset value, the ESG performance, as assessed by the main specialised rating agencies (CDP, Sustainalytics, S&P), with a relative weight for determining the bonus of 20%. For more detailed information, reference should be made to the report on the remuneration policy and compensation paid drawn up pursuant to art. 123-ter of the CLF.

In addition to the powers bestowed on it by law and the By-laws, resolutions on the following matters are referred to the Board of Directors, without prejudice to the sphere of competence of the Shareholders' Meeting: absorbing companies that are wholly owned or at least 90% owned; transferring the registered office, providing it remains in Italy; opening or closing branches, whether in Italy or abroad; reducing the share capital in the event of withdrawal by a shareholder; amending the By-laws to comply with mandatory regulations.

It is up to the Board of Directors to review and approve the Company's strategic plans and guidelines and to monitor their implementation on a regular basis. During the examination and approval of the accounting records for the period, in light of the information received by the delegated bodies, the Board assesses the overall operating performance, comparing the actual results with the budget for the year. In December 2023, an induction session for Directors and Statutory Auditors was dedicated to the evolution of the strategic guidelines of Italmobiliare and the Group.

The Board of Directors is responsible, among other things, for *i)* assessing the overall results of operations; *ii)* assessing the adequacy of the organisational, administrative and accounting structure with particular reference to the Internal Control and Risk Management System, supervised by the Chief Executive Officer, *iii)* defining the Company's corporate governance system; *iv)* assigning powers to Executive Directors, as well as *v)* defining the remuneration policy and setting the remuneration of Directors vested with special powers. The Board of Directors resolves on those transactions of the Company and its subsidiaries that may have strategic, economic or financial importance for Italmobiliare, such as acquisitions or disposals that would significantly change the size of the Group or financial operations that would significantly change the overall level of Group borrowing; the Board also resolves on related party transactions, according to the terms of the specific procedure adopted by the Company and the procedures laid down in it.

On the basis of information received during the year and feedback from the Chief Executive Officer-Chief Operating Officer and the Control and Risk Committee, the Board of Directors acknowledged that the Company's organisational, administrative and accounting structure was substantially adequate, particularly the internal control and risk management system.

The Shareholders' Meeting has not authorised any derogation from the ban on competition pursuant to art. 2390 of the Italian Civil Code nor is one provided for in the By-laws. Moreover, no Director is a shareholder with unlimited liability in a competitor company, nor do they run a competitor business for themselves or on behalf of third parties, nor are they a director or general manager in competitor companies.

## 2. PROCEDURES AND DOCUMENTATION

In order to regulate the functioning of the Board of Directors and its various Committees – with the exception of the Committee for Transactions with Related Parties which is governed by a specific procedure – as well as how supporting documentation is to be managed, the Regulation governing the Board of Directors was approved in 2021.

The Regulation, which is available on the Company's website in the Governance/Documents and Procedures section, is applied alongside the legal, regulatory and by-law provisions, as well as the recommendations of the Corporate Governance Code on the subject. The document summarises the functions and powers of the Board of Directors and the duties of the Board Committees; it lays down the rules for the information to be provided to directors and the procedures for taking minutes of Board and Committee meetings; it identifies the prerogatives of the Chairman, who ensures that Board proceedings function as they should and coordinates the activities of the Committees with those of the Board.

The annual calendar of corporate meetings is set in advance of the reference financial year. The notice of calling of the Board meeting is normally sent out at least five days prior to the date of the meeting.

The Chairman ensures that the documentation relating to the items on the agenda of the Board meetings is brought to the attention of the Directors and Statutory Auditors well in advance, identified two days prior to the date of the meeting, except in cases of urgency, in which the documentation is made available as soon as possible. Where deemed appropriate in relation to the nature of the topic and the related resolution or for reasons of confidentiality, the documentation can be made available with less notice or provided directly at the meeting. All necessary insights are provided to enable the Board to deliberate in an informed and knowledgeable manner.

The minimum notice for the distribution of documentation was generally observed during 2023 for the transactions submitted for the Board's approval. In the few cases when the supporting documentation (presentation of the results for the period of the portfolio companies) was made available with a shorter deadline, all clarifications and insights were made during the meeting, also in the presence of the managers concerned, to allow the Board to decide in an informed manner. The period of notice has never been waived merely for reasons of confidentiality. On certain occasions, documents providing additional information have been made available to the Board shortly before the meeting, as well as draft press releases to be disseminated following the meeting. The Chairman made sure that full details were made available at each meeting when requested. At the meeting on February 19, 2024, the Board of Directors carried out its usual evaluation of the pre-meeting documentation, which was deemed complete and adequate.

The Board of Directors, on the proposal of the Chairman, appoints the Secretary who, under the supervision of the Chairman, prepares the minutes of the meetings. The minutes represent a true, clear summary of the Board proceedings and the decisions made. They can make reference to more detailed information contained in the supporting documentation. They are normally approved at the next Board meeting.

The same provisions regarding the disclosure and minutes of meetings envisaged for the Board of Directors are valid for Board Committees as well, where applicable.

The Secretary helps ensure the Chairman's duties are carried out and assists the Directors in key aspects to ensure that the Board and its Committees function properly. The Directors can access the corporate functions to request information or clarifications, normally after informing the Chairman and/or the Chief Executive Officer.

The Board of Directors meets regularly (at least quarterly) to approve the annual and half-year financial reports and the quarterly figures for the additional periodic reports. On this occasion, the CEO reports back on the activities carried out in exercising the powers granted to him. In any case, pursuant to the By-laws, the Board of Directors meets every time it is considered necessary by the Chairman, or the Deputy Chairman, or when it is requested by at least three Directors, or at the request of any of the Statutory Auditors after notifying the Chairman of the Company.

In 2023, the Board of Directors held 9 meetings, lasting for about an hour and a half on average, with the Board of Statutory Auditors always in attendance; the attendance records of individual Directors and Statutory Auditors are shown in a table at the end of this Report. As can be seen from the attendance records for Board and Committee meetings, the Directors ensured that adequate time was available for the performance of their duties.

During the year, all Board meetings were attended by the Financial Reporting Officer, the Chief of Staff and the Head of Corporate Affairs, who performs the functions of the Board's secretary. On the Chairman's initiative, the Heads of Investment Management, Investor Relations, Internal Audit, Investments & Development, Finance, Human Resources and Sustainability also attended for matters concerning their sphere of competence to ensure that there was adequate information.

In December 2023, the Company issued a calendar of corporate events for 2024, which can be found on [www.italmobiliare.it](http://www.italmobiliare.it). The Board of Directors has met three times in 2024 up to the date of approval of this Report.

The Board of Directors and the Board of Statutory Auditors were informed about the recommendations made in a letter from the Chairman of the Corporate Governance Committee dated December 14, 2023. The recommendations were discussed at the Board meeting held on February 19, 2024.

### 3. APPOINTMENT AND REPLACEMENT OF DIRECTORS

Directors are appointed by the Shareholders' Meeting on the basis of slates submitted by the Shareholders.

The slates must be filed at the registered office at least 25 days prior to the date set for the Shareholders' Meeting at a single calling; this is mentioned in the notice of calling along with the procedures and shareholding required for their submission.

Only shareholders who, alone or with others, have a stake in the share capital with voting rights not lower than the level set by Consob pursuant to current regulations are entitled to present slates. No shareholder can file or participate in the filing of more than one slate, directly or through a nominee or trust company, or vote for different slates. Shareholders belonging to the same group and shareholders who join a shareholders' agreement involving the Company's shares may not file or vote for more than one slate, not even through a nominee or trust companies. Slates filed in violation of these restrictions will not be accepted. Each candidate can only be on one slate under penalty of ineligibility.

Slates that have a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, to an extent that complies with current regulations on gender balance.

At the time they are filed, slates must include:

- a. the statements in which the individual candidates accept their candidacy and declare, under their own responsibility, that there are no grounds for ineligibility, that they comply with the integrity requirements established by law, and whether or not they meet the independence requirements of the law and the Code. With reference to this last aspect, this principle used to be contained in the Code of Conduct and the Board of Directors decided to maintain it;
- b. a brief curriculum vitae on the personal and professional skills of each candidate with an indication of positions they hold as director or statutory auditor in other companies;
- c. information on the identity of the shareholders who have presented slates. The certification or statement proving ownership of the shareholding prescribed by the law in force when the slate is presented may also be produced after the filing of the slate, providing that it reaches the Company before the deadline laid down in current regulations on the publication of slates by the Company;
- d. a statement by shareholders – other than those who have a controlling or majority stake, jointly or severally – acknowledging that they do not have any joint shareholdings, as defined by law.

The By-laws do not set additional integrity and independence requirements to those laid down for Statutory Auditors in the CLF. Any elected Director who, during their term of office, no longer complies with the integrity requirements of law or the By-laws falls from office. Specific integrity, propriety, and professional experience requirements are instead mandated by law for corporate officers of entities, such as Italmobiliare, holding significant shareholdings in financial and insurance sector companies.

A number of Directors that is not less than the minimum required by law have to meet the independence requirements laid down in current legislation.

If a slate does not comply with these provisions, it will be considered as though not presented.

At least 21 days prior to the date set for the Shareholders' Meeting called to resolve on the appointment of the management bodies, the Company makes the slates of candidates filed by shareholders and the supporting documentation available to the public at the registered office, the company that runs the stock market and on its own website.

In the event of more than one slate being filed:

- a. all of the Directors on the slate that obtains the highest number of votes at the Shareholders' Meeting are elected in the order in which they are listed, except for the minimum number reserved by law for the minority shareholders' slate;
- b. the minimum number of Directors reserved by law for the minority shareholders are elected from the minority shareholders' slate that obtains the highest number of votes and is not connected in any way, directly or indirectly, with the majority shareholders;
- c. should more than one slate obtain the same number of votes, a run-off is held between these slates by all the shareholders entitled to vote present at the Shareholders' Meeting, and the candidates are elected from the slate that obtains a relative majority of the share capital represented at the Shareholders' Meeting.

For the purposes of apportioning the Directors to be elected, the slates that have not achieved a percentage of votes at least equal to half of the percentage required for the presentation of slates will not be considered.

Should a party connected to a majority shareholder vote for a slate of the minority shareholders, the connection is only considered significant for the purpose of excluding the minority shareholders' elected Director if this vote was crucial for the election of the Director in question.

Should a single slate be filed, all the candidates included in that slate are elected with a simple majority vote of the share capital represented at the Shareholders' Meeting.

If as a result of the voting based on slates or the voting on the only slate presented, the composition of the Board of Directors does not meet the current regulations on gender balance, the necessary replacements will be carried out within the slate that has obtained the highest number of votes or within the only slate presented, starting from the candidate in the last place of the slate in question. Subsequently, if compliance with the gender balance requirement is not ensured in the minimum number required by law, there will be similar replacements, again within the slate that has obtained the highest number of votes, or within the only slate presented.

In the absence of slates, and whenever by means of the slate voting mechanism, the number of candidates elected is lower than the minimum number envisaged in the By-laws for its composition, the Board of Directors is respectively appointed or supplemented by the shareholders at their meeting with the legal majority, providing that the gender balance required under current legislation is ensured and at least the minimum number of Directors meeting the legal independence requirement is ensured.

If during the year one or more Directors should cease to hold office due to resignation or any other reason, the others shall make provision to replace them with a resolution approved by the Board of Statutory Auditors, providing the Directors appointed by the Shareholders' Meeting continue to constitute the majority. Directors are replaced, in compliance with the above requirements of integrity and independence, with the appointment of unelected candidates belonging to the same slate as the Directors who no longer serve, following the original order of presentation. If this is not possible, the Board of Directors will act according to the law. All this, in any case, in compliance with the current regulations on gender balance. Directors appointed in this manner hold office until the following Shareholders' Meeting.

The Shareholders' Meeting decides about the replacement of Directors in accordance with the above principles, by a simple majority of the share capital represented at the Shareholders' Meeting. The term of office of Directors appointed this way will end at the same time as that of the Directors already in office at the time of their appointment.

No limits are set on the re-electability of Directors even if having held the same office for more than nine years in the last twelve years could represent a non-peremptory reason for exclusion from the independence requirement under the Code.

At the time of the renewal of the corporate bodies in 2023, the Board of Directors, assisted by the Remuneration and Nominations Committee, expressed its opinion on the quantitative and qualitative composition of the Board. The opinion was published in advance of the deadline for calling the Shareholders' Meeting and is available in the "Governance/Shareholders' Meeting" section; the majority shareholders' slate is substantially in line with the recommendations included therein. On the basis of a specific benchmark analysis, the Board of Directors also expressed its opinion, in its Report to the Shareholders' Meeting, on the basic remuneration to be granted to the members of the Board of Directors and the Board of Statutory Auditors.



## 4. COMPOSITION

The By-laws say that the Company is to be administered by a Board of Directors made up of between five and fifteen members, who remain in office for the period established at the time of appointment, in any case not exceeding three financial years, and cease to hold office on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their term of office and that they can be re-elected.

The Board of Directors currently in office, appointed by the Shareholders' Meeting on April 27, 2023 up until approval of the financial statements at December 31, 2025, is made up of twelve directors.

Eleven Directors are members of the majority list, which was presented by CFN Generale Fiduciaria S.p.A.: Laura Zanetti, Carlo Pesenti, Livio Strazzera, Giorgio Bonomi, Mirja Cartia d'Asero, Valentina Casella, Elsa Fornero, Luca Minoli, Chiara Palmieri, Roberto Pesenti and Pietro Ruffini. One Director, Marco Cipelletti, is an expression of the minority list presented by a group of shareholders consisting of institutional investors.

The minimum shareholding required by CONSOB to submit a slate was 1%. The slates and supporting documentation, filed and published by the deadlines laid down by law, are available on the website [www.italmobiliare.it](http://www.italmobiliare.it) in the section entitled "Governance/Shareholders' Meeting/Shareholders' Meeting archive".

The curriculum vitae of each Director – which shows that they have adequate professional experience and skills for the tasks assigned to them – is available in the "Governance/Board of Directors" section of the website [www.italmobiliare.it](http://www.italmobiliare.it) and quoted in the introduction to the Annual Financial Report. The offices held by them in other listed companies or companies of significant size are indicated later in this Report.

Furthermore, following the renewal of the mandate approved during the Shareholders' Meeting in April 2023, the Board of Directors ensured that the directors met the specific integrity, propriety, and professional experience requirements mandated by law for corporate officers of entities, such as Italmobiliare, holding significant shareholdings in financial and insurance sector companies.

Of the twelve Directors currently in office, eleven are non-executive; six of these are independent according to both the CLF and the Code, and two are independent only according to the CLF. In compliance with the provisions on gender quotas, 40% of the positions are reserved for the less-represented gender. The Board of Directors' composition embodies a suitable blend of professional experience, skills, gender, and age, adhering to the criteria outlined in the guidance opinion concerning the quantitative and qualitative composition of the Board of Directors, issued prior to the calling of the Shareholders' Meeting. As of the approval date of this Report, the average age of the Directors stands at 54.

Below is a list of the Board of Directors' members as of the approval date of this Report, indicating their respective positions and Committee affiliations.

Laura Zanetti*	Chairman, Member of the Committee for Sustainability and Social Responsibility
Livio Strazzera*	Deputy Chairman
Carlo Pesenti	Chief Executive Officer-Chief Operating Officer and Chairman of the Committee for Sustainability and Social Responsibility
Giorgio Bonomi	Member of the Control and Risk Committee
Mirja Cartia d'Asero**	Chairman of the Control and Risk Committee, Member of the Committee for Transactions with Related Parties and of the Committee for Sustainability and Social Responsibility
Valentina Casella**	Chairman of the Committee for Transactions with Related Parties, Member of the Remuneration and Nominations Committee
Marco Cipelletti**	Member of the Remuneration and Nominations Committee
Elsa Fornero**	Member of the Committee for Transactions with Related Parties and of the Committee for Sustainability and Social Responsibility
Luca Minoli	
Chiara Palmieri**	Chairman of the Remuneration and Nominations Committee, Member of the Control and Risk Committee
Roberto Pesenti	
Pietro Ruffini**	Member of the Committee for Sustainability and Social Responsibility

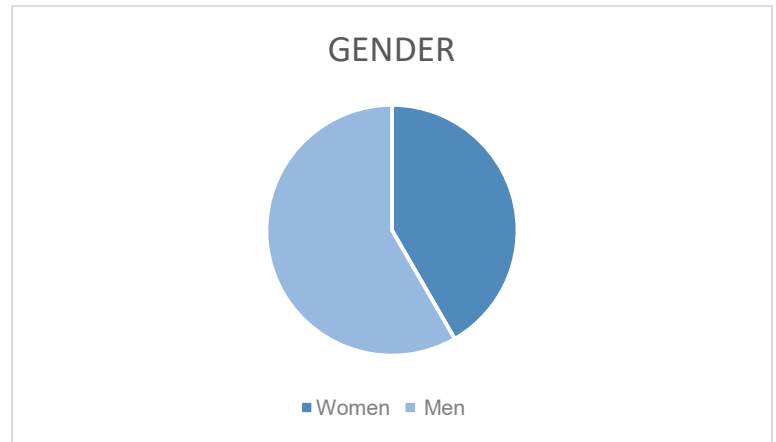
\* Director who meets the independence requirements laid down in the CLF.

\*\* Director who meets the independence requirements laid down in the CLF and the Corporate Governance Code.



## GENDER

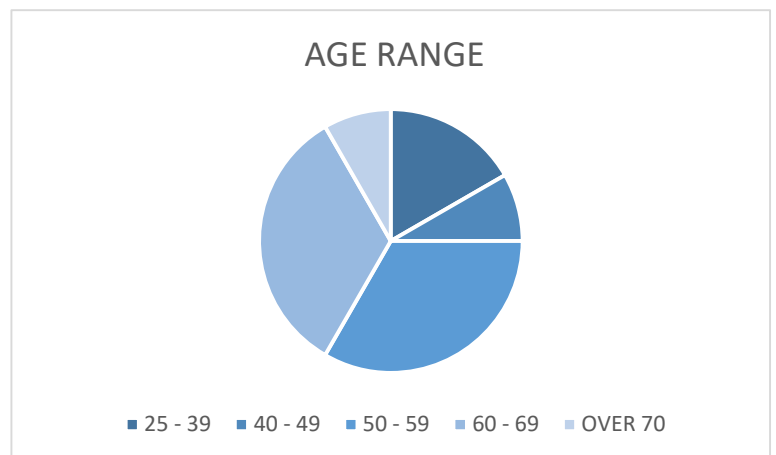
Women	5
Men	7



## AGE RANGE

(MARCH 2024)

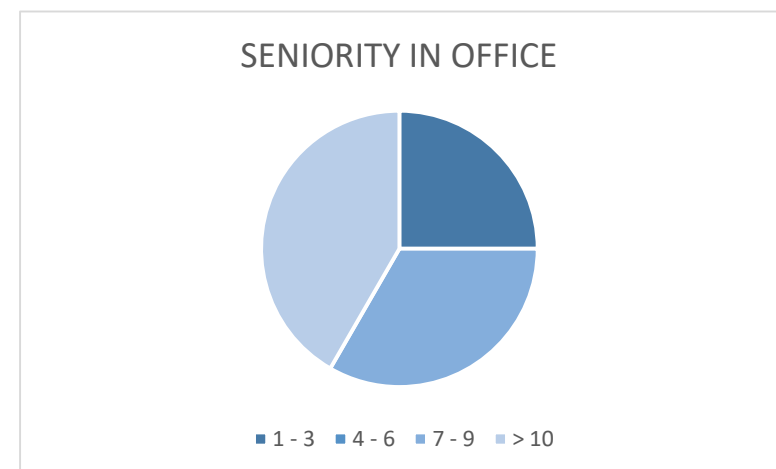
25 - 39	2
40 - 49	1
50 - 59	4
60 - 69	4
OVER 70	1



## SENIORITY IN OFFICE

(MARCH 2024)

1 – 3 years	3
4 – 6 years	-
7 – 9 years	4
> 10 years	5



## 5. LIMITS ON THE ACCUMULATION OF APPOINTMENTS AND OFFICES OF DIRECTORS

The Board of Directors recently reaffirmed, with a resolution passed on April 27, 2023, that the maximum number of offices that could be held in listed companies on regulated markets, in Italy or abroad, was four, including the office held in Italmobiliare S.p.A., but excluding other companies in the Italmobiliare Group, which can be considered compatible with being an effective director of Italmobiliare. All of the Directors and Statutory Auditors comply with this limit.

The offices of Director or Statutory Auditor held by each Director in other listed and/or large companies are shown below:

Laura Zanetti	Allianz Bank Financial Advisors S.p.A. WeBuild S.p.A. (listed)	Director Director
Livio Strazzera	Serfis S.p.A. Bormioli Luigi S.p.A.	Sole Director Director
Carlo Pesenti	Caffè Borbone S.r.l. Tecnica Group S.p.A.	Deputy Chairman Director
Mirja Cartia d'Asero	Il Sole 24 Ore S.p.A. (listed) Tecma Solutions S.p.A. (listed)	CEO Director
Valentina Casella	Arnoldo Mondadori S.p.A. (listed) Banco di Desio and Brianza S.p.A. (listed)	Director Director
Luca Minoli	Cemital Privital Aureliana S.p.A.	Chairman
Pietro Ruffini	Double R S.r.l.	Director

## 6. EXECUTIVE DIRECTORS

Of the twelve Directors in office, only Carlo Pesenti, Chief Executive Officer-Chief Operating Officer, qualifies as an Executive Director. The Board of Directors has assigned him duties and powers, setting limits on how they can be exercised.

## 7. CHAIRMAN AND CHIEF EXECUTIVE OFFICER-CHIEF OPERATING OFFICER

Within the scope of the Board of Directors, the following powers have been granted.

The following duties have been assigned to the **Chairman**, Ms Laura Zanetti: to submit proposals to be resolved on by the Board of Directors; to supervise and ensure compliance with the principles of Corporate Governance approved by the Company and propose any amendment to them to be submitted to the Board of Directors for approval; to supervise the regularity of meetings and actions of the corporate bodies ensuring that the documentation relating to the items on the agenda is made available to Directors and Statutory Auditors suitably in advance; to supervise the work of the Chief Operating Officer with reference to real estate management transactions; to promote the Company's image; in agreement with and in coordination with the Chief Executive Officer, to maintain relations with the economic-financial community, institutional bodies and authorities.

The Chairman has been assigned the following powers: to represent the Company in court proceedings; to represent the Company before any administrative authority or public body, as well as before local industrial or trade associations; to represent the Company as a shareholder at Ordinary and Extraordinary Shareholders' Meetings of other companies; to appoint consultants as necessary; to appoint special and general attorneys; to negotiate and conclude any transaction or contract regarding real estate purchase or sale, exchange and division, as well as the establishment of easements or property rights in general, with a limit of 25 million euro, requiring joint signature together with the Chief Executive Officer.

As **Chief Executive Officer** and **Chief Operating Officer**, Carlo Pesenti has been assigned the following tasks, among others, in addition to the general power of representation of the Company: to submit proposals to be resolved

on by the Board of Directors; to oversee the execution and implementation of the investment plans defined by the Board of Directors; to look after the management policies, corporate development strategies of Italmobiliare S.p.A. and its subsidiaries, held directly or indirectly; to oversee and direct the activities of Italmobiliare S.p.A. and its direct or indirect subsidiaries; to assist in setting guidelines for managing the companies in which Italmobiliare S.p.A., directly or indirectly, holds an equity investment that allows it to exercise significant influence; to look after corporate organisation and propose important amendments to the Board of Directors.

To carry out the above mentioned tasks, the Chief Executive Officer can perform any appropriate initiative and, by way of example: as part of the Company's general policies on accounting reporting (i) to prepare the separate and consolidated draft financial statements (along with the necessary reports and the accompanying notes) to be submitted to the Board of Directors for approval and (ii) to prepare the half-yearly and quarterly financial statements required by current regulations; to prepare Italmobiliare S.p.A.'s budgets and long-term development and investment plans to be submitted to the Board of Directors for approval; to define the general guidelines for the financial management of the Company and the Group; to determine the addresses relating to the choice of the main managers of Italmobiliare S.p.A., excluding the Chief Operating Officer, whose appointment falls under the competence of the Board of Directors, and of the main companies directly or indirectly controlled, as well as, for Italmobiliare S.p.A. only, to personnel management.

The same person has been assigned the powers to carry out managerial, developmental, and decision-making activities. The powers granted for the office of Chief Operating Officer can be exercised within a limit of 25 million euro for individual transaction. The powers granted for the office of Chief Executive Officer can be exercised within a limit of 25 million euro, except for transactions on derivatives and the provision of guarantees in general (in the interest of the Company or its subsidiaries), which can be made within a limit of 50 million euro, transactions to sell securities of listed companies, which can be made within a limit of 100 million euro per single trading day, and real estate transactions, which can be made within a limit of 10 million euro and, if exceeding that amount, up to 25 million euro, require the joint signature of the Chairman.

The Chief Executive Officer-Chief Operating Officer qualifies as the main person responsible for the Company's management. He reports back to the Board every time it meets on the activities carried out in the exercise of the powers.

The Chief Executive Officer-Chief Operating Officer is not a Director in any other listed company at which a Company Director is the Chief Executive Officer.

To manage current operations, powers have been granted to managers of the Company, within the scope of their respective remits.

## 8. SUCCESSION PLANS

The Board of Directors has assigned the Remuneration and Nominations Committee the task of drawing up succession plans for Executive Directors, which the Board of Directors has to decide whether to adopt.

Considering the nature of Italmobiliare as a Holding Company and its organisational structure which has been kept flexible over the years, on the Committee's recommendation, having reviewed the situation most recently in 2023, the Board of Directors did not adopt a formal succession plan for the CEO and key management personnel. The Board of Directors has ascertained that, in the event of an extraordinary situation, all the safeguards are in place, in the form of an Emergency Plan, to ensure that the Company will continue to be managed, while starting the selection of a new management team.

## 9. INDEPENDENT DIRECTORS

Following its appointment in April 2023, the Board of Directors assessed the independence of its members based on the provisions of the CLF and the criteria laid down in the Corporate Governance Code. The results of the assessments were disclosed to the market following the Appointment Shareholders' Meeting on April 27, 2023.

The Board of Directors recently verified the ongoing fulfilment of the requirements, based on the information received from each Director, at the meeting held on February 19, 2024. The Board of Statutory Auditors has checked correct application of the criteria and the procedures adopted by the Board of Directors to assess its members' independence.

In this connection, note that the amount above which a Director cannot qualify as independent pursuant to letter c) of recommendation 7 of the Code has been set at Euro 200,000 per year and the additional amount above which a Director cannot qualify as independent pursuant to letter d) of recommendation 7 of the Code has also been set at Euro 200,000 per year.

Given the rigorous application of the quantitative criteria and, in general, of the parameters indicated in the Code, which up to now have not highlighted any uncertainties, the Board did not consider it necessary to introduce qualitative criteria on which to assess whether the independence requirements were still being met in accordance with letters c) and d) of recommendation 7 of the Code.

There are no commercial, professional or financial relationships involving the Company and the six directors who qualify as independent under both the CLF and the Code.

As a result of these assessments, half of the Directors qualify as Independent under the provisions of the CLF and the criteria laid down in the Code: Mirja Cartia d'Asero, Valentina Casella, Marco Cipelletti, Elsa Fornero, Chiara Palmieri, and Pietro Ruffini.

The Directors who qualified as independent according to both the Code and the CLF met once during 2023 in the absence of the other Directors.

The Chairman Laura Zanetti and Deputy Chairman Livio Strazzera are Independent Directors only according to the CLF.

## 10. LEAD INDEPENDENT DIRECTOR

At the time of renewal, at the meeting on April 27, 2023, the Board of Directors resolved not to appoint a "Lead Independent Director" for the 2023-2025 term of office. The conditions envisaged by the Code do not exist and the Independent Directors did not ask for one to be appointed.

## 11. SELF-ASSESSMENT

In accordance with the provisions of the Board Regulation, the Directors are asked to make an annual assessment of the composition, role and functioning of the Board and of its Committees. The Board of Statutory Auditors also participates in the self-assessment process.

The Chairman supervises and coordinates the process, with the support of the Remuneration and Nominations Committee and the Corporate Affairs Department. The Chairman ensures its adequacy and transparency, considering together with the Committee whether they need assistance from an independent consultant.

At the end of the 2023 financial year, an internally prepared questionnaire was distributed to all Directors and Statutory Auditors, previously shared with the Chairman of the Board of Directors and the Remuneration and Nominations Committee, who did not consider it necessary to involve an external consultant. The questionnaire concerns the overall assessment of the functioning and composition of the Board of Directors and the individual Committees and contemplates the possibility of making recommendations or comments. Each recipient was asked to make their assessment based on a scale of values ranging from 1 to 6.

The questionnaire was returned anonymously by fourteen of the fifteen persons consulted. The CEO, as in the past, did not take part in the process.

Before it was distributed, the questionnaire and the results of the self-assessment were first reviewed by the Remuneration and Nominations Committee and then by the Board of Directors.

In general terms, the opinions of the Directors and Statutory Auditors confirmed their general satisfaction with the procedural and operational aspects, the Chairman's role and her relations with the other Directors, as well as the effective role of Committees and the reporting provided to the Board of Directors.

## 12. INDUCTION PROGRAMME

With the help of the various company departments, the Chairman works to ensure that the Directors and Statutory Auditors participate in initiatives aimed at increasing their knowledge of the Company's situation and dynamics and are informed about the main legislative and regulatory changes that concern the Company and its corporate bodies.

Three induction sessions were held in 2023: one dedicated to the subsidiary Officina Profumo-Farmaceutica di Santa Maria Novella, at which the Board of Directors met, in Florence, one dedicated to the subsidiary Italgel and one related to the strategic guidelines of Italmobiliare. In 2024, up to the date of this Report, two induction sessions were held: one dedicated to the evolution of the macroeconomic scenario and one dedicated to the associate company Bene Assicurazioni.

## 13. INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has set up a Remuneration and Nominations Committee, a Control and Risk Committee, a Committee for Sustainability and Social Responsibility, all with advisory and propositional functions towards the Board of Directors, as well as a Committee for Transactions with Related Parties in accordance with Consob's RPT Regulation. The responsibilities and functions of the first three Committees are laid down in the Regulation governing the Board of Directors of Italmobiliare. The responsibilities of the Committee for Transactions with Related Parties, on the other hand, are included in a specific procedure.

In carrying out their functions, the Committees are entitled to access the corporate information and functions that they need to perform their duties. They can also use external consultants at the Company's expense. At the invitation of the Chairman of each Committee, the meetings may be attended by persons who are not members and therefore managers of the Company or of associate companies and consultants.

Each Committee appoints a Secretary, who does not have to be a member of it. The Secretary's main task is to draw up minutes of the meetings. The Chairman of each Committee reports back to the Board of Directors at the next Board meeting.

Detailed information on the Remuneration and Nominations Committee, the Control and Risk Committee and the Committee for Sustainability and Social Responsibility is provided below, whereas details of the Committee for Transactions with Related Parties can be found in the section entitled "Codes of conduct, procedures and other corporate governance practices".

## 14. REMUNERATION AND NOMINATIONS COMMITTEE

The Committee, in office since April 27, 2023, is made up of Chiara Palmieri, Chairman, Valentina Casella and Marco Cipelletti, all Independent Directors meeting the requirements laid down in the Code and the CLF.

The members have adequate experience in accounting, financial and remuneration policy matters, as assessed by the Board at the time of appointment and which was disclosed to the market.

Until April 27, 2023, the Committee was made up of Vittorio Bertazzoni, Chairman, Valentina Casella and Chiara Palmieri, all Independent Directors meeting the requirements laid down in the Code and the CLF.

The Board of Statutory Auditors and the Head of Human Resources are regularly invited to attend Committee meetings. No Director is present at the meeting when their remuneration is discussed.

The Committee has regular access to the Company's information and departments needed to perform its tasks; it has an annual budget of 50,000 euro assigned by the Board of Directors. The Committee can seek assistance from independent consultants.

The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors

In its role as the Remuneration Committee, it performs the following functions, among others:

- a) makes proposals to the Board about remuneration policy;
- b) periodically assesses the adequacy and overall consistency of remuneration policy, monitoring its application in practice;
- c) presents proposals to the Board of Directors, or expresses opinions, about the remuneration of the executive Directors and the other Directors vested with special powers, as well as on the setting of performance objectives;
- d) assesses proposed short- and long-term incentive schemes, both cash- and share-based, prior to submission to the Board of Directors for approval;
- e) proposes performance objectives to the Board, linked to the variable component of the remuneration of Executive Directors, Directors vested with special powers and key management personnel;
- f) checks whether the performance objectives linked to the long-term incentive plans and the variable remuneration have been achieved, in part by using information received from the relevant business functions;
- g) prepares opinions on how to determine the indemnities payable on the early termination of employment relationships with key management personnel; assesses the possible effects of termination on the rights assigned under incentive plans based on financial instruments.

The Remuneration and Nominations Committee also:

- h) helps the Board to apply the self-assessment process to the Board and its Committees;
- i) expresses opinions on the size and composition of the Board and the Committees;
- j) without prejudice to the provisions of the By-laws, proposes candidates to be co-opted onto the Board, if needed;
- k) performs analyses for the preparation and revision of succession plans for top management roles that the Board of Directors has decided to adopt;
- l) carries out any additional tasks assigned by the Board of Directors.

In 2023, the Committee met four times with all of its members and those of the Board of Statutory Auditors in attendance; meetings lasted more than an hour on average. In three out of four meetings it performed the functions of both the Nominations Committee and the Remuneration Committee; in one it only performed the functions of the Remuneration Committee.

The Committee made use of the independent consultant Willis Tower Watson, among other things, in the preparation of the Remuneration Policy for 2023 and 2024, in the definition of the new long-term incentive plan for the period 2023-2025 submitted to the Shareholders' Meeting, and in the introduction of a new medium-long term incentive system, the "Value Creation Sharing Incentive", designed to share the value created as a result of extraordinary transactions.

During 2023, the Committee carried out the following activities involving remuneration matters:

- it examined the Company's report on the remuneration policy for 2023 and on the compensation paid in 2022 to be submitted to the Board of Directors and subsequently to the Shareholders' Meeting;
- it checked the achievement of the performance objectives in order to determine the short-term variable remuneration to be paid to the Chief Executive Officer-Chief Operating Officer and key management personnel (2022 MBO), as well as the achievement of the performance objectives in order to provide the long-term incentive plan (Italmobiliare 2020-2022 Phantom Stock Grant Plan);
- it made a proposal to the Board of Directors on the variable remuneration of the Chief Executive Officer-Chief Operating Officer and of key management personnel for 2023 (2023 MBO);
- it reviewed a benchmark analysis, which was subsequently submitted to the Board of Directors, regarding the basic remuneration of Directors and Statutory Auditors, to prepare a proposal for the Shareholders' Meeting;

- it supported the Board of Directors in the definition of the Company's new long-term incentive plan (Italmobiliare 2023-2025 Phantom Stock Grant Plan), subsequently approved by the Shareholders' Meeting, and of the new medium-long term incentive system, the "Value Creation Sharing Incentive", designed to share the value created as a result of extraordinary transactions;
- it defined the regulations and performance objectives of the "Italmobiliare 2023-2025 Phantom Stock Grant Plan", along with the related assignment proposals, subsequently approved by the Board of Directors; it formulated proposals for the remuneration of specific offices, subsequently submitted to the Board of Directors; it established the regulations for the "Value Creation Sharing Incentive" and formulated proposals for identifying the beneficiaries of the Plan;
- regarding the liquidity event represented by the sale of a portfolio investment of Italmobiliare, it verified the conditions for the assignment of the "Value Creation Sharing Incentive" and submitted a proposal to the Board of Directors for the disbursement of the incentive to the beneficiaries.

As regards the functions of the Nominations Committee, in 2023 it: preliminarily reviewed the results of the 2022 self-assessment process, which were then submitted to the Board of Directors; reviewed the questionnaire to be used for the 2023 self-assessment process, after agreeing not to use an independent consultant; carried out preparatory investigations for the formulation of an opinion on the quantitative and qualitative composition of the Board of Directors, in view of the renewal of the corporate bodies, resolved by the Shareholders' Meeting of April 27, 2023.

In 2024, up to the date of approval of the Report, the Committee has met twice, also performing the functions of the Nominations Committee in one of the meetings. Among its activities involving remuneration, it has examined the Company's report on the remuneration policy for 2024 and on the compensation paid in 2023 to be submitted to the Board of Directors and subsequently to the Shareholders' Meeting; checked whether the performance objectives had been achieved in order to determine the short-term variable remuneration to be assigned to the Chief Executive Officer-Chief Operating Officer and key management personnel (2023 MBO); it examined the objectives of the 2024 MBO of the Chief Executive Officer-General Manager and key management personnel, subsequently approved by the Board of Directors.

In its capacity as the Nominations Committee, it examined the results of the 2023 self-assessment, subsequently submitted to the Board of Directors.

For further information on the duties of the Remuneration and Nominations Committee, and in general on the remuneration policy for 2024, approved by the Board of Directors on the Committee's proposal, please refer to the remuneration report drawn up in accordance with art. 123-ter of the CLF.

## 15. COMMITTEE FOR SUSTAINABILITY AND SOCIAL RESPONSIBILITY

In view of the renewal of the corporate bodies, the Board of Directors appointed the members of the Committee for Sustainability and Social Responsibility: the Chief Executive Officer-Chief Operating Officer, Carlo Pesenti, who assumed the office of Chairman, Laura Zanetti, and the Independent Directors, Mirja Cartia d'Asero, Elsa Fornero and Pietro Ruffini. The Committee is headed up by the Chief Executive Officer-Chief Operating Officer to ensure that ESG issues are fully integrated with the Company's strategies. The Director of Sustainability, who also performs the functions of the Board's secretary, as well as the Director of Investment Management attend each meeting of the Committee.

Until April 27, 2023, the Committee was made up of Carlo Pesenti, Laura Zanetti, Vittorio Bertazzoni, Mirja Cartia d'Asero, Elsa Fornero.

The Committee has a duty to provide the Board with advice and proposals in order to implement a development strategy focused on sustainability, consistent with Italmobiliare's mission in all its components: governance, economic, social and environmental.

The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors. In particular, in the ESG area, the Committee assists the Board in:

- i. defining Italmobiliare's business strategy and mission, also with regard to the evolution of its internal processes;
- ii. carrying out analysis and research;



- iii. promoting an integrated culture;
- iv. generating long-term shared value for the Company and the Group.

Among its specific functions, the Committee:

- a) verifies and assesses the sustainability strategy adopted, designed to ensure the creation of value over time for the shareholders and for all the other stakeholders, in compliance with the commitments deriving from adherence to international ESG principles;
- b) promotes the adoption of sustainability principles, partly via the competent company functions, and defines the objectives and monitors their achievement;
- c) proposes initiatives and projects and indicates best practices in order to strengthen the culture of sustainability throughout the Group and help implement the strategic guidelines, in full compliance with the ESG principles;
- d) monitors implementation of the policies and guidelines adopted by the Company from time to time with regard to sustainability issues;
- e) assesses the Sustainability Report, submitted annually to the Board of Directors, which contains the non-financial report (NFR) and, in general, the documents published by the Company because of its adherence to international ESG principles.

In 2023, the Committee met 3 times with all of its members, those of the Board of Statutory Auditors and the members of the Sustainability Department in attendance. Meetings lasted less than two hours on average. Recurring activities included: completion of the 2022 ESG Plan; review of the 2022 Sustainability Report; definition of the 2023 ESG Plan and its monitoring; analysis of the developments in the global ESG context, including relevant regulatory aspects; updating of the materiality matrix; the evolution of non-financial reporting. Particular strategic focus was given to the discussion and approval of new ESG commitments for the Group, such as the commitment to decarbonisation through adherence to the Science Based Targets initiative, and the definition of other strategic guidelines, including those related to diversity, equity, and inclusion (DE&I) as well as health, safety, and welfare.

The Committee has met once in 2024, up to the approval of this Report, with the participation of all of its members, the Statutory Auditors and the Sustainability Department for reviewing and assessing the 2023 Sustainability Report, completion of the 2023 ESG Plan (which, as for last year, is linked to a variable remuneration target for all the members of top management) and a review of the 2024 ESG Plan, then submitted to the Board of Directors.

## 16. CONTROL AND RISK COMMITTEE

Following its appointment in April 2023, the Board of Directors set up the Control and Risk Committee, which currently consists of Mirja Cartia d'Asero, Chairman, Chiara Palmieri, both Independent Directors, and Giorgio Bonomi, non-Executive Director. Its composition remains unchanged from the previous three-year period.

All of the members have adequate experience in finance, accounting and risk management, as assessed by the Board at the time of its appointment and disclosed to the market. The Committee as a whole has adequate expertise in the sector of activity in which the Company operates.

The Committee has a duty to provide the Board with advice and proposals on: *i)* the Internal Control and Risk Management System and *ii)* periodic financial reporting; on the renewal of the corporate bodies, the duties on social sustainability matters connected with the Company's business were attributed to the Committee for Sustainability and Social Responsibility, which was described above and with which the Control and Risk Committee coordinates.

The Control and Risk Committee also performs its duties on the basis of information flows received from the Head of Internal Audit of the Company, as regards Italmobiliare S.p.A. and its subsidiaries that do not have autonomous third-level control systems and structures. As regards the other subsidiaries, which may also include entities subject to monitoring by control authorities, the Committee uses the information flows laid down in the guidelines of the ICRMS and, in particular, information received from their equivalent departments, where present.

The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors. In particular, the Control and Risk Committee, in assisting the Board of Directors:

- a) after consulting the Financial Reporting Officer, the Board of Statutory Auditors and the Independent Auditors, considers whether the reference accounting standards were applied in a proper and consistent manner when preparing consolidated financial statements;
- b) considers whether the periodic financial disclosures present properly the business model and strategies of the Company, the impact of its activities and the results achieved;
- c) before presenting the sustainability report to the Board of Directors, coordinates with the Committee for Sustainability and Social Responsibility, possibly via the Directors who sit on both Committees, in order to assess whether the non-financial disclosures present properly the business model and strategies of the Company, the impact of its activities and the results achieved, also for the purposes of the system of internal control and risk management;
- d) expresses opinions on specific aspects involved in identifying the principal business risks, and supports the assessments and decisions made by the Board of Directors with regard to the management of risks deriving from any adverse events identified;
- e) examines the periodic reports and those of particular significance prepared by the Internal Audit Department;
- f) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit Department, which it may ask to perform checks in specific operational areas, notifying the Chairman of the Board of Statutory Auditors at the same time;
- g) examines the periodic reports on internal control and risk management received from the subsidiaries of Italmobiliare S.p.A. and, in particular, those prepared by the equivalent Committees;
- h) reports to the Board of Directors, at least every six months, at the time of approval of the financial statements and the half-yearly report, on the overall activity carried out and on the adequacy of the Internal Control and Risk Management System (ICRMS);
- i) carries out the additional tasks envisaged by the Guidelines of the Internal Control and Risk Management System, as well as those assigned to it by the Board.

The Board of Directors is supported by the Control and Risk Committee for the following issues and activities within the remit of the Board:

- a) determines guidelines for the system of internal control and risk management, consistent with the strategies of the Company, and assesses at least once each year the adequacy of the system, having regard for the characteristics of the business and the risk profile accepted, as well as its effectiveness;
- b) resolves on the appointment and revocation of the Internal Audit manager, establishing remuneration for the role that is consistent with corporate policies and checking that sufficient resources are made available for performance of the duties assigned;
- c) approves, at least once a year, the audit plan prepared by the Internal Audit manager, after consulting the Board of Statutory Auditors and the Chief Executive Officer;
- d) appoints the Supervisory Body pursuant to Legislative Decree 231/2001;
- e) assesses the introduction of measures to guarantee the effectiveness and impartiality of the business functions that perform control activities;
- f) assesses, after consulting the Board of Statutory Auditors, the conclusions expressed by the Independent Auditors in their letter of recommendations, if issued, and in the additional report addressed to the control body;
- g) describes in the report on corporate governance the principal characteristics of the system of internal control and risk management and the methods used to coordinate the parties involved in the system, explaining the choices made regarding the composition of the Supervisory Body.

The meetings are minuted by the Secretary of the Committee. The managers responsible for the areas being discussed are regularly invited to meetings of the Committee to provide suitable in-depth analyses; the Financial Reporting Officer and the Head of Internal Audit attend all of the meetings in any case. The Committee has an annual budget of 50,000 euro assigned by the Board of Directors.

In 2023, the Committee held a total of six meetings, each lasting more than one hour on average, with all its members in attendance. The Board of Statutory Auditors always attended these meetings.

During 2023, the Committee, among other things:

- examined and approved the Company's approach to carrying out impairment tests; it also reviewed and took note of the results;
- assessed correct use of the accounting standards and their consistency in drawing up the period financial report, together with the Financial Reporting Officer, after consulting the Board of Statutory Auditors and the Independent Auditors;
- reviewed the Audit Plan for 2023, which was subsequently approved by the Board of Directors, and monitored its implementation;
- analysed the results of risk management; received updates from the Finance Director and the Investment Management Department in relation to the macroeconomic scenarios;
- examined the reports prepared by the Head of Internal Audit to check the adequacy, efficiency and effective functioning of the Internal Control and Risk Management System;
- met the equivalent departments at the main subsidiaries, as well as the Independent Auditors, before the Board of Directors examined the draft financial statements and the interim report;
- received periodic updates on the state of outstanding disputes;
- exchanged information with the Board of Statutory Auditors and the Supervisory Body on their activities.

In 2024, up to the date of approval of this Report, the Committee has met three times in the presence of the Board of Statutory Auditors to examine: the impairment test methodology applied in 2023 and its results; the results of risk management; the accounting policies used in drawing up the 2023 annual financial report; updates on outstanding disputes; the results of the 2023 Audit and the 2024 Audit Plan.

The Committee met the Independent Auditors before the Board of Directors examined the 2023 draft financial statements; was informed by its Chairman, who also sits on the Committee for Sustainability and Social Responsibility, about the contents of the Sustainability Report that are relevant to the ICRMS; examined the section of this Report that gives a description of the ICRMS, agreeing on its content.

A total of six meetings are scheduled for 2024.

## IV. The Internal Control and Risk Management System

### 1. DEFINITION AND OBJECTIVES

The Internal Control and Risk Management System ("**ICRMS**") of Italmobiliare is an essential part of the Corporate Governance system. It is a set of organisational rules, procedures and structures intended to enable the identification, measurement, management and monitoring of the main risks facing the Company and its subsidiaries.

The Board of Directors has defined and continuously updated the Internal Control and Risk Management System Guidelines ("**Guidelines**"), in compliance with the recommendations of the Code, having obtained the favourable opinion of the Control and Risk Committee. Taking into account the specific structure of the Group, which includes companies – among which there may be entities subject to the supervision of Supervisory Authorities – with internal control systems and structures in turn responsible for overseeing the ICRMS of their respective sub-groups (so-called "Group of groups"), the Guidelines seek to ensure consistency and harmonisation between the various control tools that exist. This entails establishing the roles and departments involved in the identification, measurement, management and monitoring of the main risks of the Company and its subsidiaries.

The Guidelines have been sent to the subsidiaries so that they could take account of them in the definition and maintenance of their own ICRMS, without prejudice to each company's autonomy and independence.

The ICRMS must contribute to the running of the Company in line with the corporate objectives laid down by the Board of Directors, encouraging informed decision-making. It helps to ensure the safeguarding of company assets, the efficiency and effectiveness of company processes, the reliability of financial reporting, compliance with laws and regulations and with the By-laws and internal procedures.

The ICRMS is broken down into three levels of control, in line with the best national and international standards and with the provisions of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001:

*1st level:* represented by line checks designed to ensure that operations are performed correctly, in line with the Company's business and governance objectives; these checks are carried out by the heads of the operating areas who identify and assess the risks and lay down specific steps for managing them;

*2nd level:* functions in charge of establishing the methodologies and tools for risk management and performance of risk monitoring activities;

*3rd level:* the Internal Audit function, as well as any others who provide objective and independent assurance as to the design and functioning of the overall System.

The Guidelines provide for the involvement of the following corporate bodies and functions:

the **Board of Directors**, with the following tasks:

- a) to assess and approve investments that are consistent with the mission of the Company and the strategic guidelines approved by the Board during the annual budget review, having regard for the indications provided by the Committee for Sustainability and Social Responsibility (see below) regarding the generation of long-term value;
- b) to determine the nature and level of risks compatible with the strategic objectives of the Company, considering all elements that may be significant in terms of sustainable success;
- c) to define the corporate governance system of the Company and the structure of the Group headed by it and assess the adequacy of the organisational, administrative and accounting structure of the Company and of subsidiaries that are of strategic importance, with particular reference to the internal control system and risk management;
- d) to examine at least once a year the main corporate risks as well as the set of control processes implemented and planned for their prevention, reduction and effective and efficient management;

the **Board of Directors**, with the support of the Control and Risk Committee, with the following tasks:

- e) to set guidelines for the system of internal control and risk management, consistent with the strategies of the Company, and assess at least once each year the adequacy of the system, having regard for the characteristics of the business and its risk profile, as well as its effectiveness;
- f) to appoint and revoke the Head of Internal Audit, establishing remuneration for the role that is consistent with corporate policies and ensuring that sufficient resources are made available for performance of the duties assigned; if it decides to entrust the Internal Audit function, as a whole or by segments of activity, to an external entity, it ensures that it meets the requisites of professionalism, independence and organisation and provides adequate reasons for this choice in the report on the corporate governance;
- g) to approve, at least once a year, the work plan prepared by the Head of Internal Audit, after consulting the control body and the Chief Executive Officer;
- h) to appoint the Supervisory Body pursuant to art. 6, paragraph 1, letter b) of the Legislative Decree no. 231/2001;
- i) to assess the introduction of measures to guarantee the effectiveness and impartiality of the business functions that perform control activities;
- j) to evaluate, after consulting the control body, the results presented by the Independent Auditors in any letter of recommendations and in the additional report addressed to the control body;
- k) to describe in the report on corporate governance the main characteristics of the internal control and risk management system and the methods of coordination between the parties involved in it, to express its overall assessment of the system's adequacy and to explain the choices made regarding the composition of the supervisory body.

The Board of Directors, with the assistance of the Control and Risk Committee and the Committee for Sustainability and Social Responsibility based on their feedback, evaluates the adequacy, effectiveness and effective functioning of the ICRMS with respect to the characteristics of the business.

With reference to subsidiaries with autonomous internal control structures that have similar duties to those assigned by the Code to the Control and Risk Committee, the activities performed by the Control and Risk Committee of Italmobiliare essentially involve reviewing and assessing the reports received from these structures.

During the course of the year, when the Board of Directors carried out its investment analyses, it did not find any risk profiles that were incompatible with the Company's strategic objectives, also with a view to their sustainability over the medium to long-term.

The Board of Directors approved the work plan prepared by the Head of Internal Audit, having consulted the Board of Statutory Auditors and the Chief Executive Officer.

This process is operating in the main subsidiaries.

## 2. CHIEF EXECUTIVE OFFICER IN CHARGE OF SETTING UP AND MAINTAINING THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Chief Executive Officer-Chief Operating Officer, Carlo Pesenti, was identified as the "Chief Executive Officer in charge of setting up and maintaining the internal control system" (**Chief Executive Officer**).

As such, he has the task of:

- a. identifying the main risks, taking into account the characteristics of the business activities carried on by the Company and its subsidiaries, and submitting them periodically to review by the Board of Directors;
- b. implementing the Guidelines, taking care of the planning, implementation and management of the ICRMS, constantly verifying its adequacy and effectiveness, adapting it to the dynamics of the operating conditions and the legislative and regulatory situation;
- c. reporting promptly to the Control and Risk Committee, the Committee for Sustainability and Social Responsibility (or to the Board of Directors) issues and problems identified during his activity or of which he becomes aware, so that they can take appropriate action.

He can also entrust the Internal Audit Department to carry out reviews of specific operational areas and whether business operations comply with the rules and internal procedures, giving simultaneous notice to the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors.

He has the task, together with the Financial Reporting Officer, of issuing statements regarding the adequacy and effective application of the administrative and accounting procedures, the compliance of the documents with international accounting standards, that the documents correspond to the contents of the accounting books and records, and the suitability of the documents to provide a true and fair view of the key financial data of the Company and of the Group.

## 3. HEAD OF INTERNAL AUDIT

The Board of Directors, on the proposal of the then "Director in charge of the internal control and risk management system", and after consulting the Board of Statutory Auditors, appointed Delia Strazzarino as the Head of Internal Audit, establishing her remuneration in line with the Company's policies and ensuring that she had adequate resources to perform her duties.

The Head of Internal Audit has the task of verifying that the ICRMS is functioning, adequate and consistent with the Guidelines laid down by the Board of Directors, providing an objective assessment of its suitability to the corporate bodies and to top management. She therefore has direct access to all information needed to carry out her role, she is not responsible for any operating area and reports hierarchically to the Board of Directors.

The Head of Internal Audit verifies how the ICRMS operates in practice, both on an ongoing basis and in relation to specific needs in compliance with international standards, through an Audit Plan approved by the Board of Directors, based on a structured process of analysis and assessment of the main risks. Once a year, as part of the Audit Plan, the Head of Internal Audit explains to the Board of Directors how her department is structured and whether or not it is suitable, in numerical and professional terms, to perform the tasks assigned to it. She prepares periodic reports containing pertinent information on her department's activities, the methods used to manage risk and compliance with the plans to mitigate risk, in addition to an assessment of the appropriateness of the ICRMS and any reports on particularly important events, and sends them to the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Directors, as well as to the Chief Executive Officer. She also verifies the reliability of the information systems, including the accounting systems.

As part of its "Quality Assurance and Improvement Programme", the Internal Audit Department undergoes a Quality Assurance Review by an independent external body at least once every five years; the last review, which was completed in 2020, ended with an assessment of substantial compliance with the international standards for professional practice and the Code of Ethics of Internal Audit.

After obtaining the opinion of the Control and Risk Committee and having consulted with the Chief Executive Officer and the Board of Statutory Auditors, the Board of Directors approved:

- the mandate of the Internal Audit Department, last amended by resolution on March 2, 2017, which formally defines the mission, objectives, organisational context and responsibilities of the department in line with the definition of Internal Auditing, with the Code of Ethics and the international standards as per the International Professional Practices Framework of the Institute of Internal Auditors;
- the work plan for the year 2023 prepared by the Head of Internal Audit.

The Internal Audit Department carries out its duties directly in all areas of the Italmobiliare Group, except for the subsidiaries that have an independent Internal Audit function.

At Group level, the Internal Audit Department coordinates with the equivalent functions at the subsidiaries in order to encourage a uniform approach to the operational and adequacy checks of the ICRMS, taking into account the autonomy, independence and responsibilities of the subsidiaries and their corporate bodies.

#### 4. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001 AND THE SUPERVISORY BODY

In order to make the internal control and corporate governance system more effective, to prevent the perpetration of corporate offences and those against the Public Administration, since 2004 the Company has adopted an Organisation, Management and Control Model (the "**Model**"), in application of Legislative Decree 231/2001, updated over the years and last amended by resolution of the Board of Directors on December 15, 2022.

By adopting the Model, the Company intends to disseminate and establish a corporate culture based on legality, with the express censure of all conduct contrary to the law and the regulations contained in the Model.

There have been several updates to incorporate changes made to the law which have gradually extended the scope of application of Legislative Decree 231/2001 to additional categories of offences with respect to those originally included. All updates to the Model, except those of a purely formal nature, have been carried out on the basis of targeted risk assessments performed by consultants who specialise in the matters taken into consideration on each occasion.

In 2022, the updates of the Model submitted to the Board of Directors were motivated by the regulatory changes that have extended the types of predicate offences, as well as by a review of the relationships between the Models and the Supervisory Bodies within the Group.

With regard to the regulatory updates, a new Special Section has been inserted ("Crimes against the cultural heritage"), while the Special Section entitled "Receiving, laundering, using money, self-laundering of goods or other benefits of illicit origin" has been extended to "Crimes involving non-cash payment instruments". The Special Section entitled "Crimes against the Public Administration" was integrated with a new activity at risk and new control protocols.

The General Section of the Model is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)), in the "Governance/Organization, management and control model" section.

The main subsidiaries of Italmobiliare also have an organisation, management and control model pursuant to Legislative Decree 231/2001.

The task of continuously supervising effective functioning and compliance with the Model, as well as proposing updates to it, is assigned to the Supervisory Body, appointed by the Board of Directors to which it reports directly, and given adequate resources to ensure autonomy, professionalism and independence in the exercise of its duties.



The Supervisory Body itself, in implementation of Legislative Decree 24/23 on whistleblowing, was identified as the Person in Charge of the Management of Whistleblowing Reports, as described in the dedicated procedure, updated in December 2023 in compliance with the law.

The Supervisory Body, appointed by the Board of Directors on May 10, 2023, in accordance with the recommendation of the Control and Risk Committee and as provided by the Model itself, is made up of Paolo Sfameni (Chairman), an external consultant, Antonia Di Bella, Standing Auditor, and Delia Strazzarino, the Company's Head of Internal Audit. The outgoing Supervisory Body reflected this composition and was made of Paolo Sfameni, Luciana Ravicini, Standing Auditor, and Delia Strazzarino, the Company's Head of Internal Audit. This composition is considered suitable for combining the requisites of autonomy, independence and competence, which are essential to ensure the Body's authority and effectiveness.

As part of its duties, the Supervisory Body periodically meets with the Company's managers in charge of sensitive areas as defined by Legislative Decree 231/2001, the Board of Statutory Auditors, the Control and Risk Committee, the Financial Reporting Officer and representatives of the independent auditors to discuss any matters concerning the prevention of offences specified in the Model, including those relating to financial reporting. The Supervisory Body is granted autonomous initiative and control powers within the Company in order to carry out its functions effectively.

The Supervisory Body periodically, and at least once every six months, prepares a written report on its activities, sending it together with a documented list of any expenses it may have incurred to the Chairman of the Board of Directors, the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee and the Financial Reporting Officer. Such reports contain any proposals for additions and amendments to the Model. This periodic report must at least contain or highlight:

- a) any problems that have arisen with regard to the methods of implementing the procedures laid down in the Model;
- b) the reports received from internal and external parties with comments they may have on the Model;
- c) disciplinary procedures and penalties, if any, applied by the Company, with exclusive reference to activities at risk;
- d) a complete assessment of how the Model functions with any indications for supplements, corrections or amendments.

The Supervisory Body met 9 times during the year 2023.

## 5. INTERNAL CONTROL AND FINANCIAL REPORTING

The Internal Control and Risk Management System relating to the process of financial reporting is made up of a series of company rules and procedures adopted by the various operating structures to ensure the soundness, accuracy, reliability and timeliness of financial reports.

Italmobiliare has defined its own operating model to comply with the Law on savings ("**Operating Model**"), detailing the operational approach for carrying out its activities. This Model is based on the principles contained in the CoSO framework and in the document "Internal Control over Financial Reporting Guidance for Smaller Public Companies", also developed by CoSO.

In this Operating Model, the Internal Control and Risk Management System is considered together with the internal control system in relation to the financial reporting process.

The Operating Model defined by Italmobiliare is based on the following main elements:

- a. **Preliminary Analysis.** This activity, carried out on an annual basis and whenever deemed necessary, is aimed at identifying and assessing the risks related to the Internal Control and Risk Management System with regard to financial reporting, in order to determine priorities for the steps to be taken in terms of documentation, assessment and testing of administrative and accounting procedures and related controls. The identification of the relevant entities and processes is based on both quantitative factors (proportion of revenue and assets of a single entity compared with the consolidated amounts, the size of consolidated balance sheet items related to a particular process) and qualitative factors (the country in which an entity operates, specific risks, risk levels assigned to the various items);

- b. Operational planning.** Every year, activities are planned on the basis of the priorities identified through the preliminary analysis and any other assumptions;
- c. Analysis of controls at company level.** The individual companies within the scope of intervention, identified in the preliminary analysis, are responsible for the related activities *i)* assessment of the effectiveness of the Internal Control and Risk Management System in relation to the governance principles operating at company level (Entity Level Controls), as well as *ii)* overall management of the information systems used in processes relevant for financial reporting and the related IT infrastructure (Information Technology General Controls), to be carried out in accordance with the timing established during the operational planning phase and on the basis of the guidelines, instructions and templates provided by the Financial Reporting Officer;
- d. Analysis of controls at process level.** The individual companies within the scope of intervention, identified in the preliminary analysis, are responsible for the related activities: *i)* documenting, with varying levels of detail depending on the level of risk allocated, the administrative and accounting processes previously identified, *ii)* performing tests to check the effective operation of controls, in accordance with the deadlines established during operational planning and on the basis of guidelines, instructions and templates provided by the Financial Reporting Officer;
- e. Assessment of the adequacy and effective operation of the administrative and accounting procedures and of the related controls.** In order to guarantee compliance with the key requirements for financial reporting ("financial statement assertions"), on the basis of the results of the activities carried out and the documentation obtained, the Financial Reporting Officer assesses the overall adequacy and effective operation of the system of administrative and accounting procedures and related controls, and more generally, the Internal Control System for these areas.

With reference to the financial reporting process, the ICRMS also benefited from: the continuous development of an integrated corporate governance system (Service Orders, company processes and procedures); more accurate organisation and programming in relation to the provisions of Law no. 262 of December 28, 2005, containing "Provisions on the protection of savings and the regulation of financial markets" and subsequent corrective decrees ("Savings Law"), issued by the legislator for the purpose of increasing transparency in corporate reporting and strengthening the internal control systems of listed issuers.

## 6. INDEPENDENT AUDITORS

The auditing of the Company's accounts, as required by current law, has been entrusted to a firm of independent auditors appointed by the Shareholders' Meeting on the proposal of the Board of Statutory Auditors. The assignment to audit the separate financial statements of Italmobiliare and the consolidated financial statements of the Group and to perform a limited audit of the condensed half-year consolidated financial statements of the Group for the years 2019-2027 was awarded to Deloitte & Touche S.p.A. by the Shareholders' Meeting on April 17, 2019 on the Board of Statutory Auditors' recommendation.

## 7. FINANCIAL REPORTING OFFICER

The Financial Reporting Officer identified, pursuant to art. 154-bis of the CLF and art. 29 of the By-laws, in the person of Mauro Torri, has to be a manager and meet the integrity requirements established by law for members of the Board of Directors; he must also have acquired at least three years' experience in administration, accounting, finance or control at the Company or its subsidiaries or at other joint-stock companies.

At the time of his appointment, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, the Board of Directors established the compensation of the Financial Reporting Officer and granted him full spending autonomy to exercise the powers conferred on him, with the obligation to report to the Board of Directors on a half-yearly basis on how funds have been spent.

In view of the Law on Savings, the Company has adopted a specific Regulation, which in compliance with the law, the By-laws and following current best practices:

- a) defines the responsibilities and powers of the Financial Reporting Officer of Italmobiliare;

- b) identifies the responsibilities and method for the appointment, removal and termination of office of the Financial Reporting Officer, the term of office and requirements in terms of professional skills and integrity;
- c) lays down the principles of conduct which the Financial Reporting Officer has to observe in the event of conflicts of interest, as well as the confidentiality that has to be maintained while carrying out their activities;
- d) indicates the responsibilities, powers and resources granted to the Financial Reporting Officer for the exercise of their duties, identifying the financial and human resources needed to carry out the mandate;
- e) defines dealings with other Company entities and functions, with the corporate bodies, the internal and external control bodies and with subsidiaries, regulating the information flows between them;
- f) explains the process of internal and external attestation with reference to: the Financial Reporting Officer's statements that the Company's acts and communications disclosed to the market agree with the supporting documentation, books of account and accounting entries; statements made by the Financial Reporting Officer and delegated administrative bodies relating to the financial statements, the condensed interim financial statements and the consolidated financial statements.

The Regulation, last updated in January 2024, applies to all entities, functions and corporate bodies of Italmobiliare, as well as all its direct or indirect subsidiaries. The Regulation has been circulated to the staff of the Company, the subsidiaries, as well as to all those affected by its contents.

The functions and duties of the Financial Reporting Officer laid down in the Regulation include:

- a) ensuring there are adequate administrative and accounting procedures for the drafting of the financial statements, the condensed interim financial statements and the consolidated financial statements, as well as any other financial and non-financial reporting drawn up under Legislative Decree 254/2016, updating such procedures and ensuring dissemination and compliance, as well as verifying that they are applied in practice;
- b) assessing, together with the Control and Risk Committee and the Independent Auditors, correct application of the accounting standards and their consistency for the purpose of the financial statements mentioned above;
- c) reporting periodically to top management and the Board of Directors on the activities performed;
- d) periodically reviewing the assessment of financial reporting risks and updating the mapping of such risks;
- e) participating in the design of IT systems that have an impact on the Company's results and financial position.

## 8. RISK MANAGEMENT

The Company develops and maintains a risk management model aimed at identifying, assessing and managing the main business risks on the basis of the guidelines defined periodically by the Board of Directors, also with a view to pursuing the Company's sustainable success.

Within the context of the ICRMS, the Head of Risk Management:

- proposes a system of governance of enterprise risk management to the Board of Directors;
- coordinates the risk assessment activities carried out by the other corporate functions involved (the "risk experts") for specific insights, to the extent of their sphere of competence;
- coordinates the process of analysis and management of the risks that are considered relevant to the Group, consolidating the results of the risk assessment carried out by the associate companies;
- ensures the definition, evolution and updating over time of the methodology to support the risk management process, providing methodological support to the individual functions involved.
- prepares a system of periodical risk reporting for top management, the Control and Risk Committee and the Board of Directors;
- at least once every six months, monitors implementation of the strategies adopted to mitigate the main risks that have emerged.

Responsibility for risk management is entrusted to the Head of Internal Audit, who does not take any decisions regarding risk management, but carries out work that involves assessment and monitoring. Specific actions to handle risks are decided by management.

Analysis of risk events that could affect achievement of the objectives of the Company and the Group continued in 2023 and up to the date of approval of this Report, as did monitoring of the mitigating action taken for the main risks. In particular, the evolution of the geopolitical and macroeconomic context was constantly monitored, while increasingly in-depth analyses were dedicated to climate risk, both from the perspective of physical risks and transitional risks.

## 9. COORDINATION BETWEEN PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The various parties involved in the Internal Control and Risk Management System (the Board of Directors, Chief Executive Officer, Control and Risk Committee, Committee for Sustainability and Social Responsibility, the Head of Internal Audit, the Financial Reporting Officer, the Board of Statutory Auditors, Supervisory Body and other roles and company departments with specific duties regarding internal control and risk management) are coordinated through an exchange of information and meetings scheduled *ad hoc* or at meetings of the individual bodies.

## 10. ASSESSMENT OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

On the basis of the assessments and information received, with the support of the activities carried out by the Control and Risk Committee and with the contribution of the Chief Executive Officer, the Head of Internal Audit and the Financial Reporting Officer, the Board of Directors acknowledged that there had been no reports of problem areas that could invalidate the overall adequacy and effectiveness of the Internal Control and Risk Management System with respect to the structure of the Company and the Group and the characteristics of the business. In fact, the Internal Control and Risk Management System is subject to ongoing improvement by means of systematic monitoring and planning of improvement initiatives, in line with international standards.

# V. Board of Statutory Auditors

## 1. APPOINTMENT OF THE STATUTORY AUDITORS

The members of the Board of Statutory Auditors are appointed on the basis of slates submitted by the Shareholders, according to a system designed to allow the minority to appoint a Standing Auditor, who assumes the office of Chairman, and an Alternate Auditor. The appointment is made in accordance with current regulations on gender balance.

The slates must be filed at the Company's registered office or sent to the certified email address indicated in the notice of calling of the Shareholders' Meeting, at least 25 days prior to the date set for the Shareholders' Meeting; this is mentioned in the notice of calling along with the procedures and shareholding required for their submission.

Only Shareholders who, alone or with others, can provide evidence that they have a stake in the share capital with voting rights not lower than the level set by Consob pursuant to current regulations for the appointment of the Board of Directors are entitled to present slates.

No shareholder may file or participate in the filing of more than one slate, directly or through a nominee or trust company, or vote for different slates. Shareholders belonging to the same group and shareholders who join a shareholders' agreement involving the Company's shares may not file or vote for more than one slate, not even through a nominee or trust companies. Slates filed in violation of these restrictions will not be accepted.

Each candidate can only be on one slate under penalty of ineligibility.

Slates that have a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, to an extent that complies with current regulations on gender balance. This applies to candidates for the office of Standing Auditor, as well as to candidates for the office of Alternate Auditor.

At the time they are filed, slates must include:

- a. the statements with which the individual candidates accept their candidacy and declare, under their own responsibility, that they meet the professionalism requirements laid down in the By-laws, that there are no grounds for ineligibility, that they comply with the integrity requirements established by law, and whether or not they meet the independence requirements of the law and the Code;
- b. a brief curriculum vitae on the personal and professional skills of each candidate with an indication of positions they hold as director or statutory auditor in other companies;
- c. information on the identity of the shareholders who have presented slates. The certification or statement proving ownership of the shareholding prescribed by the law in force when the slate is presented may also be produced after the filing of the slate, providing that it reaches the Company before the deadline laid down in current regulations on the publication of slates by the Company;
- d. a statement by shareholders – other than those who have a controlling or majority stake, jointly or severally – acknowledging that they do not have any joint shareholdings, as defined by law.

If a slate does not comply with these provisions, it will be considered as though not presented.

In the event that, by the deadline of 25 days prior to the date of the Shareholders' Meeting, only one slate has been filed, or only slates presented by shareholders who are connected to each other pursuant to current regulations, further slates can be presented up to the third day subsequent to that date and the threshold indicated in the notice of calling is halved.

At least 21 days prior to the date set for the Shareholders' Meeting called to resolve on the appointment of the control bodies, the Company shall make the slates of candidates filed by shareholders and the relative documentation available to the public at the registered offices, the market management company and on its website.

In the event of more than one slate being filed:

- the slate that obtains the highest number of votes at the Shareholders' Meeting elects two Standing Auditors and two Alternate Auditors, in the order in which they are listed in the sections of the slate;
- the minority shareholders' slate that obtains the highest number of votes among the slates presented and voted by shareholders who are not connected in any way, directly or indirectly, with the majority shareholders, elects the third Standing Auditor and the third Alternate Auditor, in the order in which they are listed in the sections of the slate;
- if more than one slate obtains the same number of votes, a run-off is held between these slates by all the shareholders with voting rights present at the Shareholders' Meeting, and the candidates are elected from the slate that obtains a majority of the share capital represented at the Shareholders' Meeting.

If a party connected to a majority shareholder votes for a slate of the minority shareholders, the connection is only considered significant for the purposes of excluding the minority shareholders' elected Statutory Auditor if this vote was crucial for the election of the Auditor in question.

If only one slate is filed, all the candidates included on that slate are elected with a simple majority vote of the share capital represented at the Shareholders' Meeting.

If, as a result of voting several slates or voting the only slate presented, the composition of the Board of Statutory Auditors, as to its standing members, does not meet the current regulations on gender balance, the necessary replacements will be made choosing from among candidates to the office of Standing Auditor on the slate that has obtained the highest number of votes or from within the only slate presented, starting from the last candidate on that slate.

If no slates are filed, the Shareholders' Meeting appoints the Board of Statutory Auditors with a simple majority vote of the share capital represented at the Shareholders' Meeting, providing gender balance is ensured in accordance with current legislation.

The Chairmanship of the Board of Statutory Auditors lies with the person indicated in first place on the slate presented and voted by the minority shareholders, or with the first person listed if only one slate is filed, or with the person appointed as such by the Shareholders' Meeting if no slates are presented.

Pursuant to the By-laws, those who find themselves in an incompatible situation as defined by law, or those who have exceeded the limit on the accumulation of appointments established by current regulations may not be elected as Statutory Auditors, and if they have been elected shall fall from office. Should an elected Statutory Auditor during their term of office no longer meet the requirements envisaged by the law or the By-laws, they fall from office.

When it is necessary to replace a Standing Auditor, the Alternate Auditor belonging to the same slate as the outgoing Auditor takes over. In their absence, in accordance with the original order of presentation, the candidate from the same slate as the outgoing Auditor takes over, without taking the initial section into account. If the replacement involves the Chairman of the Board of Statutory Auditors, the position will be taken over by the Auditor representing the minority shareholders. The Statutory Auditors appointed in this way as replacements remain in office until the following Shareholders' Meeting.

If it is necessary to integrate the Board of Statutory Auditors:

- to replace a Statutory Auditor elected from the majority shareholders' slate, the appointment takes place with a simple majority vote of the share capital represented at the Shareholders' Meeting, choosing from among the candidates indicated in the original majority shareholders' slate;
- to replace a Statutory Auditor elected from the minority shareholders' slate, the appointment takes place with a simple majority vote of the share capital represented at the Shareholders' Meeting, choosing from among the candidates indicated in the original minority shareholders' slate;
- for the simultaneous replacement of Auditors elected in both the majority and minority shareholders' slates, the appointment takes place with a simple majority vote of the share capital represented at the Shareholders' Meeting, choosing from among the candidates indicated on the slate to which each Statutory Auditor to be replaced belonged, with a number of Statutory Auditors equal to the number of outgoing Statutory Auditors belonging to the same slate.

Where it is not possible to proceed as described above, the Shareholders' Meeting called to integrate the Board of Statutory Auditors decides by relative majority of the share capital represented at the Shareholders' Meeting, without prejudice to the principle according to which the minority will always be entitled to appoint one Standing Auditor and one Alternate Auditor. In any case, the Chairmanship of the Board of Statutory Auditors must be assigned to the Statutory Auditor representing the minority shareholders. The procedures on replacements as indicated in the previous paragraphs must in any case ensure compliance with current legislation on gender balance.

Pursuant to the Code, the Statutory Auditors are chosen from among people who would also qualify as independent under the criteria laid down for Directors.

## 2. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors, in office for the duration of three years up to approval of the financial statements at December 31, 2025, was appointed by the Shareholders' Meeting on April 27, 2023 and is made up of Pierluigi De Biasi, Chairman, Antonia Di Bella and Gabriele Villa. The Alternate Auditors are Maria Maddalena Gnudi, Michele Casò and Maria Francesca Talamonti.

In the previous term of office, which expired on April 27, 2023, the Board was made up of Pierluigi De Biasi, Chairman, Gabriele Villa and Luciana Ravicini as Standing Auditors, and Maria Maddalena Gnudi, Michele Casò and Tiziana Nesa as Alternate Auditors.

The Board of Statutory Auditors in office was appointed using the slate voting system: Gabriele Villa, Antonia Di Bella, Maria Maddalena Gnudi and Michele Casò were selected from the majority slate submitted by CFN Generale Fiduciaria S.p.A.; Pierluigi De Biasi and Maria Francesca Talamonti were selected from the minority slate submitted by institutional investors. The slates are available in the "Governance/Shareholders' Meeting/Shareholders' Meeting Archive/" section of the Company's website. Further detailed information on the Board of Statutory Auditors is provided in the table set out at the end of this Report.



All of the members are independent according to the CLF and meet all of the independence requirements of the Code for Directors, as well as the integrity and professionalism requirements needed for the exercise of their functions. Immediately after their appointment, the Board of Statutory Auditors verified that they met the independence requirements and informed the Board accordingly. Meeting the requirements of the Code was last assessed in February 2024 and the Board was informed of the results.

Furthermore, following the renewal of the mandate resolved by the April 2023 Shareholders' Meeting, the Board of Directors verified that the Statutory Auditors met the specific requirements of integrity, correctness and professionalism required by law for corporate officers of legal entities that, like Italmobiliare, hold qualified shareholdings in companies in the financial and insurance sectors.

The curriculum vitae of each Standing Auditor is available in the "Governance/Statutory Auditors" section of the website ([www.italmobiliare.it](http://www.italmobiliare.it)) and is also in the incipit of the Annual Financial Report, together with the offices that they hold.

During 2023, the Board of Statutory Auditors held a total of 18 meetings – six of which together with the Control and Risk Committee – lasting about one hour on average, with attendances shown in the tables at the end of this report, in addition to having participated in all meetings of the Company's other Board Committees. Out of the 18 meetings, 7 were held by the Board of Statutory Auditors in office until April 27, 2023 and 11 by the Board of Statutory Auditors appointed on the same date. The Independent Auditors, the Financial Reporting Officer, the Head of Internal Audit and other heads of department were invited on various occasions to meetings of the Board of Statutory Auditors to provide appropriate insights into the items on the agenda. During the year, the Board also met the Supervisory Body and the representatives of the control bodies of the main associate companies.

In accordance with the CLF, the Board of Statutory Auditors oversees: *i)* compliance with the law and the By-laws; *ii)* compliance with the principles of correct administration; *iii)* the adequacy of the Company's organisational structure for the aspects within its sphere of competence, the internal control system and the administrative-accounting system, as well as its reliability in giving a true and fair view of the Company's operations; *iv)* the ways in which the rules laid down in the Corporate Governance Code adopted by the Company are implemented in practice; *v)* the adequacy of the instructions that the Company issues to its subsidiaries to ensure the correct fulfilment of the reporting obligations laid down by law.

Moreover, pursuant to art. 19 of Legislative Decree 39/2010, the Board of Statutory Auditors, as the "Internal Control and Auditing Committee" is responsible for:

- a) informing the Board of Directors of the outcome of the external audit, sending it the additional report prepared by the Independent Auditors, accompanied by any observations;
- b) monitoring the financial reporting process and presenting recommendations or proposals intended to ensure its integrity;
- c) checking the effectiveness of the internal quality control and business risk management systems and of the internal audit, as regards the financial reporting of Italmobiliare, without infringing their independence;
- d) monitoring the independent audit of the annual and consolidated financial statements, also taking into account the results and conclusions of any quality checks carried out by Consob;
- e) checking and monitoring the independence of the Independent Auditors, particularly as regards the adequacy of services provided other than audit;
- f) the procedure for selecting the Independent Auditors, and once the selection process has been carried out, recommending to the Shareholders' Meeting which Independent Auditors should be appointed.

The Chairman of the Board of Directors has arranged for the Statutory Auditors to participate in the most appropriate forms in initiatives designed to provide them with adequate knowledge of the sectors in which the Company operates, the corporate dynamics and their evolution, the principles of correct risk management and the regulatory and self-regulatory framework of reference. In particular, during 2023, the Statutory Auditors participated in the induction meetings organised by the Company for the Directors.



The remuneration of the Statutory Auditors is commensurate with the commitment required, the relevance of their role and the size and sector-related characteristics of the business. Please refer to the “Report on the Remuneration Policy and Compensation Paid” for further information.

Any Statutory Auditor who, on their own behalf or on behalf of third parties, has an interest in a specific Company transaction, is required to inform the other Statutory Auditors and the Chairman of the Board of Directors promptly and in detail about the nature, terms, origin and extent of such interest.

In performing its activities, the Board of Statutory Auditors coordinated with Internal Audit and with the Control and Risk Committee. This coordination is guaranteed by the Board of Statutory Auditors attending all meetings of the Control and Risk Committee, continuous exchanges of information between the Chairmen of the two corporate bodies as necessary, regarding issues of interest to both, and frequent meetings with the Head of Internal Audit at meetings of the Board of Statutory Auditors and those of the Control and Risk Committee.

## VI. Codes of conduct, procedures and other corporate governance practices

### 1. CODE OF ETHICS, SUSTAINABILITY POLICIES AND RESPONSIBLE INVESTMENT POLICY

The Company introduced the Code of Ethics for the first time in 1993, modifying and updating it periodically. The current text was last updated in 2021.

The Code of Ethics lays down Italmobiliare's fundamental principles and rules of conduct.

The Sustainability Policies, similarly updated in 2021, extend and integrate the Code of Ethics. The “Guiding Principles” are the cornerstone, with further details contained in four dedicated policies referring to health and safety, environment and resources, rights and society, quality and responsibility.

The Responsible Investment Policy, adopted in 2021, describes all phases of the investment management process: sector-related principles and criteria, pre-investment, active management and disposal.

Based on these three documents, which, taken together, constitute a solid point of reference for the sustainable success of the Group, a Supplier Charter was adopted in 2022. This charter requires suppliers of goods or services, as well as current and potential contractors, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management of their respective value chains, to align effectively and demonstrably with the principles expressed in the Code of Ethics and Sustainability Policies.

The Group's subsidiaries in turn adopt their own Code of Ethics, Sustainability Policies and Supplier Charter, harmonised with those of Italmobiliare.

Code of Ethics, Sustainability Policies, Responsible Investment Policy and Supplier Charter are available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in “The Company/Vision and Mission” and “Sustainability” sections.

### 2. DIVERSITY AND GENDER BALANCE POLICIES IN THE COMPOSITION OF CORPORATE BODIES

The composition of the Board of Directors and Board of Statutory Auditors of Italmobiliare has evolved over time in accordance with best practice, in order to ensure adequate representation in terms of experience, age and gender.

In January 2020, the Board of Directors approved an amendment to the By-laws on this matter to ensure compliance with the legal provisions, which now provide that 2/5 of the members of the corporate bodies are to go to the less represented gender.

The Board of Directors, supported by the Remuneration and Nominations Committee, in view of the renewal of the corporate bodies in 2020 and 2023, issued a guidance opinion on the qualitative and quantitative composition and professional skills of the Directors, aware that the enhancement of diversity is a fundamental element of sustainability of the business in the medium to long-term, both for Group employees and for the members of Italmobiliare's administrative and control bodies.

With reference to all portfolio companies, Italmobiliare bases the appointment of members of corporate bodies on criteria of competence, independence, and gender representation, in line with established practice and its commitment to gender equality."

Adequate gender representation is ensured on the current Board of Directors, with the presence of 5 female Directors out of 12, i.e. 42%. Thanks to the variety of their professional training and careers, the members currently in office guarantee the contribution of qualified and complementary skills to the Company's governance.

Likewise for the current Board of Statutory Auditors: one out of three Standing Auditors and two out of three Alternate Auditors are female.

As from 2021, the Board of Directors has strengthened efforts to protect and enhance the value of the Company's employees. The Code of Ethics identifies the levers of success in the creation of an inclusive work environment, continuous training, the promotion of health, safety and well-being and the enhancement of diversity. In confirmation of the specific commitment to gender equality, considered an essential element for the professional growth of the Company, Italmobiliare has signed and promotes in all Group companies the "Women's Empowerment Principles" laid down by the United Nations' UN Women and Global Compact. Accordingly, the Sustainability Policies aim to implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value. Lastly, the new Responsible Investment Policy explicitly includes in its value creation objectives the contribution to Sustainable Development Goal no. 5 (SDG 5 – Gender Equality), dedicated to achieving gender equality and empowering all women.

As an example of implementation, in addition to monitoring and increasing the presence of women on the boards and in the personnel of the Company and its portfolio companies, the gender pay gap was included in the data collected for the Sustainability Report.

### 3. PROCEDURES FOR MANAGING INSIDER INFORMATION AND THE INSIDER LIST

The Company has adopted a procedure for the management of insider information, i.e. information of a precise nature, not yet made public, directly or indirectly concerning Italmobiliare or its financial instruments, which, if made public, could have a significant effect on the price of the listed financial instruments issued by Italmobiliare, or on the prices of related derivatives. The procedure, available on the Company's website in the "Governance/Documents and Procedures" section, was last updated in 2018 for the purpose of incorporating the Consob Guidelines on inside and relevant information, as well as the provisions of Legislative Decree 107/2018.

The rules of conduct and principles set out in the procedure aim to:

- guarantee the utmost confidentiality of the inside and relevant information (i.e. information that could become inside information at some later date, even quite soon), balancing the interest in ensuring the confidentiality of the information as it is being created with the duty to ensure non-selective disclosure;
- protect investors and market integrity, preventing situations of information asymmetry and preventing certain parties from using non-public information to operate on the markets;
- define the process for identifying and managing relevant information;
- define the processes for identifying and managing inside information;

- protect the Company in relation to any liability it might incur as a result of unlawful conduct involving market abuse adopted by persons traceable to the Company and, in more general terms, as a result of conduct that violates the principle of confidentiality.

The procedure is an essential component of the Company's Internal Control and Risk Management System and of the overall system for preventing the offences mentioned in Legislative Decree 231/2001 and, in particular, of the Organisational Model adopted by the Company for this purpose. It is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in the "Governance/Documents and Procedures" section.

The rules contained in the procedure bind all Company employees, the members of the Board of Directors and the Board of Statutory Auditors, and all those who have advisory or collaboration relationships with the Company and/or the Group.

The Company has also adopted a new procedure for registering individuals with access to inside information (the so-called "insider list" procedure) which is strictly linked to internal regulations on the management and publication of inside information. The procedure was adopted in order to fulfil the obligation to draw up a list of people who, based on their work or professional activities, or on the basis of the functions they perform, have access to inside information concerning Italmobiliare. It is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in the "Governance/Documents and Procedures" section.

#### 4. THE CODE OF CONDUCT ON INTERNAL DEALING

The Code of Conduct on Internal Dealing governs the conduct and information requirements relating to transactions involving financial instruments issued by the Company carried out by "relevant persons" – identified as the Company's Directors, Statutory Auditors and key management personnel – and people closely related to them, or by those who hold a number of shares amounting to or exceeding 10% (ten percent) of the Company's share capital, represented by shares with voting rights, as well as any other entity that controls the Company.

The Code of Conduct is an essential component of the Company's Internal Control and Risk Management System and of the overall system for preventing the offences mentioned in Legislative Decree 231/2001 and, in particular, of the Organisational Model adopted by Italmobiliare for this purpose.

According to the Code, the reporting requirement applies if the overall amount of the transactions involving Italmobiliare shares comes to more than 20,000 euro in a year.

The Code of Conduct also stipulates that relevant persons and persons closely related to them, during the course of the year, must abstain from carrying out transactions in the listed financial instruments issued by Italmobiliare in the 30 days prior to the Board of Directors' review of the results, up until publication of the press release containing the results.

The Code is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in the "Governance/Documents and Procedures" section. Likewise, all reports on internal dealing made during the year are available in the "Governance" section.

#### 5. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

Since 2010, the Board of Directors has adopted the Procedure for Transactions with Related Parties in accordance with Consob's RPT Regulation of March 12, 2010. The Procedure has been modified over time, most recently in 2021 to adapt to the changes introduced by Consob Resolution no. 21624 of December 10, 2020, on the proposal of the Committee for Transactions with Related Parties currently made up of the independent directors Valentina Casella, Chairman, Elsa Fornero, Mirja Cartia d'Asero, appointed on April 27, 2023. In the previous term of office, the Committee was made up of Chiara Palmieri, Chairman, Elsa Fornero, Mirja Cartia d'Asero.

In 2023, the Committee did not hold any meetings, as no transactions falling within the control safeguards of the Procedure were carried out. In 2024, prior to the approval of the Report, the Committee held one meeting. During the year, the Committee and the Board of Statutory Auditors were informed by the Financial Reporting Officer on a quarterly basis about any related-party transactions carried out during the reporting period and exempted from the control safeguards of the Procedure, including transactions with subsidiaries and associates and transactions of minor amounts. The Procedure aims to ensure that transactions with related parties and subjects comparable to them, directly or through the subsidiaries of Italmobiliare, are carried out transparently and in compliance with

criteria of substantial and procedural correctness, also to facilitate the identification and allow adequate management of situations in which a Director has an interest, on their own behalf or on behalf of third parties.

The Procedure distinguishes “transactions of greater importance” from those of “lesser importance” on the basis of specific criteria predetermined by Consob. This distinction serves to determine the transparency rules that are applicable: simpler in the case of transactions of lesser importance and tighter for those of greater importance.

The main changes introduced by the RPT Regulation and implemented in the Procedure with effect from July 1, 2021 concern:

- an updated definition of “related party” which is now in line with the definition given in IAS 24;
- a new and broad definition of “director involved in the transaction” required to abstain from voting on the related party transaction;
- the timing with which the independent directors who are members of the Committee for Transactions with Related Parties: *i)* receive, at least once a year, information on the application of exemptions, at least for transactions of “greater importance”; *ii)* verify correct application of the exemptions for transactions of “greater importance” defined as “ordinary and concluded at market or standard conditions”;
- timely involvement in transactions of “greater importance” of the Committee for Transactions with Related Parties in the negotiation phase and in the preliminary phase, through the receipt of a flow of information that is not only complete but also “up-to-date”;
- the express obligation to attach the Committee's opinion to the minutes of the Committee meeting for transactions of “greater” and “lesser” importance;
- express automatic non-application of the RPT Regulation to transactions involving minor amounts;
- an express exemption from application of the procedural safeguards for transactions approved by the Company and addressed to all shareholders on equal terms;
- subordination of the exemption of “ordinary transactions concluded at market or standard conditions” to the communication to Consob – and to the directors or independent directors who express opinions on related party transactions – of a structured reasoning regarding the existence of such elements, in which it is also required to include objective evidence (art. 13, paragraph 3, letter c), i), RPT Reg.).

The Procedure governing how related party transactions should be carried out is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in the “Governance/Documents and Procedures” section.

## 6. GENERAL DATA PROTECTION

The Company has implemented the provisions of Regulation (EU) 2016/679 – General Data Protection Regulation (GDPR) and monitors its application constantly. The Data Controller is the Company, in the person of the Chief Executive Officer-Chief Operating Officer, assisted by a Privacy Coordinator who defines, updates and manages the model for the protection of personal data. The Privacy Coordinator, designated by the Board of Directors, is Lawyer Mr. Giacomo Cardani who has an obligation to report, on an annual basis, on the activities carried out in relation to the privacy organisational model.

During 2023, the Company, with the support of the privacy coordinator, intervened on various issues relating to the protection of personal data. Specifically: (i) the Records of Processing Activities kept by the Company, both as Data Controller and Data Processor, have been updated; ii) the privacy compliance activities related to the implementation of the Whistleblowing Procedure were undertaken, providing documentary standards also shared with the Group Companies; (iii) relations with certain suppliers who process personal data in the execution of their services have been regulated in accordance with the GDPR; (iv) the format for appointing the intercompany Data Controller has been revised; (v) an in-depth analysis has been carried out on the data processing related to the newsletter sending and proper identification of the legal basis for the data processing.

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The Board of Directors and the Board of Statutory Auditors were informed about the recommendations made in a letter from the Chairman of the Corporate Governance Committee. The measures taken by the Company based on these recommendations, where applicable, are mentioned in the Report.

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Unless otherwise indicated in the preceding sections, at the end of 2023, no changes have occurred that might significantly affect the contents of this Report.

## Structure of the Board and its Committees

Board of Directors in office at December 31, 2023												Control and Risk Committee		Remuneration and Nominations Committee		Committee for Transactions with Related Parties		Committee for Sustainability and Social Responsibility	
Position	Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. CLF	No. of other offices ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	
Chairman	Laura Zanetti	1970	14.11.2013	27.04.2023	Fin. Stats. 2025	M	•			•	2						3/3	M	
Deputy Chairman	Livio Strazzera	1961	03.05.2002	27.04.2023	Fin. Stats. 2025	M	•			•	2								
CEO-COO ◇	Carlo Pesenti	1963	17.06.1999	27.04.2023	Fin. Stats. 2025	M	•				2						3/3	C	
Director	Giorgio Bonomi	1955	03.05.2002	27.04.2023	Fin. Stats. 2025	M	•				0		6/6	M					
Director	Mirja Cartia d'Asero	1969	19.04.2017	27.04.2023	Fin. Stats. 2025	M	•	•	•	•	2		6/6	C		M	2/3	M	
Director	Valentina Casella	1979	19.04.2017^	27.04.2023	Fin. Stats. 2025	M	•	•	•	•	2			4/4	M	C			
Director	Marco Cipelletti	1965	27.01.2021	27.04.2023	Fin. Stats. 2025	m	•	•	•	•	0			2/2	M				
Director	Elsa Fornero	1948	27.07.2017	27.04.2023	Fin. Stats. 2025	M	•	•	•	•	0					M	3/3	M	
Director	Luca Minoli	1961	03.05.2002	27.04.2023	Fin. Stats. 2025	M	•				1								
Director	Chiara Palmieri	1970	19.04.2017	27.04.2023	Fin. Stats. 2025	M	•	•	•	•	0		6/6	M	4/4	C			
Director	Roberto Pesenti	1994	27.04.2023	27.04.2023	Fin. Stats. 2025	M	•				0								
Director	Pietro Ruffini	1989	27.04.2023	27.04.2023	Fin. Stats. 2025	M	•				1						1/2	M	
Number of Board meetings held during the year: 9												Control and Risk Committee: 6		Remuneration and Nominations Committee: 4		Committee for Transactions with Related Parties: 0		Committee for Sustainability and Social Responsibility: 3	

**Quorum required for minorities to submit slates to elect one or more members (pursuant to Art. 147-ter CLF): 1%**

### NOTES

◇ This symbol indicates the main person responsible for managing the issuer (Chief Executive Officer or CEO).

\* Date of first appointment of each director means the date on which the director was appointed for the very first time to the Board of the issuer.

\*\* This column indicates the slate from which each director was chosen ("M": majority slate; "m": minority slate).

\*\*\* This column indicates the number of offices as director or statutory auditor held by the person concerned in other companies listed in regulated markets or other large companies.

(\*) This column indicates the attendance of directors at the meetings respectively of the Board and of Board Committees.

(\*\*) This column shows the status of the director within the Committee: "C": chairman; "M": member.

<sup>^</sup> Valentina Casella was a Director of Italmobiliare in the period 2017-2020; subsequently, she was co-opted onto the Board in 2021.

## Directors leaving in 2023

Board of Directors in office at December 31, 2023												Remuneration and Nominations Committee		Committee for Sustainability and Social Responsibility	
Position	Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. CLF	(*)	(*)	(**)	(*)	(**)
Director	Vittorio Bertazzoni	1976	19.04.2017	21.04.2020	Fin. Stats. 2022	M	•	•	•	•	2/3	2/2	C	1/1	M
Director	Sebastiano Mazzoleni	1968	25.05.2011	21.04.2020	Fin. Stats. 2022	M	•				3/3				

### NOTES

\* Date of first appointment of each director means the date on which the director was appointed for the very first time to the Board of the issuer.

\*\* This column indicates the slate from which each director was chosen ("M": majority slate; "m": minority slate).

(\*) This column indicates the attendance of directors at the meetings respectively of the Board and of Board Committees.

(\*\*) This column shows the status of the director within the Committee: "C": chairman; "M": member.

## Board of Statutory Auditors in office from April 27, 2023

Position	Members	Year of birth	Date of first appointment *	In charge from	In charge until	Slate **	Indep. Code	Attendance at BoSA meetings from April 27, 2023 ***	Attendance at BoD meetings from April 27, 2023	No. of other offices ****
Chairman	Pierluigi De Biasi	1956	21.04.2020	27.04.2023	Fin. Stats. 2025	m	•	11/11	6/6	3
Standing Auditor	Gabriele Villa	1964	21.04.2020	27.04.2023	Fin. Stats. 2025	M	•	9/11	6/6	4, of which 1 in listed companies
Standing Auditor	Antonia Di Bella	1965	27.04.2023	27.04.2023	Fin. Stats. 2025	M	•	11/11	6/6	13, of which 3 in listed companies
Alternate Auditor	Maria Maddalena Gnudi	1979	21.04.2020	27.04.2023	Fin. Stats. 2025	M	N.A.	-	-	-
Alternate Auditor	Michele Casò	1970	21.04.2020	27.04.2023	Fin. Stats. 2025	M	N.A.	-	-	-
Alternate Auditor	Maria Francesca Talamonti	1978	27.04.2023	27.04.2023	Fin. Stats. 2025	m	N.A.	-	-	-

Number of meetings held from April 27 to December 31, 2023: 11 (of which 3 jointly with the Control and Risk Committee).

**Quorum required in 2023 for minorities to submit slates to elect one or more members (pursuant to Art. 148- CLF): 1%.**

## Board of Statutory Auditors in office until April 27, 2023

Position	Members	Year of birth	Date of first appointment *	In charge from	In charge until	Slate **	Indep. Code	Attendance at BoSA meetings until April 27, 2023 ***	Attendance at BoD meetings until April 27, 2023
Chairman	Pierluigi De Biasi	1956	21.04.2020	21.04.2020	Fin. Stats. 2022	m	•	7/7	3/3
Standing Auditor	Gabriele Villa	1964	21.04.2020	21.04.2020	Fin. Stats. 2022	M	•	7/7	3/3
Standing Auditor	Luciana Ravicini	1959	25.05.2011	21.04.2020	Fin. Stats. 2022	M	•	7/7	3/3
Alternate Auditor	Maria Maddalena Gnudi	1979	21.04.2020	21.04.2020	Fin. Stats. 2022	M	N.A.	-	-
Alternate Auditor	Michele Casò	1970	21.04.2020	21.04.2020	Fin. Stats. 2022	M	N.A.	-	-
Alternate Auditor	Tiziana Nesa	1973	21.04.2020	21.04.2020	Fin. Stats. 2022	m	N.A.	-	-

Number of meetings held from January 1, 2023 until the approval of the 2022 financial statements: 7 (of which 3 jointly with the Control and Risk Committee).

### NOTES

\* Date of first appointment of each statutory auditor means the date on which the statutory auditor was appointed for the very first time to the Board of Statutory Auditors of the issuer.

\*\* This column indicates the slate from which each statutory auditor was chosen ("M": majority slate; "m": minority slate).

\*\*\* This column indicates the attendance of statutory auditors at the meetings of the Board of Statutory Auditors, during the reference period.

\*\*\*\* This column indicates the number of offices as director or statutory auditor held by the person concerned pursuant to Article 148-bis of the CLF and the relative implementing provisions contained in Consob's Issuers' Regulation.



## ANNEX

Corporate Governance Code TOPICS	Italmobiliare S.p.A. Corporate Governance Report REPORTING AND REFERENCES	
<b>COMPANY TYPE</b>	➤ Large company with dispersed ownership	Introduction
<b>ROLE OF THE BOARD OF DIRECTORS</b>	<ul style="list-style-type: none"> <li>➤ Pursuit of sustainable success</li> <li>➤ Verification of the level of risk compatible with the Company's strategic objectives</li> <li>➤ Adoption of a policy of dialogue with shareholders and investors</li> <li>➤ Establishment of the Committee for Sustainability and Social Responsibility, which is responsible, among other things, for examining the non-financial report.</li> </ul>	<p>Section III, para. 1</p> <p>Section IV, para. 1 and 8</p> <p>Section II, para. 1</p> <p>Section III, para. 1 and 15</p>
<b>COMPOSITION OF THE BOARD OF DIRECTORS</b>	<ul style="list-style-type: none"> <li>➤ Adequate proportion of non-executive directors. Clear definition of the management powers of the CEO and the non-executive role of the Chairman</li> <li>➤ 1/2 of the independent directors</li> <li>➤ Annual meeting of the independent directors</li> <li>➤ Assessment of independence and publication of results</li> <li>➤ Criteria for assessing independence (adoption of quantitative, not qualitative parameters)</li> <li>➤ Gender balance</li> </ul>	<p>Section III, para. 6 and 7</p> <p>Section III, para. 9</p> <p>Section III, para. 9</p> <p>Section III, para. 9</p> <p>Section III, para. 9</p> <p>Section VI, para. 2</p>
<b>OPERATION OF THE BOARD OF DIRECTORS, ROLE OF THE CHAIRMAN AND REPORTING</b>	<ul style="list-style-type: none"> <li>➤ Adoption of Regulation for the functioning of the BoD and its Committees</li> <li>➤ Identification of the reporting deadline</li> <li>➤ Identification of the Chairman's prerogatives</li> <li>➤ Holding periodic induction sessions</li> <li>➤ Regular attendance of managers at meetings</li> <li>➤ Lead Independent Director (lack of conditions for appointment)</li> <li>➤ Identification of the limit on the accumulation of offices</li> <li>➤ Definition of the tasks and composition of the committees</li> <li>➤ Appointment of the Secretary</li> </ul>	<p>Section III, para. 2</p> <p>Section III, para. 2</p> <p>Section III, para. 2</p> <p>Section III, para. 12</p> <p>Section III, para. 2</p> <p>Section III, para. 10</p> <p>Section III, para. 5</p> <p>Section III, para. 13-16</p> <p>Section III, para. 2</p>
<b>REMUNERATION AND NOMINATIONS COMMITTEE</b>	<ul style="list-style-type: none"> <li>➤ Composition and functions</li> <li>➤ Internal Self-Assessment Process (without support from consultants)</li> <li>➤ Orientation opinion on the composition of the corporate bodies published before the meeting is called</li> <li>➤ Emergency plan for the CEO's succession</li> </ul>	<p>Section III, para. 14</p> <p>Section III, para. 11</p> <p>Section III, para. 3, 4, 14</p> <p>Section III, para. 8</p>

<b>REMUNERATION POLICY</b>	<ul style="list-style-type: none"> <li>➤ Adequate balance between the fixed and variable component of remuneration, consistent with the company's risk management objectives and policy</li> <li>➤ Cap and clawback clause for the variable component (MBO, LTI, Value Creation Sharing Incentive)</li> <li>➤ Three-year LTI aligned with shareholder interests, linked to pre-determined and measurable performance targets (80% NAV, 20% ESG)</li> <li>➤ Remuneration of executive directors and statutory auditors adequate considering their expertise and professionalism and consistent with benchmark analysis</li> <li>➤ Severance indemnity not envisaged ex ante and aligned with the provisions of the CCNL applicable from time to time</li> </ul>	Re: Report on the 2023 Remuneration Policy and Report on the 2024 Remuneration Policy
<b>INTERNAL CONTROL SYSTEM</b>	<ul style="list-style-type: none"> <li>➤ Involvement of the corporate bodies (BoD, CEO, Board of Statutory Auditors, Control and Risk Committee, Sustainability Committee, Internal Audit Manager, Financial Reporting Officer) in the internal control system, each according to their responsibilities</li> <li>➤ Board of Directors' assessment of the adequacy of the internal control system</li> <li>➤ Identification of the CEO as the person in charge of setting up and maintaining the internal control and risk management system</li> <li>➤ Establishment of the Control and Risk Committee</li> <li>➤ Establishment of the Internal Audit function, not responsible for any operational area</li> <li>➤ Adoption of 231 Model and appointment of a SB made up of the Internal Audit Manager, a Statutory Auditor and an external professional</li> </ul>	<p>Section IV, para. 1, 2, 3, 7, 9</p> <p>Section IV, para. 10</p> <p>Section IV, para. 2</p> <p>Section III, para. 16</p> <p>Section IV, para. 3</p> <p>Section IV, para. 4</p>
<b>BOARD OF STATUTORY AUDITORS</b>	<ul style="list-style-type: none"> <li>➤ Assessment of the Statutory Auditors' independence according to the same criteria as the directors and publication of the results</li> <li>➤ Participation of the Board of Statutory Auditors at meetings of all the Committees, including Board meetings and periodic discussions with the SB</li> </ul>	<p>Section V, para. 2</p> <p>Section V, para. 2</p>





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**ITALMOBILIARE**  
INVESTMENT HOLDING

ITALMOBILIARE  
GROUP  
—  
CONSOLIDATED  
FINANCIAL  
STATEMENTS  
2023

# FINANCIAL STATEMENTS

## Statement of financial position

(in thousands of euro)	Notes	31.12.2023	31.12.2022	Change
<b>Non-current assets</b>				
Property, plant and equipment	1	276,466	220,559	55,907
Investment property	2	15,913	4,954	10,959
Goodwill	3	287,980	301,586	(13,606)
Intangible assets	4	329,193	305,939	23,254
Investments in equity-accounted associates	5	152,445	257,191	(104,746)
Other equity investments	6	182,621	174,738	7,883
Trade receivables and other non-current assets	7	256,968	230,536	26,432
Deferred tax assets	22	11,582	11,898	(316)
Non-current receivables from employees				
<b>Total non-current assets</b>		<b>1,513,168</b>	<b>1,507,401</b>	<b>5,767</b>
<b>Current assets</b>				
Inventories	8	49,665	58,671	(9,006)
Trade receivables	9	256,531	205,636	50,895
Other current assets including derivative financial instruments	10	37,809	34,423	3,386
Tax assets	11	12,010	29,074	(17,064)
Equity investments, bonds and current financial receivables	12	173,914	149,805	24,109
Cash and cash equivalents	13	121,915	101,641	20,274
<b>Total current assets</b>		<b>651,844</b>	<b>579,250</b>	<b>72,594</b>
<b>Assets classified as held for sale</b>	14	<b>74,643</b>		<b>74,643</b>
<b>Total assets</b>		<b>2,239,655</b>	<b>2,086,651</b>	<b>153,004</b>
<b>Equity</b>				
Share capital	15	100,167	100,167	
Share premium reserve	16	55,607	55,607	
Reserves	16	42,698	11,388	31,310
Treasury shares	17	(5,166)	(5,166)	
Retained earnings		1,305,985	1,264,758	41,227
<b>Equity attributable to owners of the parent company</b>		<b>1,499,291</b>	<b>1,426,754</b>	<b>72,537</b>
Non-controlling interests	18	192,624	183,316	9,308
<b>Total equity</b>		<b>1,691,915</b>	<b>1,610,070</b>	<b>81,845</b>
<b>Non-current liabilities</b>				
Financial liabilities	20	177,250	147,389	29,861
Employee benefits	19	8,533	6,806	1,727
Provisions	21	23,019	23,697	(678)
Non-current tax liabilities	22	4,489	5,129	(640)
Other non-current payables and liabilities		5,091	493	4,598
Deferred tax liabilities	23	18,894	9,500	9,394
<b>Total non-current liabilities</b>		<b>237,276</b>	<b>193,014</b>	<b>44,262</b>
<b>Current liabilities</b>				
Financial liabilities	20	167,401	133,523	33,878
Trade payables	24	69,655	71,183	(1,528)
Provisions	21	3,795	4,468	(673)
Tax liabilities	25	1,070	4,562	(3,492)
Other liabilities	26	68,543	69,831	(1,288)
<b>Total current liabilities</b>		<b>310,464</b>	<b>283,567</b>	<b>26,897</b>
<b>Total liabilities</b>		<b>547,740</b>	<b>476,581</b>	<b>71,159</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	14			
<b>Total equity and liabilities</b>		<b>2,239,655</b>	<b>2,086,651</b>	<b>153,004</b>

## Income statement

(in thousands of euro)	Notes	2023	%	2022	%	Change	%
<b>Revenue and income</b>	27	<b>585,750</b>	<b>100.0</b>	<b>483,630</b>	<b>100.0</b>	<b>102,120</b>	<b>21.1</b>
Other revenue and income		5,201		4,386		815	
Change in inventories		(1,380)		3,669		(5,049)	
Internally produced and capitalised assets		2,606		1,121		1,485	
Raw materials and supplies	28	(223,440)		(205,423)		(18,017)	
Services	29	(120,083)		(95,972)		(24,111)	
Personnel expenses	30	(103,965)		(84,549)		(19,416)	
Other operating income (expense)	31	(45,524)		(51,969)		6,445	
<b>Gross operating profit (EBITDA)</b>		<b>99,165</b>	<b>16.9</b>	<b>54,893</b>	<b>11.4</b>	<b>44,272</b>	<b>80.7</b>
Amortisation and depreciation	32	(37,400)		(32,318)		(5,082)	
Impairment losses on non-current assets	33	(5,647)		124		(5,771)	
<b>Operating profit (EBIT)</b>		<b>56,118</b>	<b>9.6</b>	<b>22,699</b>	<b>4.7</b>	<b>33,419</b>	<b>n.s.</b>
Finance income	34	1,538		250		1,288	
Finance costs	34	(10,501)		(3,560)		(6,941)	
Exchange-rate difference and net gain (loss) on derivatives	34	(431)		368		(799)	
Impairment of financial assets	35						
Share of profit/(loss) of equity-accounted associates	36	57,278		24,719		32,559	
<b>Profit/(loss) before tax</b>		<b>104,002</b>	<b>17.8</b>	<b>44,476</b>	<b>9.2</b>	<b>59,526</b>	<b>n.s.</b>
Income tax	37	(19,323)		(8,015)		(11,308)	
<b>Profit/(loss) from continuing operations</b>		<b>84,679</b>	<b>14.5</b>	<b>36,461</b>	<b>7.5</b>	<b>48,218</b>	<b>n.s.</b>
Profit/(loss) from discontinued operations, net of tax	38			(38)		38	
<b>Profit/(loss) for the year</b>		<b>84,679</b>	<b>14.5</b>	<b>36,423</b>	<b>7.5</b>	<b>48,256</b>	<b>n.s.</b>
Attributable to:							
Owners of the parent company		66,596	11.4	21,053	4.4	45,543	n.s.
Non-controlling interests		18,083	3.0	15,370	3.2	2,713	17.7
Earnings per share	40						
Basic ordinary shares		1.575 €		0.498 €			
Diluted ordinary shares		1.575 €		0.498 €			



## Statement of comprehensive income

(in thousands of euro)	Notes	2023	%	2022	%	Change	%
<b>Profit/(loss) for the year</b>		<b>84,679</b>	<b>14.5</b>	<b>36,423</b>	<b>7.5</b>	<b>48,256</b>	<b>n.s.</b>
<b>Other comprehensive income (expense) from continuing operations, net of tax</b>	39						
<b>Items that will not be reclassified subsequently to profit or loss, net of tax</b>							
Remeasurement of net defined benefit liability/(asset)		(450)		1,773		(2,223)	
Remeasurement of net defined benefit liability/(asset) - investments in equity-accounted associates		(166)		933		(1,099)	
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		27,456		(2,860)		30,316	
<b>Total items that will not be reclassified to profit or loss, net of tax</b>		<b>26,840</b>		<b>(154)</b>		<b>26,994</b>	
<b>Items that may be reclassified subsequently to profit or loss, net of tax</b>							
Foreign exchange differences on translation of foreign operations		61		162		(101)	
Foreign exchange differences on translation of foreign operations - investments in equity-accounted associates		(359)		1,169		(1,528)	
Fair value gain/(loss) on cash flow hedging derivatives		(571)		718		(1,289)	
Fair value gain/(loss) on cash flow hedging derivatives - investments in equity-accounted associates		348		2,143		(1,795)	
<b>Total items that may be reclassified subsequently to profit or loss, net of tax</b>		<b>(521)</b>		<b>4,192</b>		<b>(4,713)</b>	
Other comprehensive income for the year from discontinued operations, net of tax							
<b>Total other comprehensive income for the year</b>		<b>26,319</b>		<b>4,038</b>		<b>22,281</b>	
<b>Total comprehensive income for the year</b>		<b>110,998</b>	<b>18.9</b>	<b>40,461</b>	<b>8.4</b>	<b>70,537</b>	<b>n.s.</b>
Attributable to:							
Owners of the parent company		91,845		23,787		68,058	
Non-controlling interests		19,153		16,674		2,479	

## Consolidated statement of changes in equity

(in thousands of euro)	Attributable to owners of the parent company										Non-controlling interests	Total equity
	Reserves											
	Share capital	Share premium	FVTOCI fair value reserve	Fair value hedging reserve	Actuarial gains/ losses on defined benefit plans	Other reserves	Treasury shares	Translation reserve	Retained earnings	Total share capital and reserves		
Balances at December 31, 2021	100,167	55,607	9,980	392	(1,104)	3,017	(5,166)	110	1,296,599	1,459,602	178,256	1,637,858
Profit/(loss) for the year									21,053	21,053	15,370	36,423
Total other comprehensive income from continuing operations			(3,787)	2,836	2,364			1,321		2,734	1,304	4,038
Total other comprehensive income from discontinued operations												
Total comprehensive income			(3,787)	2,836	2,364			1,321	21,053	23,787	16,674	40,461
Dividends									(59,196)	(59,196)	(21,000)	(80,196)
Stock options exercised												
Other			(1,317)	(18)	199	(1,174)		(114)	4,985	2,561	9,386	11,947
Balances at December 31, 2022	100,167	55,607	4,876	3,210	1,459	1,843	(5,166)	1,317	1,263,441	1,426,754	183,316	1,610,070

The increase of the non-controlling interests, classified as “Other” is mainly related to the sale of a 5% stake in the share capital of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. during the year, net of the impact of the acquisition of an additional 20% of Callmewine.

(in thousands of euro)	Attributable to owners of the parent company										Non-controlling interests	Total equity
	Reserves											
	Share capital	Share premium	FVTOCI fair value reserve	Fair value hedging reserve	Actuarial gains/ losses on defined benefit plans	Other reserves	Treasury shares	Translation reserve	Retained earnings	Total share capital and reserves		
Balances at December 31, 2022	100,167	55,607	4,876	3,210	1,459	1,843	(5,166)	1,317	1,263,441	1,426,754	183,316	1,610,070
Profit/(loss) for the year									66,596	66,596	18,083	84,679
Total other comprehensive income from continuing operations			26,295	(199)	(546)			(301)		25,249	1,070	26,319
Total other comprehensive income from discontinued operations												
Total comprehensive income			26,295	(199)	(546)			(301)	66,596	91,845	19,153	110,998
Dividends									(29,598)	(29,598)	(12,300)	(41,898)
Stock options exercised												
Other			6,180		(54)	(366)		7	4,523	10,290	2,455	12,745
Balances at December 31, 2023	100,167	55,607	37,351	3,011	859	1,477	(5,166)	1,023	1,304,962	1,499,291	192,624	1,691,915

## Statement of cash flows

(in thousands of euro)	Notes	2023	2022
<b>A) Cash flows from operating activities</b>			
Profit/(loss) before tax		104,002	44,476
Adjustments for:			
Amortisation, depreciation and impairment		43,161	32,034
Reversal of share of profit/(loss) of equity-accounted associates		(12,569)	(24,719)
(Gain)/loss on non-current assets		(45,840)	(1,737)
Change in employee benefits and other provisions		316	(7,060)
Reversal of net finance costs and income		(1,199)	(6,948)
Inventories		9,029	(16,658)
Trade receivables		(49,193)	(77,537)
Trade payables		3,665	20,998
Other receivables/liabilities, accruals and deferrals		28,568	25,037
Net finance costs paid/received		(4,895)	3,741
Dividends received		4,032	5,070
Income tax paid		(7,621)	(74,706)
Other financial cash flows			
Cash flow from operating activities relating to discontinued operations			
<b>Total A)</b>		<b>71,456</b>	<b>(78,009)</b>
<b>B) Cash flows from investing activities</b>			
Capital expenditure:			
Property, plant, equipment and investment property		(66,261)	(34,879)
Intangible assets		(9,572)	(8,484)
Financial assets (equity investments and funds) net of cash acquisitions (*)		(42,278)	(206,493)
Proceeds from disposal of net non-current assets		121,551	37,755
Change in financial assets		(45,526)	194,008
Change in current equity investments		(189)	110
Cash flow from investing activities relating to discontinued operations			
<b>Total B)</b>		<b>(42,275)</b>	<b>(17,983)</b>
<b>C) Cash flows from financing activities</b>			
Change in financial payables		32,299	139,724
Increases in capital shares subscribed by third parties		1,533	1,020
Dividends paid		(41,898)	(80,196)
Other (non-monetary) changes		(48)	3,234
<b>Total C)</b>		<b>(8,114)</b>	<b>63,782</b>
<b>D) Translation differences and other changes</b>			
Translation differences and other changes		(793)	(1,588)
Translation differences and other changes relating to discontinued operations			33
<b>Total D)</b>		<b>(793)</b>	<b>(1,555)</b>
<b>E) Cash flows for the year (A+B+C+D)</b>		<b>20,274</b>	<b>(33,765)</b>
<b>F) Cash and cash equivalents at the beginning of the year</b>		<b>101,641</b>	<b>135,406</b>
<b>Cash and cash equivalents at the end of the year (E+F)</b>	13	<b>121,915</b>	<b>101,641</b>

The main changes of the cash flows from investing activities are discussed in the "Statement of cash flows" section of the notes.

Changes in the Statement of Cash Flows of certain items do not correspond to changes in the Statement of Financial Position due to changes in the Group's consolidation area.

## NOTES

The consolidated financial statements of Italmobiliare S.p.A. for the year ended December 31, 2023 were approved by the Board of Directors on March 7, 2024. During the meeting, the Directors authorised also the publication of a press release dated March 7, 2024, containing the abovementioned financial statements' key information.

The financial statements have been presented on a going-concern basis.

## Core businesses

Italmobiliare S.p.A. is a legal entity established in accordance with the laws of the Republic of Italy and listed on the Milan Stock Exchange since 1980.

Italmobiliare S.p.A. operates as an investment holding company and consequently manages a diversified portfolio of investments and equity investments.

## Accounting policies

These consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) applicable at December 31, 2023 as endorsed by the European Union, and with the provisions issued in implementation of article 9 of Legislative Decree no. 38/2005. The term IFRS also includes all revised international accounting standards (IAS) and all the interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), previously called SIC.

The Italian laws that enact EU Directive 2013/34 also apply, where compatible, to companies that prepared financial statements in accordance with the IFRS. Consequently, these financial statements are compliant with the Italian Civil Code and the corresponding indications of the Consolidated Law on Finance (CLF) for listed companies with regard to the Directors' report, the independent statutory audit and the publication of the financial statements. The consolidated financial statements and related notes also set out the details and additional disclosures required under the articles of the Italian Civil Code governing financial statements, since such requirements are not in conflict with the IFRS, and under other Consob regulations and dispositions governing financial statements.

Directive 2013/50/EU, which amended Directive 2004/109/EC (Transparency Directive), established that all Annual Financial Reports of Issuers, whose securities are admitted to trading on a regulated market, must be drawn up in a single electronic reporting format. The European Commission has implemented these rules in the Delegated Regulation 2019/815 (European Single Electronic Format - ESEF Regulation). This is in order to make annual financial reports readable by both human users and automatic devices and to improve the comparability and analysis of the information included in them. The ESEF Regulation provides that issuers who prepare consolidated financial statements in compliance with IAS/IFRS must prepare and publish their annual financial report in the eXtensible HyperText Markup Language ("XHTML") format, using the Inline eXtensible Business Reporting Language ("iXBRL") for marking up the Consolidated Financial Statements (Statement of financial position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows) from the financial year starting on January 1, 2021 and for marking up also the information contained in the consolidated explanatory notes from the financial year starting on January 1, 2022, which is why this financial report has been prepared using XHTML and the consolidated financial statements have been marked up using XBRL.

In compliance with European Regulation no. 1606 of July 19, 2002, the policies adopted do not include the standards and interpretations published by the IASB and the IFRS IC at December 31, 2023 but not yet endorsed by the European Union as of that date, except as indicated below.

### Accounting standards, amendments and IFRS interpretations applied from January 1, 2023

The following accounting standards, amendments and IFRS interpretations were applied for the first time by the Group starting from January 1, 2023.

- On May 18, 2017, the IASB published IFRS 17 – Insurance Contracts which is intended to replace IFRS 4 – Insurance Contracts. The accounting standard was applied starting from January 1, 2023. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations deriving from insurance contracts. The adoption of this standard and the related amendment did not have any effect on the Group's consolidated financial statements.
- On May 7, 2021, the IASB published an amendment called “Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”. The document clarifies how deferred taxes on certain transactions that can generate assets and liabilities of the same amount, such as leasing and dismantling obligations, at the date of first registration, must be accounted for. The changes were applied starting from January 1, 2023. The adoption of this amendment did not have any effect on the Group's consolidated financial statements.
- On February 12, 2021, the IASB published two amendments called “Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2” and “Definition of Accounting Estimates—Amendments to IAS 8”. The amendments to IAS 1 require an entity to disclose relevant information about the accounting standards applied by the Group. The amendments are aimed at improving disclosure on the accounting standards applied by the Group in order to provide more useful information to investors and other primary users of financial statements, as well as to help companies distinguish changes in accounting estimates from changes in accounting policies. The changes were applied starting from January 1, 2023. The adoption of these amendments did not have any effect on the Group's consolidated financial statements.
- On May 23, 2023 the IASB published an amendment called “Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules”. The document introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules (which was in force in Italy on December 31, 2023, but applicable starting from January 1, 2024) and provides specific disclosure requirements for entities affected by the related International Tax Reform. The document provides for immediate application of the temporary exception, while the disclosure requirements only apply to annual financial statements beginning on or after January 1, 2023 and not to interim financial statements with a closing date prior to December 31, 2023. The Italmobiliare Group does not exceed the turnover thresholds to be in the scope of the Pillar Two Model Rules.

### Accounting standards, amendments and IFRS and IFRIC interpretations endorsed by the European Union, not yet compulsorily applicable and not adopted in advance by the Group at December 31, 2023

The following accounting standards, amendments and IFRS interpretations were endorsed by the European Union, but not yet compulsorily applicable and not adopted in advance by the Group at December 31, 2023:

- On January 23, 2020 the IASB published an amendment called “Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current” and on October 31, 2022 an amendment called “Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants”. These amendments aim to clarify how to classify payables and other short or long term liabilities. Furthermore, the amendments also enhance the disclosures required of an entity when its right to defer the settlement of a liability for a minimum of twelve months hinges on adherence to specific parameters (i.e., covenants). The changes come into force from January 1, 2024; but early application is permitted. The directors do not expect this amendment to have a significant effect on the Group's consolidated financial statements.
- On September 22, 2022 the IASB published an amendment called “Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback”. The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise income or loss that relates to the retained right of use. The amendments come into force from January 1, 2024, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Group's consolidated financial statements.

### Accounting standards, amendments and IFRS interpretations published at December 31, 2023, but not endorsed by the European Union at that date

At the date of these financial statements the competent bodies of the European Union have not yet completed the approval process necessary for adoption of the amendments and principles described below.

- On May 25, 2023 the IASB published an amendment called "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of the financial statements to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and understand the impact of such arrangements on the entity's exposure to liquidity risk. The amendments apply starting from January 1, 2024, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Group's consolidated financial statements.
- On August 15, 2023, the IASB published an amendment called "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". This amendment mandates that an entity adopts a consistent methodology to assess the exchangeability of one currency into another, determine the spot exchange rate to be utilised, and provide corresponding disclosure in the notes when exchangeability is not feasible. The amendment will apply starting from January 1, 2025, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Group's consolidated financial statements.
- On January 30, 2014, the IASB published the "IFRS 14 – Regulatory Deferral Accounts", which allow only those who adopt IFRS for the first time to continue to recognize the amounts relating to activities subject to regulated tariffs (so-called "Rate Regulation Activities") according to the previous accounting principles adopted. As the Group is not a first-time adopter, this standard is not applicable.

## MEASUREMENT CRITERIA AND BASIS OF PRESENTATION

The consolidated financial statements adopt the cost method, with the exception of derivatives and financial assets which are measured at fair value. The carrying amounts of hedged assets and liabilities are adjusted to reflect changes in fair value on the basis of the hedged risks. The consolidated financial statements are presented in euro, which is the functional currency of the parent Italmobiliare S.p.A. All amounts in the accounting schedules and in the notes are rounded to thousands of euro, unless otherwise specified.

The basis of presentation of the Italmobiliare Group financial statements is as follows:

- current and non-current assets and current and non-current liabilities are presented as separate classifications on the statement of financial position. Current assets, which include cash and cash equivalents, are assets that the Group intends to realize, sell or consume during its normal business cycle; current liabilities are liabilities that the Group expects to settle during the normal business cycle or in the twelve months after the end of the reporting period;
- on the income statement, costs are analysed by nature;
- with regard to comprehensive income, the Group presents two statements. The first statement reflects traditional income statement components and the profit (loss) for the year, while the second statement, beginning with the profit (loss) for the year, presents other comprehensive income, net of tax: fair value changes on financial assets measured at FVTOCI, derivative financial instruments designated in hedge accounting, translation differences and effects of the remeasurement of defined benefit plans, presenting separately the elements that can subsequently be recycled to profit or loss for the year from those that will not be reclassified;

- the indirect method is used for the statement of cash flows, with separate reporting of any cash flows by operating, investing and financing activities associated with discontinued operations. In particular, although the Group does not diverge from the provisions of IAS 7 in the classification of items, please note:
  - cash flows from operating activities report cash flows from core operations, interest on loans granted and obtained and dividends received from associates;
  - investing activities comprise investments in property, plant and equipment and intangible assets, shareholdings, private equity funds and disposals of such assets. They include, also, the effects of business combinations in which the Group acquires or loses control of companies, as well as other minor investments;
  - cash flows from financing activities include cash flows generated by liability management transactions and leases, dividends and interim dividends paid to owners of the Parent Company and non-controlling interests, and the effects of transactions in non-controlling interests that do not change the status of control of the companies involved;
  - a separate item is used to report the impact of exchange rates on cash and cash equivalents and their impact on profit or loss is eliminated in full in order to neutralize the effect on cash flows from operating activities.

## USE OF ESTIMATES

In preparing the consolidated financial statements, the following significant judgements were made when applying the Group's accounting standards.

The investment in Bacco (held indirectly through ITM Bacco) is measured in the consolidated financial statements of Italmobiliare at FVTOCI as management believes that there is no significant influence on the part of Italmobiliare.

Considering that:

- the stake held directly by the Group is 13.69%, that held by CCP3 is 56.71% and that held by CCP4 is 17.48%;
- Italmobiliare has 100% control over Clessidra, but does not have direction and coordination over it;
- the members of the Board of Directors of Bacco (which has control over the company's relevant activities) are appointed by CCP3 (Italmobiliare is unable to use its power over Clessidra to direct the relevant activities of CCP3 which is not controlled or consolidated by Italmobiliare). This assessment takes into account the CCP3 fund's qualification as an "agent" (at a consolidated level, so considering both the variable returns relating to Clessidra as a fund manager, and that relating to Italmobiliare as an investor), which leads to the conclusion that Italmobiliare does not have control over the fund as there is no link between decision-making power and exposure to the variability of returns (similar considerations apply to CCP4).

It should be noted that Italmobiliare has the right to appoint an "observer", who has the right to participate in meetings of the Board of Directors of Bacco and the right to be informed in advance of the matters under discussion, without having any right to vote on the resolutions passed by the Board of Directors, nor be considered a member of Bacco's Board of Directors (so IAS 28.6 does not apply, as it assumes that an investor has significant influence if it appoints a member of the Board).

As for the investment in Bacco, also the investment in Archimede is measured in the consolidated financial statements of Italmobiliare at FVTOCI as the stake held is 17.24% and Italmobiliare does not have significant influence over it.

The investment in Bene Assicurazioni is measured at FVTOCI. On 29 April 2022 Italmobiliare finalised its investment in Bene Assicurazioni S.p.A. The entry into this company's share capital involved an outlay of 40 million euro for a 19.99% stake, having received authorisation from IVASS, the Supervisory Authority for the Italian Insurance Sector. Notwithstanding the Company has the right to appoint a Director, the Group management excludes the presence of a significant influence over the investee, because the controlling shareholder owns a 55%



stake in the company and the remaining stake is owned by a second investor (Nurberger at 25%). As a consequence, the director appointed by Italmobiliare does not have a significant influence over the decision to be taken by Bene Assicurazioni's Board of Directors (in the absence of shareholders agreements among the parties).

The estimates that have had a significant effect on the amounts recognised in the financial statements are shown below.

The main assumptions regarding the future and the main causes of uncertainty in the estimate at the end of the reporting period that present a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities during the next financial year are shown below:

- indefinite useful life of trademarks (for further details, see the paragraph on intangible assets);
- provisions (for further details, see the paragraph on current and non-current provisions);
- impairment of goodwill (for further details, see the paragraph on goodwill);
- fair value of financial assets: as regards investments in listed companies, the fair value is calculated on the basis of the stock market price at the reporting date and could undergo significant changes during the following year; while for financial assets valued with a level 2 and 3 fair value, there is a high degree of judgement due to the elements of complexity inherent in the valuation techniques and significant inputs.

## SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are based on the financial statements for the year ended December 31, 2023 of the parent Italmobiliare S.p.A. and the consolidated companies, in compliance with the Group accounting policies.

### RELATED PARTIES

Related parties are mainly those that share the same parent with Italmobiliare S.p.A., the companies that directly or indirectly are controlled by Italmobiliare S.p.A., the associates (including their subsidiaries) of Italmobiliare S.p.A., or the associates (including their subsidiaries) of any Group company. Related parties also include statutory auditors, and their immediate family, and the key management personnel, and their immediate family, of Italmobiliare S.p.A. Key management personnel comprises management personnel who have the power and direct or indirect responsibility for the planning, management and control of the activities of the Company. They include directors (whether executive or not).

### SUBSIDIARIES

Subsidiaries are companies in which the Group is exposed to variable returns, or holds rights to such returns, by virtue of its relationship with the companies in question, and simultaneously has the ability to affect such returns by exercising its power.

The Group ascertains the existence of control on the basis of the existence of three elements:

- power: the current ability of the Group, arising from substantial rights, to decide on the relevant activities that have a material impact on the company's returns;
- the exposure of the Group to the variability of the returns of the investee;
- correlation between power and returns, the Group has the ability to exercise its power to affect the returns arising from the relationship.

## Basis of consolidation

### ASSOCIATES

Associates are companies in which the Group has significant influence over administrative and management decisions even though it does not hold control. Generally speaking, significant influence is assumed to exist when the Group holds, directly or indirectly, at least 20% of voting rights at ordinary shareholders' meetings or, even if it holds a lower percentage of voting rights, when it is entitled to take part in financial and management policy decisions by virtue of a specific juridical status including, but not limited to, participation in shareholders' agreements or other forms of material exercise of rights of governance.

Investments in associates are measured using the equity method, whereby they are recognized initially at cost, and subsequently adjusted to reflect changes in the value of the Group's interest in the associate's equity. The Group's share of an associate's profit or loss is recognized in a specific income statement caption from the date at which the Group exerts significant influence until it relinquishes such influence.

The same item includes the gain or loss resulting from the sale of associates, net of any compensation paid on the basis of the Value Creation Sharing Incentive (or other incentive programmes for the management of the parent company).

## BASIS OF CONSOLIDATIONS AND ELIMINATIONS

Subsidiaries are consolidated on a line-by-line basis as from the date at which control is obtained and until control is transferred out of the Group.

All intragroup balances and transactions, including any unrealized gains in respect of third parties, are eliminated in full. Unrealized losses in respect of third parties deriving from intragroup transactions are eliminated, except in cases where it will not subsequently be possible to recover such losses.

Unrealized gains in respect of third parties deriving from transactions with associates are eliminated against the equity investment carrying amount. Losses are eliminated proportionately to the Group's interest, unless it will not subsequently be possible to recover such losses.

## CONSOLIDATION AREA

A list of companies and how they are consolidated (line-by-line, proportionately or under equity method) is provided in the annex to these notes.

## NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets and liabilities held for sale and discontinued operations are classified as such when their carrying amount will be recovered mainly through sale rather than through continuing use; such operations must be separate major line of business or geographical area of operation.

The conditions indicated are deemed to exist when the sale is considered highly probable and the assets and liabilities are immediately available for sale in their current condition.

Assets held for sale are recognized at the lower of their net carrying amount and fair value, less costs to sell.

## PURCHASE PRICE OF BUSINESS COMBINATIONS

Under IFRS 3, the purchase price is the sum of the acquisition-date fair value of the consideration transferred and the amount of any non-controlling interests in the acquired entity. For each business combination, any non-controlling interests in the acquired entity must be measured at fair value or in proportion to their non-controlling interest in the identifiable net assets of the acquired entity.

In details, in all non-total acquisitions, the non-controlling interest was measured at fair value.

IFRS 3 provides that costs relating to the acquisition be expensed in the periods in which they are incurred and the services are received.

## ALLOCATION OF THE CONSIDERATION OF BUSINESS COMBINATIONS

Goodwill is measured as the positive difference between:

- the sum of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquired entity and the fair value at the acquisition date of the equity interest in the acquired entity that the acquirer held previously; and
- the net fair value of assets and liabilities identifiable at the acquisition date.

If on initial recognition the purchase price allocation can only be determined provisionally, the allocated amounts are adjusted within twelve months of the acquisition date (measurement period).

## PURCHASE OF NON-CONTROLLING INTERESTS

Acquisitions of additional shares after acquisition of control do not require re-determination of identifiable asset and liability amounts. The difference between the consideration and the acquired equity interest is recognized as equity attributable to owners of the parent. Transactions that reduce the percentage interest held without loss of control are treated as sales to non-controlling interests and the difference between the interest sold and the price paid is recognized in equity attributable to the owners of the parent.

## COMMITMENTS TO PURCHASE NON-CONTROLLING INTERESTS

A put option granted to non-controlling interests of a company controlled by the Group is initially recognized by recording the purchase value as a liability, since the value in question is the present value of the put option exercise price.

The complementary acquisition of non-controlling interests with put options is recognized in the financial statements:

- the non-controlling interests to which the put option refers are eliminated from equity and reclassified under liabilities and the difference between the fair value of the purchase commitment liabilities and the carrying amount of the non-controlling interests is recognized under equity attributable to owners of the parent;
- subsequent changes in liabilities are recognized to the income statement.

## TRANSACTIONS IN CURRENCIES OTHER THAN THE FUNCTIONAL CURRENCY

The functional currency of the subsidiaries located outside the Eurozone is usually the local currency.

Foreign currency transactions are initially translated into the functional currency using the exchange rate at the transaction date. At the reporting date, foreign currency monetary assets and liabilities are translated into the functional currency at the closing rate. Exchange-rate gains and losses are taken to the income statement.

Non-monetary foreign currency assets and liabilities measured at cost are translated at the exchange rate ruling at the transaction date; those measured at fair value are translated with the exchange rate at the date fair value was determined.

## TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

At the reporting date, the assets, including goodwill and liabilities of consolidated companies that report in currencies other than the euro are translated into the presentation currency of the Group's consolidated accounts at the closing rate. Income statement items are translated at the average rate for the year. Gains and losses arising from the translation of opening equity at the closing rates and those arising from the different method used to translate profit or loss for the year are recognized in a specific equity item. In the event of subsequent disposal of a foreign operation, the cumulative translation differences are taken to the income statement.

## PROPERTY, PLANT & EQUIPMENT

### Recognition and measurement

Property, plant and equipment are recognized at cost, less accumulated depreciation and any impairment losses. Cost includes the purchase or production cost and the directly attributable costs of bringing the asset to the location and the conditions required for its operation. Production cost includes the cost of materials and direct labour costs. Finance costs relating to the purchase, construction and production of qualifying assets are capitalized. The carrying amount of some assets existing at the IFRS first-time adoption date of January 1, 2004, reflects revaluations applied

in prior periods in connection with specific local laws, based on the real economic value of the assets in question. The revalued amount recognized in accordance with IFRS 1 was assumed as cost at the IAS/IFRS transition date.

Assets acquired through business combinations are stated at fair value, determined on a provisional basis at the acquisition date and subsequently adjusted where necessary within the following twelve months.

Subsequent to initial recognition, property, plant and equipment are carried at cost and depreciated over the asset's useful life, less any impairment losses.

Assets under construction are recognized at cost; depreciation begins when the assets are available for use.

When an asset consists of components with a significant cost and different useful lives, initial recognition and subsequent measurement are carried out separately for each component.

### **Subsequent expense**

Repair and maintenance expense is normally recognized as incurred. Component replacement costs are treated as separate assets and the carrying amount of the replaced component is eliminated with a balancing entry in the income statement.

### **Amortisation and depreciation**

Depreciation is generally calculated on a straight-line basis over the estimated useful life of each component of property, plant and equipment. Land is recognized separately from buildings erected on it and is not depreciated.

Useful life determines the depreciation rate until such time that the residual useful life is revised. The useful life range adopted for the various categories of property, plant and equipment is disclosed in the notes.

### **Lease**

The Group must assess whether the contract is or contains a lease on the date it was entered into. The Group recognises the Right of Use and the related Lease Liability for all the lease contracts in which it acts as a lessee, with the exception of short-term ones (lease contracts with a duration of twelve months or less) and leases relating to low-value goods (i.e. goods with a value of less than 5,000 euro when new). The contracts for which this exemption has been applied fall mainly into the following categories:

- Computers, telephones and tablets;
- Printers;
- Other electronic devices;
- Furniture and fittings.

With regard to these exemptions, the Group recognises the related payments in the form of operating costs on a straight-line basis over the duration of the contract.

The lease liability is initially recognised at the present value of future payments at the start date of the contract. Since there is no implicit interest rate in most of the rental contracts entered into by the Group, the discount rate to be applied to future payments of rents was determined as the risk-free rate of each country in which the contracts are entered into, with maturities in line with the duration of the specific rental contract, increased by the credit spread that is specific to the subsidiary or Group.

Lease payments included in the Lease Liability include:

- The fixed component of lease payments, net of any incentives received;
- Payments of variable lease fees based on an index or rate, initially valued using the index or rate on the date the contract begins;

After initial recognition, the book value of the Lease Liability increases due to the interest accrued (using the effective interest method) and decreases to take into account the payments made under the lease contract.

The Right of Use asset includes the initial assessment of the Lease Liability, the lease payments made before or on the date of the contract and any other initial direct costs. The Right of Use is recorded in the financial statements net of depreciation and any impairment losses.

The incentives linked to the lease (for example, free lease periods) are recognised as part of the initial value of the Right of Use and the Lease Liability over the contractual period.

The Right of Use is depreciated on a straight-line basis over the lower of the lease term and the residual useful life of the underlying asset. If the lease contract transfers ownership of the asset or the cost of the Right of Use reflects the Group's willingness to exercise the purchase option, the Right of Use is depreciated over the useful life of the asset in question. Depreciation begins from the start of the lease.

The Right Of Use asset is shown under "Property, plant and equipment" in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets in order to identify any impairment losses.

Variable lease payments that do not depend on an index or rate are not included in the value of the Lease Liability or the Right of Use. The related payments are accounted for in accordance with the accrual principle and are included in "Other expenses" in the income statement.

In the consolidated cash flow statement, the Group divides the total amount paid between the principal portion (recognised in cash flows from financing activities) and the interest portion (recorded in cash flows from operating activities).

## INVESTMENT PROPERTY

Investment property is land and/or buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods and services. Investment property is initially recognized at purchase cost, including costs directly attributable to the purchase. Subsequent to initial recognition, investment property is measured at amortized cost, based on the asset's useful life less any impairment losses.

## GOODWILL

Goodwill recognized in accordance with IFRS 3 is allocated to the cash-generating units that are expected to benefit from the synergies created by the acquisition. Goodwill is stated at the original value less any impairment losses identified through tests carried out on an annual basis or more frequently if there are signs of impairment.

When goodwill is allocated to a cash-generating unit part of whose assets are disposed of, the goodwill associated with the sold assets is taken into account when determining any gain or loss arising from the transaction.

## INTANGIBLE ASSETS

Intangible assets acquired separately are capitalized at cost, while those acquired through business combinations are recognized at fair value.

Subsequent to initial recognition, intangible assets are carried at cost amortized over the asset's useful life, less any impairment losses.

Other than goodwill, the Group has identified the trademarks of Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella and SIDI Sport as intangible assets with an indefinite useful life.

## Impairment

Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment on an annual basis or more frequently if there are signs of impairment.

Property, plant and equipment and investment property, as well as intangible assets subject to amortisation, are tested for impairment if indication of impairment will emerge, in accordance with IAS 36.

Investments in associates are tested for impairment if indications of impairment emerged and in any case when there is a goodwill, in the measurement of the equity of the associate, arising from the acquisition of the associate by the Group.

An impairment loss is the difference between the asset carrying amount and its recoverable amount. Recoverable amount is the higher of fair value, less costs to sell, of an asset or cash-generating unit and its value in use, determined as the present value of future cash flows. Fair value less costs to sell is determined through application of suitable valuation models. These calculations are carried out adopting appropriate income multipliers, quoted share prices on an active market for similar enterprises, comparable transactions on similar assets or other available fair value indicators applicable to the assets being measured.

In determining value in use, assets are measured at the level of cash-generating units, on the basis of their operating allocation. For the expected cash flow approach, the discount rate is determined using the weighted average cost of capital method (WACC).

If an impairment loss on an asset other than goodwill subsequently reverses in full or in part, the asset carrying amount is increased to reflect the new estimated recoverable amount, which may not exceed the amount that would have been reflected in the absence of the impairment loss. Impairment losses and reversals of impairment losses are taken to the income statement.

Impairment losses on goodwill cannot be reversed.

## FAIR VALUE MEASUREMENT

For all fair value measurements and disclosures of fair value, that are either required or permitted by IFRS, the Group applies IFRS 13. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date (i.e., an exit price). The fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the principal market, i.e., the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market to which the Group has access, i.e., the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, knowledgeable sellers and buyers who are able to enter into a transaction for the asset or the liability and who are motivated but not forced or otherwise compelled to do so. When measuring fair value, the Group considers the characteristics of the asset or liability, in particular:

- for a non-financial asset, a fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use;
- for liabilities and own equity instruments, the fair value reflects the effect of non-performance risk, i.e., the risk that an entity will not fulfil an obligation, including among others the credit risk of the Group itself;
- in the case of groups of financial assets and financial liabilities with offsetting positions in market risk or credit risk, managed on the basis of an entity's net exposure to such risks, it is permitted to measure fair value on a net basis.



In measuring the fair value of assets and liabilities, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

## FINANCIAL ASSETS

All financial assets are recognized initially at cost at the trade date. Cost corresponds to fair value plus additional costs attributable to the purchase with the exception of financial assets held for trading (fair value through profit or loss).

All financial assets must subsequently be recognised at amortized cost or fair value based on the entity's business model for the management of financial assets and the characteristics of the financial asset's contractual cash flows.

Specifically:

- Debt instruments held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows, and which have cash flows represented only by payments of principal and interest on the amount of principal to be returned, are subsequently valued at amortised cost;
- Debt instruments held as part of a business model whose objective is achieved both through the collection of contractual financial flows and through the sale of financial assets, and which have cash flows represented only by payments of principal and interest on the amount of principal to be returned, are subsequently measured at fair value with changes recorded through other comprehensive income (FVTOCI);
- All other debt instruments and investments in equity instruments are subsequently valued at fair value with changes recognised through profit or loss (FVTPL).

Notwithstanding the above, on January 1, 2018, or after initial recognition, the Group irrevocably designated investments in equity instruments, previously classified as available for sale, to the FVTOCI category, except for the investment in Tri Alpha Energy, which is measured at FVTPL.

When an investment in a debt instrument measured at FVTOCI is eliminated, the accumulated gain or (loss) previously recognised in other comprehensive income is reclassified from equity to profit or loss for the year by means of a reclassification adjustment. On the other hand, when an investment in a equity instrument representing capital designated at FVTOCI is eliminated, the accumulated gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings without passing through the income statement. Dividends received from investments in equity instruments are recognised in the income statement.

Debt instruments subsequently valued at amortised cost or FVTOCI are subject to impairment.

The CPP3 and CCP4 investment funds managed by Clessidra Capital Credit SGR S.p.A. are valued at FVTPL. Although Clessidra Capital Credit SGR S.p.A. has the power to manage the fund, the variable returns on the investment for the Italmobiliare Group are linked to the shares directly owned by Italmobiliare S.p.A., in addition to those deriving from the activity of fund manager. So, in a broad sense, the Italmobiliare Group does not hold control as there is no link between the management power and the exposure to the variability of the fund's returns. Consequently, the fund manager is considered to be an agent in its management of the fund for the benefit of the unitholders of the fund.

### Impairment of financial assets

As regards the impairment of financial assets, the Group has applied a model based on expected credit losses, with reference to:

- Investments in debt instruments subsequently valued at amortised cost or FVTOCI;
- Trade receivables and contract assets.

In particular, the Group measures the provision to cover losses of a financial asset at an amount equal to lifetime expected credit losses (or Lifetime ECL) if the credit risk of this financial asset has significantly increased after initial recognition, or if the financial instrument is an impaired financial asset that has been purchased or originated. However, if the credit risk of a financial instrument has not increased significantly after initial recognition, the Group has to measure the provision to cover losses for the financial instrument at an amount equal to the expected losses on receivables deriving from a default event in the next twelve months (or "12-months expected credit losses").

The Group adopts the simplified method to measure the provision to cover losses for trade receivables and contract assets by estimating the expected losses throughout the life of the receivables, also using a Group procedure that requires customer-by-customer analysis of past due loans that are unlikely to be collected.

The financial assets included in the net financial position (also "NFP") are those that accrue interest and/or have a financial counterparty (thus excluding Clessidra Factoring receivables, which are included in trade receivables). The net financial position is therefore made up of all financial assets and liabilities, with the exception of equity instruments valued at FVTOCI and Private Equity funds (also referred to below as "non-NFP"), and cash and cash equivalents.

### **Derecognition of financial assets**

The Group derecognizes financial assets in whole or in part when:

- the contractual rights attributable to the assets in question have expired;
- it transfers the risks and rewards incidental to ownership of the asset or does not transfer and does not even substantially maintain all the risks and rewards but transfers control of the assets;
- receivables sold as a result of factoring transactions are eliminated from the statement of financial position, but only if transferred without recourse and if substantially all of the risks relating to the receivables are transferred. Receivables sold without recourse, or in any case without the transfer of all the risks, remain in the financial statements and a financial liability of the same amount is recorded under liabilities for the advance received.

## **INVENTORIES**

Inventories are measured at the lower of purchase/production cost (using the weighted average cost method) and net realizable value.

Purchase cost includes costs incurred to bring assets to the warehouse, less allowances for write-downs of obsolete and slow-moving items.

Production cost of finished goods and semi-finished goods includes the cost of raw materials, direct labour and a portion of general production costs, determined on the basis of normal plant operations. Financial costs are not included.

The net realizable value of raw materials, consumables and supplies is their replacement cost.

The net realizable value of finished goods and semi-finished goods is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs to sell.

## **TRADE AND OTHER RECEIVABLES**

Trade and other receivables are initially recognized at fair value and subsequently measured at amortised cost less allowances for impairment. They are provided as bad debts when identified.

## **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand, checks, bank demand deposits and other cash investments with original maturity of not more than three months. Current account overdrafts are treated as source of financing and not as cash and cash equivalents.

The definition of cash and cash equivalents in the statement of cash flows is identical to that in the statement of financial position.

## TREASURY SHARES

Treasury shares are deducted from equity. The original cost of treasury shares and income arising from any subsequent sales are treated as movements in equity.

## EMPLOYEE BENEFITS EXPENSE

The Group operates pension plans, post-employment medical benefit plans and post-employment benefits.

It also has other commitments, in the form of bonuses payable to employees on the basis of length of service in some Group companies ("Other long-term benefits").

### Post-employment benefits

From January 1, 2007, companies with more than 50 employees at the date of introduction of the reform have an obligation to pay the new severance indemnity (TFR) flows to pension schemes chosen by the employees or, in the event that they have opted to keep these flows in the company, to a treasury account set up at INPS.

For employees of Italian companies with less than 50 employees, the severance indemnities at December 31, 2023 are configured as a defined benefit plan.

For the Group, only the severance indemnities accrued at December 31, 2006 continue to be included in the "defined benefit plans", while those accrued after that date are considered, for all employees, as a "defined contribution plan", because all of the company's obligations end with the periodic payment of a contribution to third-party entities. The portions accrued by employees who have opted to maintain their severance indemnities in the company as a defined benefit plan are an exception.

### Defined contribution plans

Defined contribution plans are structured post-employment benefit programs where the Group pays fixed contributions to an insurance company or pension fund and will have no legal or constructive obligation to pay further contributions if the fund does not dispose of sufficient assets to pay all the employee benefits accruing in respect of services rendered during the current year and in previous years.

These contributions are paid in exchange for the services rendered by employees and recognized as an expense as incurred.

### Defined benefit plans

Defined benefit plans are structured post-employment benefit programs that constitute a future obligation for the Group. In substance, the company assumes the actuarial and investment risks of the plan. In accordance with IAS 19, the Group uses the Projected Unit Credit Method to determine the present value of obligations and the related current service cost.

These actuarial calculations require use of consistent and objective actuarial assumptions about demographic variables (mortality rate, personnel turnover rate) and financial variables (discount rate, future increases in salaries and medical benefits).

When a defined benefit plan is funded in full or in part by contributions paid to a fund that is a separate legal entity or to an insurance company, the plan assets are estimated at fair value.

Benefit obligations are therefore recognized net of the fair value of the plan assets that will be used to settle the obligations.

### Employment termination plans

Employment termination plans include provisions for restructuring costs recognized when the Group company in question has approved a detailed formal plan that has already been implemented or notified to the third parties concerned.

### Actuarial gains and losses

Actuarial gains and losses on post-employment defined benefit plans may arise as a result of changes in the actuarial assumptions used in two consecutive years or as a result of changes in the obligation value in respect of the actuarial assumptions used at the beginning of the year.

Actuarial gains and losses are recognized immediately under other comprehensive income (expense).

Actuarial gains and losses relating to "Other long-term benefits" (service medals, length of service benefits) and to early retirement benefits are recognized in profit or loss immediately.

### Past service cost

Changes in liabilities resulting from a change to an existing defined benefit plan are recognized in the income statement for the year, as are costs that vest immediately upon changes to a plan.

### Curtailment and settlement

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized as profit or loss when the curtailment or settlement occurs. The gain or loss includes changes in the present value of the obligation, changes in the fair value of plan assets, actuarial gains or losses and past service costs not previously accounted for.

At the curtailment or settlement date, the obligation and the fair value of the plan assets are remeasured using current actuarial assumptions.

### Net finance costs

Net finance costs on defined benefit plans consist of the following measurements:

- finance costs computed on the present value of the defined benefit plan liability;
- finance income arising from measurement of the plan assets;
- finance costs or income arising from any limits on recognition of plan surpluses.

Net finance costs are determined by applying to all the above items the discount rate adopted at the beginning of the year to measure the defined benefit plan obligation.

Net finance costs on defined benefit plans are recognized under finance income/costs on the income statement.

### Share-based payments

Options for the subscription and purchase of shares granted by Group companies to employees and directors give rise to recognition of a cost classified under personnel expense, with a corresponding increase in equity.

In particular, options for the subscription and purchase of shares are measured at fair value at the grant date and amortized over the vesting period. Fair value at the grant date is determined using the binomial method, and taking account of dividends. Future volatility is determined on the basis of historic market prices, after adjustment for non-recurring events or factors.

The cost of granted options is reviewed on the basis of the actual number of options that have vested at the beginning of the exercise period.

## PROVISIONS

The Group recognizes provisions for risks and charges when a present or constructive obligation arises as a result of a past event, the amount of which can be reliably estimated, and use of resources is probable to settle the obligation. Provisions reflect the best estimate of the amount required to settle the obligation or transfer it to third parties at the reporting date. If the present value of the financial resources that will be used is material, provisions are determined by discounting expected future cash flows at a rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. When discounting is performed, movements in provisions due to the effect of time or changes in interest rates are recognized in financial items.

Changes in estimates are recognized in the income statement in the year in which the change occurs.

Restructuring costs are provided when the Group company concerned has approved a detailed formal plan that has already been implemented or notified to the relevant third parties.

## LOANS AND BORROWINGS

Loans and borrowings are initially recognized at the fair value of the consideration paid/received less charges directly attributable to the financial asset/liability.

After initial recognition, loans and borrowings are measured at amortised cost using the effective interest-rate method.

## TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables are stated initially at the fair value of the original consideration received and subsequently measured at amortized cost.

## REVENUE, OTHER REVENUE, INTEREST INCOME AND DIVIDENDS

### Sale of goods and services

Revenue is measured taking into account the consideration specified in the contract with the customer. The Group recognizes revenue when the control of the goods or service is transferred.

Revenue is recognized by applying a five-stage model:

- Identification of the contract with the customer;
- Identification of the performance obligations set out in the contract;
- Determination of the transaction consideration;
- Allocation of the consideration to the individual performance obligations;
- Recognition of revenue upon (or during) satisfaction of the individual performance obligation.

Revenue is recognized to the extent that it is probable that the economic benefits associated with the sale of goods or rendering of services are collected by the Group and the amount in question can be reliably determined.

Revenue is recognized at the fair value of the consideration received or due, taking account of any trade discounts given and volume discounts.

Revenue from the sale of goods is recognized when the company transfers the material risks and rewards incidental to ownership of the goods to the purchaser.

In the caption "Revenue and income" the sub-item "Income" includes dividends received, interest and commission income earned by the financial and banking companies, and remeasurement gains and gains realized on financial assets measured at FVTPL.

Contracts with clients generally include a single performance obligation. The performance obligation is considered satisfied:

- upon delivery of the goods for Caffè Borbone, Capitelli, SIDI Sport and Officina Profumo-Farmaceutica di Santa Maria Novella;
- for online sales by Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, Callmewine and SIDI Sport, on delivery to the distributor or shipper;
- for Casa della Salute on delivery of services;
- for Italgel, revenue is recognized on an hourly basis according to the output of the company's hydroelectric plants and existing sales contracts;
- and lastly, for Italmobiliare and Clessidra, dividends are accounted for on the approval date of the investee company; interest, commissions and rents according to the terms of the individual contract (this revenue of Italmobiliare is shown in the Revenue sub-item "Other revenue and income").

### Interest income

Interest income earned by companies that are not financial or banking companies is recognized as finance income on an accruals basis using the effective interest method.

### Dividends

Dividends are recognized as shareholders' right to receive payment arises, in accordance with local laws, and are classified under "Net finance income (costs)", with the exception of dividends earned by banking and finance companies, which are classified under "Revenue".

## COSTS

Costs are recognized on an accruals basis in accordance with the matching principle.

## GOVERNMENT GRANTS

Government grants are recognized when there is a reasonable certainty that they will be received and all the requirements on which receipt depends have been fulfilled.

Grants related to the purchase or production of non-current assets (grants related to assets) are recognized as deferred income and taken to profit or loss over the useful life of the underlying assets.

## DERIVATIVES

The Group uses derivatives such as options and futures to manage market risks.

Derivatives are measured and recognized at fair value.

Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The fair value of foreign-currency forward contracts is determined on the basis of the current forward exchange rates for contracts with similar maturity profiles.

The fair value of derivatives is determined using the swap curve weighted to take account of the counterparty credit risk.

The fair value of interest-rate contracts is determined on the basis of discounted flows using the zero coupon curve.

Derivatives, with the exception of those that qualify for hedge accounting, are classified under current assets and fair value gains and losses are taken directly to the income statement.

### **Hedging transactions**

Under IFRS 9, derivatives may be designated as hedging instruments when:

- the hedging relationship is formally designated and documented at inception;
- the hedging relationship is expected to be highly effective;
- effectiveness can be reliably measured;
- the hedging relationship can pass effectiveness tests at its inception and in all the accounting periods in which it is in operation.

Cash flow hedges protect against exposure to fluctuations in cash flows attributable to a particular risk linked to a recognized liability (i.e. interest on floating rate loans). The portion of the gain or loss on the fair value hedging instrument that is determined to be an effective hedge is recognized under comprehensive income (expense), while the non-effective component is taken directly to profit or loss.

Amounts deferred in equity are transferred to the income statement when the hedged transaction affects profit or loss.

## **INCOME TAX**

Current income taxes are provided in accordance with local tax laws in the countries where the Group operates.

Deferred tax is recognized on the basis of temporary differences between the tax base of assets and liabilities and their carrying amount in the statement of financial position.

Deferred tax liabilities are recognized on all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax assets, to the extent that it is probable that future taxable income will be available against which such differences, losses or credits may be reversed.

Taxable or deductible temporary differences do not generate recognition of deferred tax liabilities or assets only in the following cases:

- taxable temporary differences arising from the initial recognition of goodwill, except when such goodwill is tax-deductible;
- taxable or deductible temporary differences arising from initial recognition of an asset or a liability in transactions that are not business combinations and affect neither accounting profit nor taxable profit at the transaction date;
- equity investments in subsidiaries, when:
  - the Group is able to control the timing of reversal of the taxable temporary differences and it is probable that such differences will not reverse in the foreseeable future;
  - it is not probable that the deductible temporary differences will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be reversed.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that sufficient taxable income is no longer likely to be available in the future against which the assets can be used in full or in part.

Deferred tax assets and liabilities are determined at tax rates expected to apply when the deferred tax asset (liability) is realized (settled), based on rates that have been enacted or substantially enacted at the reporting date.



With reference to the possibility granted by Italian tax legislation to realign the tax value of goodwill to its book value, the directors have decided as an accounting policy not to proceed with immediate recognition in the income statement of the future tax benefit linked to the step-up.

Taxes relating to items recognized directly in equity are recognized in equity, not in the income statement.

Deferred tax assets and deferred tax liabilities are not discounted to present value.

The Parent Company has established a National Tax Consolidation contract with the main Italian subsidiaries which makes it possible to offset the various companies' tax profits and losses for IRES purposes.

## Exchange rates used to translate the financial statements of foreign operations

Exchange rates for 1 euro:

Currencies	Average rate		Closing rate	
	2023	2022	December 31, 2023	December 31, 2022
US dollar	1.08127	1.05305	1.10500	1.06660
Swiss franc	0.97180	1.00471	0.92600	0.98470
New Romanian leu	4.94672	17.40879	4.97560	19.96490
Pound sterling	0.86979	4.93131	0.86905	4.94950
Japanese yen	158.59259		156.33000	

The exchange rates used to translate the financial statements of foreign operations are those published by the Bank of Italy.

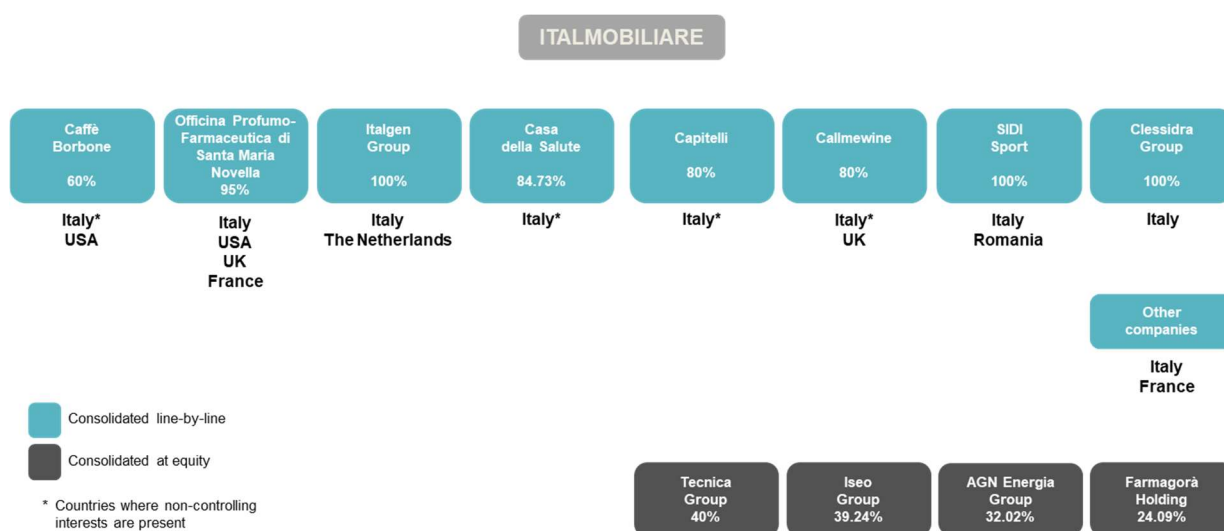
## Significant events and changes in the consolidation area

The main changes with respect to December 31, 2022 are as follows:

- sale of the shareholding in Florence InvestCo S.r.l. (Italy);
- measurement at FVTOCI, instead of using the equity method with regard to the CCC Holdings Europe (Italy) group, as the investment fell below 10% and there is no longer a member in the Board of Directors;
- the company Dokimè (Italy), previously measured using the equity method, partially returned capital to shareholders and completed the liquidation procedure;
- change in the consolidation percentage using the equity method from 31.833% to 24.095% in Farmagorà (Italy) due to the entry of new shareholders;
- line-by-line consolidation of San Samuele (Italy), 100% acquired by Officina Profumo-Farmaceutica di Santa Maria Novella, with an investment amount of 0.7 million euro;
- establishment and subsequent line-by-line consolidation of Gres Art (Italy), a 100% owned subsidiary of Gres Hub;
- initial line-by-line consolidation of Chirotherapic (Italy), 100% acquired and subsequently merged in the first half of the year into CDS Medical, with an investment amount of 1.7 million euro;
- line-by-line consolidation of Dogma (Italy), 100% acquired by Casa della Salute, with an investment amount of 0.9 million euro.
- establishment of Santa Maria Novella Japan KK (Japan), 100% owned by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.;
- acquisition by Caffè Borbone America Corp. of a business unit for an investment of 2.5 million dollars;
- the investment in the AGN Energia Group was reclassified as an asset held for sale (IFRS 5) due to the signing of a preliminary sale contract, which was then completed in February 2024.

## Subsidiaries with non-controlling interests

The chart below illustrates the structure of the Italmobiliare Group:



There are no restrictions on access to or use of the assets of the Group non-wholly owned subsidiaries.

The investment in the AGN Energia group was classified as an asset held for sale.

At December 31, 2023 the majority of the non-controlling interests refer to the 40% of Caffè Borbone whose financial data are set out below:

<b>Caffè Borbone</b>		
<b>(in thousands of euro)</b>	<b>2023</b>	<b>2022</b>
Revenue	300,413	262,734
Profit/(loss) for the year	48,008	38,958
Profit attributable to non-controlling interests of the Italmobiliare Group	19,203	15,583
Total comprehensive income	47,941	39,629
<b>Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group</b>	<b>19,176</b>	<b>15,852</b>
Non-current assets	360,451	362,049
Current assets	115,924	98,365
Non-current liabilities	12,555	(15,823)
Current liabilities	(76,599)	(75,172)
Net assets	412,331	369,419
<b>Net assets attributable to non-controlling interests of the Italmobiliare Group</b>	<b>164,932</b>	<b>147,768</b>
Dividends paid	30,000	50,000
<b>Dividends paid to non-controlling interests of the Italmobiliare Group</b>	<b>12,000</b>	<b>20,000</b>

The following are the figures at December 31, 2023 of Capitelli F.lli S.r.l. with a 20% non-controlling interests:

#### Capitelli

(in thousands of euro)	2023	2022
Revenue	22,407	19,182
Profit/(loss) for the year	1,728	1,279
Profit attributable to non-controlling interests of the Italmobiliare Group	346	256
Total comprehensive income	1,706	1,341
<b>Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group</b>	<b>341</b>	<b>268</b>
Non-current assets	20,022	20,275
Current assets	8,503	7,781
Non-current liabilities	(5,109)	(6,112)
Current liabilities	(5,985)	(4,718)
Net assets	17,431	17,226
<b>Net assets attributable to non-controlling interests of the Italmobiliare Group</b>	<b>3,486</b>	<b>3,445</b>
Dividends paid	(1,500)	5,000
<b>Dividends paid to non-controlling interests of the Italmobiliare Group</b>	<b>(300)</b>	<b>1,000</b>

The following are the figures at December 31, 2023 of the Casa della Salute group with a 15.266% non-controlling interests:

#### Casa della Salute group

(in thousands of euro)	2023	2022
Revenue	42,807	32,481
Profit/(loss) for the year	(3,684)	(1,691)
Profit attributable to non-controlling interests of the Italmobiliare Group	(565)	(260)
Total comprehensive income	(4,132)	(1,289)
<b>Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group</b>	<b>(633)</b>	<b>(198)</b>
Non-current assets	98,099	62,881
Current assets	22,187	8,537
Non-current liabilities	(72,425)	(44,056)
Current liabilities	(24,117)	(15,637)
Non-controlling interests	(460)	(333)
Net assets	23,284	11,392
<b>Net assets attributable to non-controlling interests of the Italmobiliare Group</b>	<b>3,569</b>	<b>1,752</b>
Dividends paid		
<b>Dividends paid to non-controlling interests of the Italmobiliare Group</b>		

The following are the figures at December 31, 2023 of the sub-consolidated figures of FT3, the vehicle used by the Italmobiliare Group for the acquisition, including Callmewine, with a 20% non-controlling interests:

<b>Consolidated FT3 and Callmewine</b>		
<b>(in thousands of euro)</b>	<b>2023</b>	<b>2022</b>
Revenue	13,530	16,202
Profit/(loss) for the year	(6,447)	(1,539)
Profit attributable to non-controlling interests of the Italmobiliare Group	(1,289)	(616)
Total comprehensive income	(6,461)	(1,343)
<b>Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group</b>	<b>(1,292)</b>	<b>(537)</b>
Non-current assets	14,325	18,417
Current assets	4,232	4,698
Non-current liabilities	(2,343)	(1,329)
Current liabilities	(3,075)	(2,184)
Net assets	13,139	19,602
<b>Net assets attributable to non-controlling interests of the Italmobiliare Group</b>	<b>2,628</b>	<b>7,841</b>
Dividends paid		
<b>Dividends paid to non-controlling interests of the Italmobiliare Group</b>		

The following are the figures at December 31, 2023 of the sub-consolidated figures of FT2, the vehicle used by the Italmobiliare Group for the acquisition, including the Officina Profumo-Farmaceutica di Santa Maria Novella group, with a 5% non-controlling interests:

<b>Consolidated FT2 and Officina Profumo-Farmaceutica di Santa Maria Novella</b>		
<b>(in thousands of euro)</b>	<b>2023</b>	<b>2022</b>
Revenue	56,157	46,616
Profit/(loss) for the year	6,524	4,659
Profit attributable to non-controlling interests of the Italmobiliare Group	326	233
Total comprehensive income	6,432	5,145
<b>Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group</b>	<b>322</b>	<b>257</b>
Non-current assets	200,727	188,455
Current assets	34,027	51,204
Non-current liabilities	(19,639)	(14,263)
Current liabilities	(11,588)	(12,437)
Net assets	203,527	212,959
<b>Net assets attributable to non-controlling interests of the Italmobiliare Group</b>	<b>10,176</b>	<b>10,648</b>
Dividends paid		
<b>Dividends paid to non-controlling interests of the Italmobiliare Group</b>		

## Acquisitions of subsidiaries and associates

As regards the consideration incurred for the acquisitions, please refer to the information provided in the Directors' report.

The final allocation of the consideration paid for the company Rovale S.r.l. is summarised below:

	100% statutory amount of companies acquired	Fair Value adjustment	Fair Value
Net property, plant & equipment and other non-current assets	936	3,166	4,102
Intangible assets	341		341
Trade receivables and other current assets	325		325
Cash and cash equivalents	31		31
Trade payables and other current liabilities	(177)		(177)
Provision for risks and charges and deferred tax liabilities		(883)	(883)
Financial payables and other financial liabilities (current and non-current)	(1,006)		(1,006)
<b>Fair value of net assets acquired (A)</b>	<b>450</b>	<b>2,283</b>	<b>2,733</b>
Goodwill (B)	2,283	(2,283)	
Non-controlling interests at fair value (C)	(1,339)		(1,339)
<b>Total consideration A + B + C</b>	<b>1,394</b>		<b>1,394</b>
<b>(in thousands of euro)</b>			
Cash consideration			1,394
Cash and cash equivalents acquired			(31)
<b>Net cash outflow arising on acquisition</b>			<b>1,363</b>

The final allocation of the consideration paid for the SIDI Sport S.r.l. group, which is consolidated from December 31, 2023, is summarised below:

	100% statutory amount of companies acquired	Fair Value adjustment	Fair Value
<b>(in thousands of euro)</b>			
Net property, plant & equipment and other non-current assets	9,915		9,915
Goodwill	632	34,210	34,842
Intangible assets	15	31,220	31,235
Trade receivables and other current assets	9,352		9,352
Cash and cash equivalents	21,088		21,088
Trade payables and other current liabilities	(3,943)		(3,943)
Provision for risks and charges and deferred tax liabilities	(975)	(8,710)	(9,685)
Employee benefits	(12)		(12)
Financial payables and other financial liabilities (current and non-current)	(6,668)		(6,668)
<b>Fair value of net assets acquired (A)</b>	<b>29,404</b>	<b>56,720</b>	<b>86,124</b>
Goodwill (B)	56,720	(56,720)	
Acquisition costs (C)	937		937
<b>Total consideration A + B + C</b>	<b>87,061</b>		<b>87,061</b>
<b>(in thousands of euro)</b>			
Cash consideration			87,061
Cash and cash equivalents acquired			(21,088)
<b>Net cash outflow arising on acquisition</b>			<b>65,973</b>

Reclassified statement of financial position to present the final PPA (Purchase Price Allocation) of SIDI Sport already in 2022:

(in thousands of euro)	31.12.2023	31.12.2022	Change
<b>Non-current assets</b>			
Property, plant and equipment	276,466	220,559	55,907
Investment property	15,913	4,954	10,959
Goodwill	287,980	280,317	7,663
Intangible assets	329,193	337,159	(7,966)
Investments in equity-accounted associates	152,445	257,191	(104,746)
Other equity investments	182,621	174,738	7,883
Trade receivables and other non-current assets	256,968	230,536	26,432
Deferred tax assets	11,582	11,898	(316)
Non-current receivables from employees			
<b>Total non-current assets</b>	<b>1,513,168</b>	<b>1,517,352</b>	<b>(4,184)</b>
<b>Current assets</b>			
Inventories	49,665	58,671	(9,006)
Trade receivables	256,531	205,636	50,895
Other current assets including derivative financial instruments	37,809	34,423	3,386
Tax assets	12,010	29,074	(17,064)
Equity investments, bonds and current financial receivables	173,914	149,805	24,109
Cash and cash equivalents	121,915	101,641	20,274
<b>Total current assets</b>	<b>651,844</b>	<b>579,250</b>	<b>72,594</b>
<b>Assets classified as held for sale</b>	<b>74,643</b>		<b>74,643</b>
<b>Total assets</b>	<b>2,239,655</b>	<b>2,096,602</b>	<b>143,053</b>
<b>Equity</b>			
Share capital	100,167	100,167	
Share premium reserve	55,607	55,607	
Reserves	42,698	11,388	31,310
Treasury shares	(5,166)	(5,166)	
Retained earnings	1,305,985	1,265,999	39,986
<b>Equity attributable to owners of the parent company</b>	<b>1,499,291</b>	<b>1,427,995</b>	<b>71,296</b>
Non-controlling interests	192,624	183,316	9,308
<b>Total equity</b>	<b>1,691,915</b>	<b>1,611,311</b>	<b>80,604</b>
<b>Non-current liabilities</b>			
Financial liabilities	177,250	147,389	29,861
Employee benefits	8,533	6,806	1,727
Provisions	23,019	23,697	(678)
Non-current tax liabilities	4,489	5,129	(640)
Other non-current payables and liabilities	5,091	493	4,598
Deferred tax liabilities	18,894	18,210	684
<b>Total non-current liabilities</b>	<b>237,276</b>	<b>201,724</b>	<b>35,552</b>
<b>Current liabilities</b>			
Financial liabilities	167,401	133,523	33,878
Trade payables	69,655	71,183	(1,528)
Provisions	3,795	4,468	(673)
Tax liabilities	1,070	4,562	(3,492)
Other liabilities	68,543	69,831	(1,288)
<b>Total current liabilities</b>	<b>310,464</b>	<b>283,567</b>	<b>26,897</b>
<b>Total liabilities</b>	<b>547,740</b>	<b>485,291</b>	<b>62,449</b>
<b>Liabilities directly associated with assets classified as held for sale</b>			
<b>Total equity and liabilities</b>	<b>2,239,655</b>	<b>2,096,602</b>	<b>143,053</b>



The provisional allocation of the consideration paid for San Samuele S.r.l., which is consolidated from the first quarter of 2023, is summarised below:

(in thousands of euro)	100% statutory amount of companies acquired	Fair Value adjustment	Fair Value
Net property, plant & equipment and other non-current assets	5		5
Goodwill		554	554
Trade receivables and other current assets	75		75
Cash and cash equivalents	222		222
Trade payables and other current liabilities	(112)		(112)
Employee benefits	(24)		(24)
Financial payables and other financial liabilities (current and non-current)	(51)		(51)
<b>Fair value of net assets acquired (A)</b>	<b>115</b>	<b>554</b>	<b>669</b>
Goodwill (B)	554	(554)	
<b>Total consideration A + B</b>	<b>669</b>		<b>669</b>
<b>(in thousands of euro)</b>			
Cash consideration			669
Cash and cash equivalents acquired			(222)
<b>Net cash outflow arising on acquisition</b>			<b>447</b>

The provisional allocation of the consideration paid for the assets acquired by Caffè Borbone America Corp in 2023, is summarised below:

(in thousands of dollar)	100% statutory amount of companies acquired	Fair Value adjustment	Fair Value
Goodwill		1,958	1,958
Trade receivables and other current assets	396		396
<b>Fair value of net assets acquired (A)</b>	<b>396</b>	<b>1,958</b>	<b>2,354</b>
Goodwill (B)	1,958	(1,958)	
<b>Total consideration A + B</b>	<b>2,354</b>		<b>2,354</b>

The provisional allocation of the consideration paid for Value Italy acquired by the Clessidra Group in 2023, is summarised below:

(in thousands of euro)	100% statutory amount of companies acquired	Fair Value adjustment	Fair Value
Net property, plant & equipment and other non-current assets	10		10
Goodwill		3,940	3,940
Trade receivables and other current assets	21		21
Cash and cash equivalents	2,132		2,132
Trade payables and other current liabilities	(7)		(7)
Employee benefits	(14)		(14)
Financial payables and other financial liabilities (current and non-current)	(245)		(245)
<b>Fair value of net assets acquired (A)</b>	<b>1,897</b>	<b>3,940</b>	<b>5,837</b>
Goodwill (B)	3,940	(3,940)	
<b>Total consideration A + B</b>	<b>5,837</b>		<b>5,837</b>
<b>(in thousands of euro)</b>			
Cash consideration			5,837
Cash and cash equivalents acquired			(2,132)
<b>Net cash outflow arising on acquisition</b>			<b>3,705</b>

The provisional allocation of the consideration paid for the acquisition of Chirotherapic S.r.l by the Casa della Salute group in 2023, is summarised below:

(in thousands of euro)	100% statutory amount of companies acquired	Fair Value adjustment	Fair Value
Net property, plant & equipment and other non-current assets	557		557
Goodwill		1,442	1,442
Intangible assets	42		42
Trade receivables and other current assets	377		377
Cash and cash equivalents	102		102
Trade payables and other current liabilities	(315)		(315)
Provision for risks and charges and deferred tax liabilities	(7)		(7)
Employee benefits	(88)		(88)
Financial payables and other financial liabilities (current and non-current)	(310)		(310)
<b>Fair value of net assets acquired (A)</b>	<b>358</b>	<b>1.442</b>	<b>1,800</b>
Goodwill (B)	1,442	(1,442)	
<b>Total consideration A + B</b>	<b>1,800</b>		<b>1,800</b>
<b>(in thousands of euro)</b>			
Cash consideration			1,800
Cash and cash equivalents acquired			(102)
<b>Net cash outflow arising on acquisition</b>			<b>1,698</b>

The provisional allocation of the consideration paid for the acquisition of Dogma S.r.l. by the Casa della Salute group in 2023, is summarised below:

(in thousands of euro)	100% statutory amount of companies acquired	Fair Value adjustment	Fair Value
Net property, plant & equipment and other non-current assets	10		10
Goodwill		648	648
Trade receivables and other current assets	16		16
Cash and cash equivalents	255		255
Trade payables and other current liabilities	(32)		(32)
Provision for risks and charges and deferred tax liabilities			
Employee benefits			
Financial payables and other financial liabilities (current and non-current)	(6)		(6)
<b>Fair value of net assets acquired (A)</b>	<b>243</b>	<b>648</b>	<b>891</b>
Goodwill (B)	648	(648)	
<b>Total consideration A + B</b>	<b>891</b>		<b>891</b>
<b>(in thousands of euro)</b>			
Cash consideration			891
Cash and cash equivalents acquired			(255)
<b>Net cash outflow arising on acquisition</b>			<b>636</b>

## Operating segment disclosure

The Group's operating sectors for segment reporting purposes as required by IFRS 8 correspond to its main subsidiaries and associates (Caffè Borbone, Italgén, Capitelli, Officina Profumo-Farmaceutica di Santa Maria Novella, Casa della Salute, Callmewine, SIDI Sport, Clessidra Group, Tecnica Group, Iseo Serrature and "Other companies", including Crédit Mobilier de Monaco, Sirap and Italmobiliare Servizi, which make up 66% of that segment's revenue). The comparative figures for 2022 have been restated for consistency with those of the year under review.

The Group management and organisational structure reflects the disclosure by business segment described above. Identification of the operating segments is based on the elements used by Group senior management to take decisions regarding allocation of resources and evaluation of results.

The table below sets out revenue and income and the results by segment for 2023:

(in thousands of euro)	Revenue and income	Inter-company sales	Contribution revenue	Gross operating profit (EBITDA)	Operating profit (EBIT)	Net finance income/(costs)	Impairment of financial assets	Share of profit (loss) of equity-accounted associates	Profit (loss) before tax	Income tax
Italmobiliare	120,416	(88,514)	31,902	67,701	66,856					
Caffè Borbone	300,413	(9)	300,404	79,673	68,214					
Officina Profumo-Farmaceutica di Santa Maria Novella	56,157	(83)	56,074	15,615	10,040					
Italgén	56,818	(2,781)	54,037	12,629	6,438			(216)		
Casa della Salute	42,807		42,807	5,064	(2,529)					
Capitelli	22,407		22,407	3,461	2,364					
Callmewine	13,530	(11)	13,519	(1,821)	(6,997)					
Clessidra	38,524		38,524	7,155	4,816					
SIDI Sport	23,806		23,806	(2,695)	(5,325)					
Tecnica Group								8,685		
AGN Energia								4,564		
Iseo								1,324		
Other companies	4,615	(2,345)	2,270	(62)	(600)			42,921		
Unallocated items and adjustments	(93,743)	93,743		(87,555)	(87,159)	(9,394)			104,002	(19,323)
<b>Total</b>	<b>585,750</b>		<b>585,750</b>	<b>99,165</b>	<b>56,118</b>	<b>(9,394)</b>		<b>57,278</b>	<b>104,002</b>	<b>(19,323)</b>

The table below sets out revenue and income and the results by segment for 2022:

(in thousands of euro)	Revenue and income	Inter-company sales	Contribution revenue	Gross operating profit (EBITDA)	Operating profit (EBIT)	Net finance income/(costs)	Impairment of financial assets	Share of profit (loss) of equity accounted associates	Profit (loss) before tax	Income tax
Italmobiliare	137,049	(112,997)	24,052	70,298	69,592					
Caffè Borbone	262,734	(4)	262,730	65,824	54,827					
Officina Profumo-Farmaceutica di Santa Maria Novella	46,616	(53)	46,563	11,287	6,903					
Italgen	49,951	(299)	49,652	9,787	3,519			2,744		
Casa della Salute	32,481		32,481	4,786	(1,149)					
Capitelli	19,182	(1)	19,181	2,779	1,744					
Callmewine	16,202	(7)	16,195	(1,612)	(2,022)					
Clessidra	30,650		30,650	6,330	3,907					
SIDI Sport				(951)	(951)					
Tecnica Group								15,718		
AGN Energia								4,011		
Iseo								3,477		
Other companies	4,631	(2,505)	2,126	(1,543)	(1,967)			(1,231)		
Unallocated items and adjustments	(115,866)	115,866		(112,092)	(111,704)	(2,942)			44,476	(8,015)
<b>Total</b>	<b>483,630</b>		<b>483,630</b>	<b>54,893</b>	<b>22,699</b>	<b>(2,942)</b>		<b>24,719</b>	<b>44,476</b>	<b>(8,015)</b>

The table below sets out other segment figures at December 31, 2023:

(in thousands of euro)	December 31, 2023		December 31, 2023			
	Total assets	Total liabilities	Capital expenditure	Non-current financial investments	Amortisation and depreciation	Impairment losses of non-current assets
Italmobiliare	1,391,487	48,091	6,657	32,688	(845)	
Caffè Borbone	476,375	89,154	10,215		(11,459)	
Officina Profumo-Farmaceutica di Santa Maria Novella	234,754	31,227	17,055	670	(5,575)	
Italgen	109,121	73,676			(6,191)	
Casa della Salute	120,286	96,542	16,675	5,290	(7,593)	
Capitelli	28,525	11,094	45,129		(1,097)	
Callmewine	18,557	5,418	1,293		(667)	(4,509)
Clessidra	229,758	191,710	1,151	5,837	(2,339)	
SIDI Sport	89,935	27,066	2,505		(1,387)	(1,243)
Tecnica Group	78,932		1,177			
AGN Energia						
Iseo	46,828					
Other companies	80,025	25,453		400	(643)	105
Inter-segment eliminations	(739,571)	(53,691)	6,429		396	
<b>Total</b>	<b>2,165,012</b>	<b>545,740</b>	<b>108,286</b>	<b>44,885</b>	<b>(37,400)</b>	<b>(5,647)</b>
From assets classified as held for sale	74,643					
<b>Total</b>	<b>2,239,655</b>	<b>545,740</b>	<b>108,286</b>	<b>44,885</b>	<b>(37,400)</b>	<b>(5,647)</b>

The table below sets out other segment figures at December 31, 2022:

(in thousands of euro)	December 31, 2022		December 31, 2022			
	Total assets	Total liabilities	Capital expenditure	Non-current financial investments	Amortisation and depreciation	Impairment losses of non-current assets
Italmobiliare	1,363,353	73,611	1,427	132,376	(707)	
Caffè Borbone	460,331	91,020	9,574	2,237	(10,997)	
Officina Profumo-Farmaceutica di Santa Maria Novella	239,659	26,700	4,118		(4,384)	
Italgas	97,365	60,913	9,214	1,401	(6,268)	
Casa della Salute	71,418	59,693	20,097		(5,908)	(27)
Capitelli	28,056	10,830	597		(1,035)	
Callmewine	23,115	3,513	358	4,506	(410)	
Clessidra	169,027	132,735	3,319		(2,423)	
SIDI Sport	99,524	47,042		87,061		
Tecnica Group	76,500					
AGN Energia	71,308					
Iseo	47,531					
Other companies	81,836	23,742	1,902		(574)	151
Inter-segment eliminations	(742,372)	(53,218)			388	
<b>Total</b>	<b>2,086,651</b>	<b>476,581</b>	<b>50,606</b>	<b>227,581</b>	<b>(32,318)</b>	<b>124</b>
From assets classified as held for sale						
<b>Total</b>	<b>2,086,651</b>	<b>476,581</b>	<b>50,606</b>	<b>227,581</b>	<b>(32,318)</b>	<b>124</b>

Capital expenditure in this table includes investments coming from the IFRS 16 application.

# ASSETS

## Non-current assets

### 1) PROPERTY, PLANT AND EQUIPMENT

(in thousands of euro)	Land and buildings	Technical plant, materials and equipment	Other property, plant & equipment	Total
Gross amount	131,207	197,481	66,514	395,202
Accumulated depreciation	(32,331)	(111,730)	(30,582)	(174,643)
<b>Carrying amount at December 31, 2022</b>	<b>98,876</b>	<b>85,751</b>	<b>35,932</b>	<b>220,559</b>
Investments	2,928	9,737	41,982	54,647
Right-of-use assets pursuant IFRS 16	31,415	116	1,308	32,839
Change in the consolidation area, reclassifications, other	10,299	15,854	(27,010)	(857)
Decreases	(3,442)	(455)	(296)	(4,193)
Depreciation	(10,174)	(13,844)	(2,344)	(26,362)
Impairment losses				
Translation differences	(158)	(10)	1	(167)
<b>Carrying amount at December 31, 2023</b>	<b>129,744</b>	<b>97,149</b>	<b>49,573</b>	<b>276,466</b>
Gross amount	171,917	219,963	82,445	474,325
Accumulated depreciation	(42,173)	(122,814)	(32,872)	(197,859)
<b>Carrying amount at December 31, 2023</b>	<b>129,744</b>	<b>97,149</b>	<b>49,573</b>	<b>276,466</b>

The net carrying amount of the right-of-use assets amounts to 76,665 thousand euro at December 31, 2023 (58,484 thousand euro at December 31, 2022) and includes buildings for 72,846 thousand euro, plant for 2,429 thousand euro and vehicles for 1,390 thousand euro.

The variations of the period are mainly linked to new investments for 87,486 thousand euro and amortisation for 26,362 thousand euro. The investments refer to the Casa della Salute group for 39,954 thousand euro, to the Italgel group for 16,231 thousand euro, to the Officina Profumo-Farmaceutica di Santa Maria Novella group for 16,734 thousand euro and to the Caffè Borbone group for 7,952 thousand euro, as further detailed in the Directors' report in the sections on individual portfolio companies.

"Other property, plant and equipment" includes assets under construction for 36,511 thousand euro.

The useful lives adopted by the Group for the main asset categories are as follows:

Civil and industrial buildings	10 - 33 years
Plant and machinery	5 - 30 years
Other property, plant and equipment	3 - 10 years

The range between the above minimum and maximum limits indicates the presence for the same asset category of different useful lives.

## 2) INVESTMENT PROPERTY

(in thousands of euro)	
Gross amount	6,640
Accumulated depreciation	(1,686)
<b>Carrying amount at December 31, 2022</b>	<b>4,954</b>
Investments	11,228
Decreases	(374)
Depreciation and impairment losses	105
<b>Carrying amount at December 31, 2023</b>	<b>15,913</b>
Gross amount	17,868
Accumulated depreciation	(1,955)
<b>Carrying amount at December 31, 2023</b>	<b>15,913</b>

Investment property, with an estimated useful life of 33 years, is measured at cost.

The increases refer to the parent company for 6,228 thousand euro and Gres Hub for 5,000 thousand euro.

The fair value of these investments at December 31, 2023 was 32,352 thousand euro (21,161 thousand euro at December 31, 2022). The designation of their fair value is a level 3 determined by verifying the value of comparable transactions and based on the appraisal prepared by independent external experts on an annual basis.

## 3) GOODWILL

(in thousands of euro)	
<b>Carrying amount at December 31, 2022</b>	<b>301,586</b>
Increases	3,226
Decreases	(12,730)
Sales	(4,098)
Impairment losses	
Translation differences and other changes	(4)
<b>Carrying amount at December 31, 2023</b>	<b>287,980</b>

The increase in goodwill is primarily due to the acquisition of a business unit by Caffè Borbone America Corp, the acquisition of Value Italy by the Clessidra group, the acquisition of San Samuele by Officina Profumo-Farmaceutica di Santa Maria Novella, and the acquisition of Chirotherapeutic and Dogma by the Casa della Salute group. These amounts are provisional until the completion of the purchase price allocation process.

The decrease is due to the partial allocation of the provisional goodwill of SIDI Sport.

### Goodwill impairment test

Goodwill, coming from the acquisition method of accounting for a business combination, is allocated to cash-generating units (CGUs). The Group tests goodwill recoverability at least once a year or more frequently if there are signs of impairment. The method used to determine the recoverable amount of goodwill is described in the section "Basis of consolidation", paragraph "Impairment".



The following table shows the values of post-impairment test goodwill:

(in thousands of euro)		Carrying amount of goodwill	
Cash-generating units		December 31, 2023	December 31, 2022
Caffè Borbone		160,609	158,837
SIDI Sport		34,248	56,111
Officina Profumo-Farmaceutica di Santa Maria Novella		34,529	33,383
Casa della Salute		26,546	22,290
Callmewine		11,527	14,382
Capitelli		8,011	8,011
Other companies		12,510	8,572
<b>Total</b>		<b>287,980</b>	<b>301,586</b>

### Caffè Borbone

The goodwill allocated to the subsidiary Caffè Borbone, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. In particular, the recoverable amount of the CGU was estimated with the assistance of an independent expert using the value in use configuration, based on the present value of (unlevered) future cash flows, net of tax, based on the 2024 budget approved by the company's Board and on the plan's financial and business projections for the period 2024-2028 prepared by its management in January 2024. The 2023-2028 CAGR of revenue foreseen in the budget/plan is equal to 10.3%, compared with an actual growth rate of 13.1% in 2023 and 3.9% in 2022. The cash flows were discounted using a post-tax discount rate (WACC) of 9.0%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) to take account of the specific risk. For the purpose of estimating the terminal value, an annual long-term sustainable growth rate for revenue (g rate) of 2.0% was used. The test did not identify any evidence of impairment losses on goodwill.

The sensitivity analysis showed that an increase of 100 basis points (+1%) in the discount rate (WACC), even in conjunction with a 100 basis point reduction in the growth rate (g) in the terminal value, would not generate any impairment loss. In addition, a further sensitivity analysis showed that a 60% decrease in future cash flows (unlevered for the forecast period, including the terminal value), net of tax, would lead to a recoverable amount in line with the value of net invested capital.

Furthermore, also reducing the 2023-2028 growth rate of revenue (CAGR) to 5% (reduction of 5.3 percentage points compared with the 10.3% foreseen in the budget/plan), with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge.

### Officina Profumo-Farmaceutica di Santa Maria Novella

The goodwill allocated to the Officina Profumo-Farmaceutica di Santa Maria Novella group, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. In particular, the recoverable amount of the CGU was estimated with the assistance of an independent expert using the value in use configuration, based on the present value of (unlevered) future cash flows, net of tax, based on the 2024 budget approved by the company's Board and on the plan's financial and business projections for the period 2024-2028 prepared by its management in January 2024. The 2023-2028 CAGR of revenue foreseen in the plan is equal to 21.3%, compared with an actual growth rate of 21.3% in 2023, 55.4% in 2022, and 33.3% in 2021. The cash flows were discounted using a post-tax discount rate (WACC) of 13.1%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) to take account of the specific risk. For the purpose of estimating the terminal value, an annual long-term sustainable growth rate for revenue (g rate) of 2.0% was used from 2027 onwards. The test did not identify any evidence of impairment losses on goodwill.

At the same long-term growth rate (g), an increase in the discount rate of +2.2% would lead to a recoverable amount in line with the value of net invested capital. Furthermore, also by reducing the EBITDA margin of each plan year by 16.2% with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge. Finally, a further sensitivity analysis showed that a 20% decrease in future cash flows (unlevered for the forecast period, including the terminal value), net of tax, would lead to a recoverable amount in line with the value of net invested capital.

### Capitelli

The goodwill allocated to Capitelli, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. In particular, the recoverable amount of the CGU was estimated with the assistance of an independent expert using the fair value configuration based on the EV/EBITDA multiple applied to the 2024 EBITDA (adjusted compared to the EBITDA that resulted from the 2024 budget approved by the company's Board of Directors and that took into account an unusually high cost of raw materials). The test did not identify any evidence of impairment losses on goodwill. Furthermore, the estimate of the fair value on the basis of the EV/EBITDA multiple applied to the 2024 EBITDA (not adjusted) would not identify any evidence of impairment losses on goodwill.

The sensitivity analysis showed that even in the event of significant changes (-15%) in the EBITDA used, no impairment loss would emerge. A decrease in the EV/EBITDA reference multiple of approximately 45% would lead to a recoverable amount in line with the value of net invested capital.

The main risk for Capitelli undoubtedly concerns the procurement of pork meat, its raw material, both in terms of cost and in terms of quality, a situation that has got worse following cases of swine fever in Italy, even if limited to the Pavia area. This has had a direct effect on the availability of pigs, and an indirect effect in terms of further volatility in the cost of the raw material, which has increased even more. These two factors have pushed up the price of pork. The company has put a number of specific measures in place to mitigate these risks. The most important involves the creation and progressive strengthening of a supply chain dedicated to Capitelli. Indeed, the company already ensures that it has a safe and certified source of supply for a significant percentage of its production through partnerships with breeders and slaughterhouses.

### Casa della Salute

The goodwill allocated to the Casa della Salute group, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. In particular, the recoverable value of the CGU was estimated with the support of an independent expert using the value in use configuration, based on the present value of (unlevered) future cash flows, net of tax, and on the financial and business projections for the period 2024-2029 updated by its management in January 2024. The cash flows were discounted using a post-tax discount rate (WACC) of 11.8%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) to take into account the specific risk. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g) of 2.0% was used. The test did not identify any evidence of impairment losses on goodwill.

A further sensitivity analysis was also carried out on the basis of a version of the CDS plan which assumes that the current perimeter of the clinics stays the same; also in this case the test did not reveal any evidence of impairment of goodwill.

The sensitivity analysis showed that an increase of 10 basis points (+1%) in the discount rate (WACC) would not generate any impairment loss. Moreover, a further sensitivity analysis showed that a 20% decrease in (unlevered) future cash flows (net of taxes) would lead to a recoverable amount in line with the value of net invested capital.

### Callmewine

The goodwill allocated to Callmewine, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. The recoverable value of the CGU was estimated with the support of an independent expert using the implicit value in the most recent capital transaction. The test identified evidence of impairment losses on goodwill for 2,855 thousand euro.

## SIDI Sport

The goodwill allocated to the SIDI Sport group, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. The recoverable amount of the CGU was estimated with the support of an independent expert in terms of its value in use, based on the present value of future (unlevered) cash flows - net of taxes - based on the economic-financial projections of the business plan for the period 2024-2028, updated by management in January 2024. The cash flows were discounted using a post-tax discount rate (WACC) of 11.9%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) to take into account the specific risk. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue ("g rate") of 2.0% was used. The test revealed evidence of impairment losses on goodwill for 1,243 thousand euro.

## Other companies

With reference to the other companies, goodwill was mainly attributable to the CGU represented by the Clessidra Group and relating to Clessidra Private Equity SGR S.p.A., Clessidra Capital Credit SGR S.p.A. and Clessidra Factoring S.p.A., fully owned subsidiaries of the direct subsidiary Clessidra Holding S.p.A.

The Sum-of-the-Parts (SOTP) approach was adopted, which determines the overall recoverable amount of the operating net invested capital of the CGU. For Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A., being financial companies that perform management and investment activities and are subject to the regulatory framework provided by the specific Supervisory Authorities, the recoverable amount was determined according to an equity-side approach based on the so-called "dividend discount model" method, which involves discounting the dividends expected to be distributed by the companies in the future. In particular, the recoverable amount was estimated with the assistance of an independent expert on the basis of the expected future dividends based on the plan's financial and business projections for the period 2024-2028 for Clessidra Private Equity SGR S.p.A. and 2024-2026 for Clessidra Capital Credit SGR S.p.A. prepared by management in January 2024 and approved by the Board of Directors of Clessidra Holding S.p.A. For Clessidra Holding S.p.A., the recoverable amount was determined using an equity-side approach based on existing liquidity and the present value of cash flows. The cash flows were discounted using a Ke rate of 12.8% for Clessidra Holding S.p.A. and 15.8% for Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A. For Clessidra Factoring S.p.A. an equity-side approach was used based on the application of P/E 2024 market multiple. The tests did not identify any evidence of impairment losses on goodwill.

The sensitivity analysis showed that an increase of 100 basis points (+1.0%) in the discount rate would not generate any impairment loss on goodwill. Furthermore, an increase in the reference rate of 1.1% (for Clessidra Holding S.p.A., Clessidra Private Equity SGR S.p.A., and Clessidra Capital Credit SGR S.p.A.) combined with a decrease in the 2024 P/E (for Clessidra Factoring S.p.A.) of approximately 2.0x would lead to a recoverable amount in line with the net invested capital.

## Market capitalisation

During the year, Italmobiliare S.p.A. market capitalisation reported an increase compared with December 31, 2022 (passing from 1,080.7 million euro to 1,173.4 million euro), driven by the positive results of the main portfolio companies, despite the distribution of dividends and the rise in the reference stock market (ITSTAR +3.34%).

NAV reported an increase, as explained in the Directors' report, higher than the increase in market capitalisation; consequently, the discount against equity slightly decreased.

Management believes, nevertheless, that the difference between the two measures is characteristic of the current situation and that the amounts reflected by the valuations, which were also based on external and market parameters, confirm consistency with the equity amounts recognized in the Group consolidated financial statements.

## 4) INTANGIBLE ASSETS

(in thousands of euro)	Brands, patents and licenses	Other intangible assets	Total
Gross amount	233,231	110,594	343,825
Accumulated amortisation	(4,648)	(33,238)	(37,886)
<b>Carrying amount at December 31, 2022</b>	<b>228,583</b>	<b>77,356</b>	<b>305,939</b>
Investments	2,852	3,494	6,346
Acquisitions after business combinations and other	31,643	(2,373)	29,270
Decreases		(43)	(43)
Amortisation and impairment losses	(3,835)	(8,483)	(12,318)
Translation differences	(1)		(1)
<b>Carrying amount at December 31, 2023</b>	<b>259,242</b>	<b>69,951</b>	<b>329,193</b>
Gross amount	265,848	111,683	377,531
Accumulated amortisation	(6,606)	(41,732)	(48,338)
<b>Carrying amount at December 31, 2023</b>	<b>259,242</b>	<b>69,951</b>	<b>329,193</b>

The item "Trademarks, patents and licences" mainly includes the Caffè Borbone trademark for 92,098 thousand euro and Officina Profumo-Farmaceutica di Santa Maria Novella for 124,186 thousand euro and SIDI Sport for 31,220 thousand euro.

Since an indefinite useful life (assessment revised at each balance sheet date) was attributed to the **Caffè Borbone** trademark on allocation of the acquisition price, the Group conducts an impairment test to check the recoverability of the carrying amount at least on an annual basis, or more frequently if events or circumstances suggest an impairment loss. For the impairment test at December 31, 2023, carried out with the assistance of an independent expert, the estimated recoverable amount of the trademark was based on the so-called "Relief-from-royalty-rate method", which considers the present value of the royalty flows, net of tax, that the company theoretically saves in relation to the future trend in turnover envisaged by the plan and long-term sustainable growth assumptions. Royalty flows were discounted using a discount rate (WACC) of 9.0%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) for specific risk. Terminal value was estimated with reference to a long-term sustainable growth rate (g rate) of 2.0%. The test confirmed the full recoverability of the trademark's carrying amount.

The sensitivity analysis showed that an increase of 50 basis points (+0.50%) in the discount rate, at the same royalty rate and long-term growth rate (g), would not generate any impairment loss. At the same royalty rate and long-term growth rate (g), an increase in the discount rate of approximately 880 basis points (+8.8%) would lead to a recoverable amount in line with the carrying amount of the trademark. Furthermore, reducing the CAGR 2023-2028 of revenue to 5.0% (reduction of 5.3 percentage points compared with the 10.3% foreseen in the budget/plan), with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge.

Since an indefinite useful life was attributed to the **Officina Profumo-Farmaceutica di Santa Maria Novella** trademark on allocation of the acquisition price, the Group conducts an impairment test to check the recoverability of the carrying amount at least on an annual basis, or more frequently if events or circumstances suggest an impairment loss. For the impairment test at December 31, 2023, carried out with the assistance of an independent expert, the estimated recoverable amount of the trademark was based on the so-called "Relief-from-royalty-rate method", which considers the present value of the royalty flows, net of tax, that the company theoretically saves in relation to the future trend in turnover envisaged by the plan and long-term sustainable growth assumptions. Royalty flows were discounted using a discount rate (WACC) of 13.1%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) for specific risk estimated taking into account the evolution of "business plan revenues". Terminal value was estimated with reference to a long-term sustainable growth rate (g rate) of 2.0%. The test confirmed the full recoverability of the trademark's carrying amount. With the same royalty and long-term growth rate (g), an increase in the discount rate of 290 basis points (+2.9%) would lead to a recoverable amount in line with the trademark's carrying amount.

The method used for impairment testing the trademarks of **Caffè Borbone** and **Officina Profumo-Farmaceutica di Santa Maria Novella** is in line with that used to determine the fair value of these assets during the PPA.

Since an indefinite useful life (which is reviewed at every reporting date) was attributed to the **SIDI Sport** brand on apportionment of the consideration paid, the Group performs an impairment test to check the recoverability of the carrying amount at least once a year, or more frequently if events or circumstances suggest an impairment loss. For the impairment test at December 31, 2023, performed with the help of an independent expert, the estimated recoverable amount of the trademark was based on the so-called "Relief-from-royalty-rate method". This considers the present value of the royalty flows, net of tax, that the company theoretically saves in relation to the future trend in turnover and long-term sustainable growth assumptions. Royalty flows were discounted using a discount rate (WACC) of 11.9%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) for specific risk. Terminal value was estimated with reference to a long-term sustainable growth rate (g rate) of the 2.0%. The test confirmed the full recoverability of the trademark's carrying amount.

The sensitivity analysis showed that an increase of 50 basis points (+0.50%) in the discount rate, at the same royalty and long-term growth rate (g), would not generate an impairment loss. At the same royalty rate and long-term growth rate (g), an increase in the discount rate of 230 basis points (+2.3%) would lead to a recoverable amount in line with the carrying amount of the trademark.

No impairment loss emerges even applying a different methodology than the Relief-from-royalty-rate method, i.e. the multi-period excess earnings method, which is the one used to determine the fair value of the SIDI Sport brand when allocating the consideration paid.

The item "Other intangible assets" mainly includes customer lists. The intangible asset based on the "Customer relationships" of Caffè Borbone has a net carrying amount at December 31, 2023 of 58,641 thousand euro. Given that it has a finite useful life and is subject to amortisation based on an estimated useful life of 15 years, the first assessment was whether or not there were any indication of impairment, as required by IAS 36. As an analysis of actual customer performance of the customer relationships and other relevant evidence and circumstances led to the exclusion of any presumption of impairment, we did not carry out an analytical impairment test of the customer relationships.

## 5) INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

This caption reflects the portions of net equity held in equity-accounted investments in associates. The main equity-accounted investments in associates are listed below:

(in thousands of euro)	Carrying amount of investments		Share of profit (loss)	
	December 31, 2023	December 31, 2022	2023	2022
<b>Associates</b>				
Tecnica Group	78,932	74,373	8,685	15,718
Iseo	46,828	47,531	1,324	3,477
AGN Energia		71,308	4,564	4,011
S.E.S.	7,500	7,500		
Dokimè		1,893	87	(42)
Florence InvestCo		31,238	41,715	(545)
Other	19,185	23,348	903	2,100
<b>Total associates</b>	<b>152,445</b>	<b>257,191</b>	<b>57,278</b>	<b>24,719</b>

The decrease was mainly due to the sale of the investment in Florence InvestCo for 78,205 thousand euro during the fiscal year 2023, generating a consolidated gain of 39,802 thousand euros (net of variable bonuses paid to Italmobiliare management) and the reclassification of the investment in AGN Energia to assets held for sale. The item "Other" include Farmagorà and Gardawind.

Information on the main investments in associates is set out below.

### Tecnica Group

(in thousands of euro)	2023	2022
Revenue	540,308	560,984
Profit (loss) for the year attributable to owners of the parent company	22,808	39,295
Profit (loss) for the year attributable to non-controlling interests	3,418	5,546
Profit (loss) for the year	26,226	44,841
Other comprehensive income (expense)	(250)	9,634
<b>Total comprehensive income for the year</b>	<b>25,976</b>	<b>54,475</b>
Non-current assets	165,924	148,093
Current assets	394,155	378,653
Non-current liabilities	(181,353)	(148,737)
Current liabilities	(227,004)	(240,617)
Non-controlling interests	(30,380)	(28,439)
<b>Net assets</b>	<b>121,342</b>	<b>108,953</b>
<b>Equity interest</b>	<b>40%</b>	<b>40%</b>
Equity interest at the beginning of the year	74,373	59,435
Change during the year	4,559	14,938
<b>Equity interest at the end of the year</b>	<b>78,932</b>	<b>74,373</b>
Dividends received in the year	4,000	3,200

### Iseo

(in thousands of euro)	2023	2022
Revenue	159,709	163,308
Profit (loss) for the year attributable to owners of the parent company	4,016	9,501
Profit (loss) for the year attributable to non-controlling interests	137	591
Profit (loss) for the year	4,153	10,092
Other comprehensive income (expense)	(137)	736
<b>Total comprehensive income for the year</b>	<b>4,016</b>	<b>10,828</b>
Non-current assets	79,394	73,391
Current assets	115,091	112,649
Non-current liabilities	(59,711)	(52,446)
Current liabilities	(63,190)	(60,921)
Non-controlling interests	(2,642)	(2,579)
<b>Net assets</b>	<b>68,942</b>	<b>70,094</b>
<b>Equity interest</b>	<b>39.2%</b>	<b>39.2%</b>
Equity interest at the beginning of the year	47,531	47,898
Change during the year	(703)	(367)
<b>Equity interest at the end of the year</b>	<b>46,828</b>	<b>47,531</b>
Dividends received in the year	1,975	3,931

## S.E.S. Group

(in thousands of euro)	2022*	2022**
Revenue	10,098	4,951
Profit (loss) for the year	(1,611)	(1,058)
Other comprehensive income (expense)		
<b>Total comprehensive income for the year</b>	<b>(1,611)</b>	<b>(1,058)</b>
Non-current assets	36,624	37,143
Current assets	16,784	17,326
Non-current liabilities	(5,803)	(2,563)
Current liabilities	(5,241)	(5,489)
Non-controlling interests		
<b>Net assets</b>	<b>42,364</b>	<b>46,417</b>
<b>Equity interest net of treasury shares</b>	<b>33.5%</b>	<b>33.5%</b>
Equity interest at the beginning of the year	6,400	6,400
Impairment		
<b>Equity interest at the end of the year</b>	<b>6,400</b>	<b>6,400</b>
Dividends received in the year		

\* Consolidated figures at December 31, 2022 ITA GAAP.

\*\* Figures at June 30, 2022 ITA GAAP

## Impairment test of associates

For the purpose of impairment testing the carrying amount of the investments in associates, the recoverable amount has been estimated in the fair value configuration on the basis of appropriate multiples derived from a sample of comparable listed companies, as further explained below. The sensitivity analysis was based on the (negative) change in the economic variables applied to the related multiples within reasonable intervals.

With regards to the associate Tecnica Group S.p.A., the recoverable amount was determined in the fair value configuration on the basis of the multiple EV/EBITDA (applied to the company's average EBITDA 2021 and 2022). In particular, reference was made to the EV/EBITDA multiple implicit in the option to repurchase the investment held by the controlling shareholder, after verifying that this multiple was lower than the current market multiples referring to a sample of comparable listed companies. Since the fair value of the investment estimated on the basis of this multiple is significantly higher than the carrying amount of the investment, there is no evidence of an impairment loss on the investment. The sensitivity analysis showed that even in the event of significant changes (-20%) in the EBITDA used, there would be no evidence of impairment.

An impairment test was also carried out for the associate ISEO Serrature S.p.A. based on an estimate of its fair value. The latter was determined by applying the market multiples method (specifically, the average multiple EV/EBITDA 2023-2024). An adequate discount was taken into account with respect to the reference rate which consisted of the average of market multiples recorded for a sample of reference listed companies. Its measurement was defined in relation to facts and circumstances concerning the specific situation of the associate and the effective level of comparability in terms of size, profitability and risk of the listed companies that make up the sample. The test did not identify any evidence of impairment losses. The sensitivity analysis showed that even in the event of significant changes (-10%) in the reference EBITDA used, there would be no evidence of impairment. An 11.2% reduction in the multiple would result in a recoverable amount in line with the amount of the investment.

Given that the verification of equity investments for the purpose of impairment testing is based on the configuration of fair value (with the market multiples technique), the impact of climate risk indicated in the Director's Report did not have any effect on the valuation of the groups in question.

With regard to the investment in the associate Società Editrice Sud S.p.A. (S.E.S.), an impairment test was carried out based on an estimate of its fair value. The latter was determined by applying the market multiples method. Since there are no updates to the accounting data, nor any forward-looking indications formalized in a budget/plan document, the fair value of the investment was estimated based on the 2022 EV/Sales trailing multiple obtained from a sample of listed companies in the same sector. Since these companies have sizes and business profiles that are sometimes significantly different, an appropriate discount was used to determine the fair value of the investment compared with the value implicit in a straightforward application of the average multiple for the sample.



The estimate of the fair value of the investment carried out according to the criteria described above did not show any impairment losses.

## 6) OTHER EQUITY INVESTMENTS

This caption, classified under the non-current assets, reflects equity investments measured at FVTOCI as required by the IFRS 9.

(in thousands of euro)	
<b>At December 31, 2022</b>	<b>174,738</b>
Increases	400
Sales and repayments	(33,898)
Fair value changes taken to equity reserves	33,979
Impairment	(114)
Other	7,516
<b>At December 31, 2023</b>	<b>182,621</b>

"Sales and repayments" mainly concern the partial disposal of Heidelberg Materials for 30,411 thousand euro and the total disposal of Unicredit for 3,151 thousand euro.

"Fair value changes taken to equity reserves" relate essentially to Heidelberg Materials for 12,372 thousand euro, KKR Teemo for 8,996 thousand euro, Archimede for 5,472 thousand euro, Fin.Priv. S.p.A. for 4,495 thousand euro, Bacco for 2,937 thousand euro, New Flour for 2,915 thousand euro, Unicredit for 439 thousand euro, Ariston for -3,141 thousand euro, Vontobel for -391 thousand euro and 035 Investimenti for -104 thousand euro. The above amounts include both the change in the fair value for the period and the fair value differences recorded in the equity reserves following the disposals.

The fair value changes in FVTOCI relating to listed securities and recognized during 2023 amounted overall to 9,369 thousand euro.

Other equity investments at December 31, 2023 were as follows:

(in thousands of euro)	Number of shares	December 31, 2023
<b>Investments in listed companies</b>		
Heidelberg Materials AG	205,000	16,593
Ariston	942,266	5,903
Vontobel	115,238	6,783
Piaggio	169,699	505
Cairo Communication	189,198	342
Can Fite	204	
<b>Total</b>		<b>30,126</b>
<b>Equity investments in non-listed companies</b>		
Bacco		33,330
Fin. Priv.		23,288
KKR Teemo		20,740
New Flour		9,253
Sesaab		800
Bene Assicurazioni		41,051
Other		24,033
<b>Total</b>		<b>152,495</b>
<b>At December 31, 2023</b>		<b>182,621</b>

The fair value of listed companies is determined on the basis of the official share price of the last accounting day while for the unlisted investments, in accordance with IFRS 13, the fair value was determined using different methods based on the characteristics and available data, like the fair value less cost to sell, the discounted cash flow or the equity.

## 7) TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

"Trade receivables and other non-current assets" were as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Non-current receivables	11,028	11,257	(229)
Financial assets at FVTPL in NFP	2,451	2,052	399
Financial assets at FVTPL not in NFP	239,369	213,352	26,017
Guarantee deposits	2,558	1,732	826
Other	1,562	2,143	(581)
<b>Total</b>	<b>256,968</b>	<b>230,536</b>	<b>26,432</b>

The main movements on this caption were:

- the purchase of mutual fund, bonds and private equity funds for 31,094 thousand euro;
- the partial reimbursement of private equity funds for 5,982 thousand euro;
- decrease in fair value of private equity funds for 10,269 thousand euro;
- increase in fair value of the private equity funds for 15,075 thousand euro;
- the decrease for exchange rates differences for 3,486 thousand euro;

Non-current receivables include the financial receivable from the company Archimede for 6,000 thousand euro and from the company Gardawind for 1,715 thousand euro and cashes for 2,209 thousand euro.

## Current assets

### 8) INVENTORIES

"Inventories" are made up as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Raw materials, consumables and supplies	32,683	40,998	(8,315)
Work in progress and semifinished goods	1,649	3,399	(1,750)
Finished goods	15,074	13,618	1,456
Payments on account	259	656	(397)
<b>Total</b>	<b>49,665</b>	<b>58,671</b>	<b>(9,006)</b>

Inventories reported a decrease mainly due to Caffè Borbone, because of the decrease in the quantities of raw materials. Inventories are shown net of allowances totalling 2,395 thousand euro (1,424 thousand euro at December 31, 2022) accounted for mainly to cover the risk of slow-moving of ancillary materials, spare parts and other consumables.

Spare parts at December 31, 2023 amounted to 76 thousand euro (73 thousand euro at December 31, 2022).

### 9) TRADE RECEIVABLES

This caption is made up as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Factoring receivables	181,031	133,482	47,549
Other trade receivables	81,276	76,927	4,349
Impairment losses	(5,776)	(4,773)	(1,003)
<b>Total</b>	<b>256,531</b>	<b>205,636</b>	<b>50,895</b>

The change in factoring receivables is due to the expansion of Clessidra Factoring's activity.

The increase in "Other trade receivables" is mainly due to the Caffè Borbone group, the Officina Profumo-Farmaceutica di Santa Maria Novella group, the Casa della Salute group and the SIDI Sport group, following the growth in operations in 2023.

### 10) OTHER CURRENT ASSETS INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Receivables from employees and social security bodies	170	290	(120)
Tax credits	19,498	14,620	4,878
Prepaid expenses	3,317	3,190	127
Accrued income	79	12	67
Short-term derivatives	205	688	(483)
Other receivables and financial instruments	11,585	10,783	802
Other receivables	2,955	4,840	(1,885)
<b>Total</b>	<b>37,809</b>	<b>34,423</b>	<b>3,386</b>

Other receivables and financial instruments include loans to customers of Crédit Mobilier de Monaco and receivables from the Clessidra Private Equity and Clessidra Capital Credit funds.

## Derivatives

The method adopted by the Group to determine the impact of credit/counterparty risk on its measurements at the reporting date applies a default probability to each flow in order to incorporate the adjustment for credit/counterparty risk into the measurement.

Default probabilities are computed using secondary bond market data through calculation of the implicit "Credit Default Swaps" (CDS).

The loss given default (LGD) is set at 60% in line with market standards.

The table below shows the fair value of the financial instruments recognized in the statement of financial position, subdivided by type of hedge:

(in thousands of euro)	December 31, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Interest-rate derivatives hedging cash flows	205		429	
<b>Interest-rate derivatives</b>	<b>205</b>		<b>429</b>	
Derivatives on shares and securities		(244)	259	(506)
<b>Total current instruments</b>	<b>205</b>	<b>(244)</b>	<b>688</b>	<b>(506)</b>
Interest-rate derivatives hedging cash flows	77	(102)	293	
Interest-rate derivatives hedging fair value	8		162	
<b>Interest-rate derivatives</b>	<b>85</b>	<b>(102)</b>	<b>455</b>	
<b>Total long-term instruments</b>	<b>85</b>	<b>(102)</b>	<b>455</b>	
<b>Total</b>	<b>290</b>	<b>(346)</b>	<b>1,143</b>	<b>(506)</b>

The interest-rate derivatives used to hedge cash flows are variable-rate to fixed-rate IRSs stipulated by Italgen and Casa della Salute and are designated in "hedge accounting".

Derivatives on shares and securities mainly refer to purchases of put options and sales of call options on shares in portfolio and valued at FVTOCI, not designated in "hedge accounting".

Derivatives are measured at fair value, including the impact of the counterparty risk.

## 11) TAX ASSETS

Tax assets amount to 12,010 thousand euro (29,074 thousand euro at December 31, 2022) and refer principally to Italmobiliare for tax credits resulting from the tax consolidation.

## 12) EQUITY INVESTMENTS, BONDS AND CURRENT FINANCIAL RECEIVABLES

This caption is broken down as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Equity investments measured at FVTPL	16,679	16,490	189
Funds and other financial instruments	154,202	126,627	27,575
Other receivables	3,033	6,688	(3,655)
<b>Total</b>	<b>173,914</b>	<b>149,805</b>	<b>24,109</b>

"Funds and other financial instruments", measured at FVTPL, include the Vontobel Fund for 94,967 thousand euro (98,846 thousand euro at December 31, 2022), which increased during the year due to new investments for 8,000 thousand euro and positive fair value changes for 3,071 thousand euro and decreased due to disposals for 14,950 thousand euro. The item also includes the investment in BOTs made by the Parent Company for 29,744 thousand euro.

### 13) CASH AND CASH EQUIVALENTS

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Cash and cheques in hand	1,005	1,841	(836)
Bank and postal accounts	120,910	99,695	21,215
Cash-in-transit		105	(105)
<b>Total</b>	<b>121,915</b>	<b>101,641</b>	<b>20,274</b>

Cash and cash equivalents are also shown under " Cash and cash balances at the end of the year " on the statement of cash flows.

### 14) ASSETS CLASSIFIED AS HELD FOR SALE

A receivable from SA.LU.COM. has been classified in this item for 46 thousand euro and the equity-accounted investment in the AGN Energia Group for 74,597 thousand euro (calculated based on the figures at 30 September 2023) because the group received an offer of 100 million, which materialised in February 2024, with a gain of approximately 26 million before the bonus due to Italmobiliare management.

#### AGN Energia

(in thousands of euro)	2023	2022
Revenue	434,209	703,387
Profit (loss) for the year attributable to owners of the parent company	17,144	17,015
Profit (loss) for the year attributable to non-controlling interests	104	22
Profit (loss) for the year	17,248	17,037
Other comprehensive income (expense)	(129)	1,235
<b>Total comprehensive income for the year</b>	<b>17,119</b>	<b>18,272</b>
Non-current assets	237,798	261,256
Current assets	170,241	202,973
Non-current liabilities	(90,485)	(75,002)
Current liabilities	(100,344)	(187,378)
Non-controlling interests	(650)	(547)
<b>Net assets</b>	<b>216,560</b>	<b>201,302</b>
<b>Equity interest</b>	<b>32.0%</b>	<b>32.0%</b>
Equity interest at the beginning of the year	71,308	65,735
Change during the year	3,289	5,573
<b>Equity interest at the end of the year</b>	<b>74,597</b>	<b>71,308</b>
Dividends received in the year	1,278	2,730

## EQUITY AND LIABILITIES

### Share capital, reserves and retained earnings

#### 15) SHARE CAPITAL

At December 31, 2023, the Parent Company's fully paid-up share capital amounted to 100,166,937 euro represented by 42,500,000 no-par ordinary shares.

Number of shares	December 31, 2023	December 31, 2022	Change
Ordinary shares	42,500,000	42,500,000	
<b>Total</b>	<b>42,500,000</b>	<b>42,500,000</b>	

#### 16) RESERVES

##### Share premium

It amounts to 55,607 thousand euro, with no changes compared with 2022.

##### Other reserves

The positive change in the fair value reserve for the period amounts to 32,475 thousand euro and refers to the change in fair value for 26,295 thousand euro and to the sale of equity investments for 6,180 thousand euro.

#### 17) TREASURY SHARES

At December 31, 2023 the carrying amount of treasury shares in portfolio stood at 5,166 thousand euro, with no changes compared with 2022. Treasury shares were as follows:

	No. ordinary shares	Carrying amount (in thousands of euro)
At December 31, 2022	217,070	5,166
At December 31, 2023	217,070	5,166

##### Dividends paid

The Parent Company Italmobiliare S.p.A. paid the following ordinary dividends in 2023 and 2022:

	2023	2022	2023	2022
	(euro per share)	(euro per share)	(in thousands of euro)	(in thousands of euro)
Ordinary shares	0.700	1.400	29,598	59,196
<b>Total dividends</b>			<b>29,598</b>	<b>59,196</b>

Cash outflows, also considering the dividends paid to third parties by Caffè Borbone and Capitelli, amounted to 41,898 thousand euro.

### Translation reserve

This reserve includes differences on the translation of the financial statements of consolidated foreign companies. At December 31, 2023, the balance on the reserve was positive, at 1,023 thousand euro, referring to the currencies of the following countries:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
U.S. (Dollar)	463	537	(74)
UK (Pound Sterling)	(19)	(35)	16
Romania (Leu)	9		9
Japan (Yen)	106		106
Other countries	464	815	(351)
<b>Total</b>	<b>1,023</b>	<b>1,317</b>	<b>(294)</b>

## 18) NON-CONTROLLING INTERESTS

Equity attributable to non-controlling interests at December 31, 2023 amounted to 192,624 thousand euro, up by 9,308 thousand euro from December 31, 2022. The positive change is largely due to the profit attributable to non-controlling interests for 18,083 thousand euro, the positive change in the valuation of ITM Bacco for 1,161 thousand euro, the capital increase reserved for third parties by the Casa della Salute group for 1.499 thousand euro, the capital increase reserved for third parties by Clessidra CRF G.P. società semplice for 34 thousand euro, offset by a decrease of 12,300 thousand euro for the dividend paid to the non-controlling interests of Caffè Borbone and Capitelli.

## Non-current and current liabilities

### 19) EMPLOYEE BENEFITS

Employee benefits at December 31, 2023 amounted to 8,533 thousand euro (6,086 thousand euro at December 31, 2022).

(in thousands of euro)	Opening amount	Increases	Decreases	Translation differences	Delta in the consolidation area	Other changes	Closing amount
Defined benefit contribution plans	6,488	2,409	(1,306)		135	495	8,221
Provisions for long-term benefits	310	101	(55)			(52)	304
Provisions for termination benefits	8						8
<b>Total</b>	<b>6,806</b>	<b>2,510</b>	<b>(1,361)</b>		<b>135</b>	<b>443</b>	<b>8,533</b>

#### Defined benefit plans

The Group operates pension plans and other long-term benefits.

Plans in favour of employees are generally not funded.

With regard to the post-employment benefits for personnel of the Group's Italian companies, obligations in respect of post-employment benefits accrued and optioned by employees as from 2007 no longer qualify as defined benefit plans. They are treated as quotas of defined contribution plans.

In some companies in Italy, the Group also recognizes liabilities in respect of future commitments, in the form of bonuses payable to employees on the basis of length of service; these liabilities are measured with actuarial assumptions. Net liabilities for pension plans, post-employment benefit plans and termination benefit plans are determined with actuarial calculations performed by independent actuaries.

In the tables set out below, the column "Pension plans and other long-term benefits" includes, besides pension plans, post-employment benefits other than medical care, termination benefits and employee length-of-service bonuses.



The change in defined benefit obligations during the period, for the companies to which it is applicable, is made up as follows:

(in thousands of euro)	Pension plans and other long-term benefits	
	December 31, 2023	December 31, 2022
<b>Defined benefit obligations at the end of the previous year</b>	<b>6,672</b>	<b>7,995</b>
Reclassification from liabilities classified as held for sale		
Service cost:		
current service cost	1,323	1,606
Finance costs	268	91
Cash flows:		
amounts paid by employer	(793)	(937)
Other significant events:		
(increase)/decrease due to business combinations, investments and disposals	100	75
Changes arising from remeasurement:		
effects due to change in financial assumptions	495	(2,773)
experience adjustments (change since previous measurement not in line with assumptions)	299	615
Effects due to change in exchange rates		
<b>Defined benefit obligations at the end of the year</b>	<b>8,364</b>	<b>6,672</b>

### Actuarial assumptions

The actuarial assumptions used to determine obligations arising from the Group's pension plans and other long-term benefits are set out below:

(in %)	Europe	
	2023	2022
Discount rate	3.50	4.20
Inflation rate	2.00	2.50
Future wage and salary increases	2.35	2.33

### Discount rates

The discount rate for Italy, equal to 3.5%, was determined with reference to market yields on high-quality corporate bonds, using the market yields on government bonds and the Eurozone Mercer Yield curve at December 31, 2023.

The table below sets out expected plan contributions for next year and a year-by-year breakdown of benefit payments:

(in millions of euro)	Pension plans and other long-term benefits
	December 31, 2023
Expected plan contributions for next year	645
Benefit payment maturities:	
2024	645
2025	327
2026	431
2027	398
2028	422
2029-2033	2,526
<b>Total</b>	<b>5,394</b>

## Sensitivity analysis

The table below sets out the sensitivity analysis for the key assumptions at December 31, 2023:

(in thousands of euro)	Pension plans and other long-term benefits	
Change	-0.25%	0.25%
Discount rate	8,628	8,112
Inflation rate	8,266	8,463
Wage and salary increases	8,280	8,450
Average duration of defined benefit obligation (in years)		<b>12.75</b>

## Employment termination plans

At December 31, 2023, provisions for termination plans totalled 8 thousand euro (8 thousand euro at December 31, 2022).

## 20) NON-CURRENT AND CURRENT FINANCIAL LIABILITIES, LOANS AND BORROWINGS

Loans and borrowings are shown below by category, broken down by current and non-current liabilities:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Bank loans and borrowings	82,521	66,276	16,245
Bonds	35,851	35,555	296
Other loans and borrowings		177	(177)
Lease payables	58,878	45,381	13,497
<b>Non-current financial liabilities</b>	<b>177,250</b>	<b>147,389</b>	<b>29,861</b>
Fair value of hedging derivatives	102		102
<b>Total non-current financial liabilities</b>	<b>177,352</b>	<b>147,389</b>	<b>29,963</b>
Current loans and borrowings	118,768	119,539	(771)
Current portion of borrowings	9,003	4,152	4,851
Other loans and borrowings	31,969	4,139	27,830
Lease payables	7,186	5,693	1,493
<b>Current financial liabilities</b>	<b>166,926</b>	<b>133,523</b>	<b>33,403</b>
Other current financial liabilities	6,782	9,084	(2,302)
Accrued interest expense	475	193	282
Fair value of derivatives	244	506	(262)
<b>Total current financial liabilities</b>	<b>174,427</b>	<b>143,306</b>	<b>31,121</b>
<b>Total financial liabilities</b>	<b>351,779</b>	<b>290,695</b>	<b>61,084</b>

Current financial payables are classified under "Financial liabilities" and under "Other liabilities" for approximately 7,026 thousand euro.

"Bonds" refers to the issue of the bond loan, called "Clessidra Factoring S.p.A. – floating-rate Bond Loan – 2022-2025", subscribed for a total of 35.6 million; it was issued on May 19, 2022 and expires on May 19, 2025; the bonds bear six-monthly interest in arrears at a nominal floating rate equal to the 6-month Euribor plus a spread of 3.00%. The Bond Loan is reserved exclusively for subscription by persons who fall into the category of Qualified Investors Subject to Prudential Supervision. The securities are measured at amortised cost.

The change differs from what is reported on the line "Change in financial payables" of the cash flow statement as the financial payables are measured net of the impact of IFRS 16 (about 35 million euro) and are partly due to the SIDI Group and the new companies of the Casa della Salute group.

Bank liabilities for factoring are included in "Current loans and borrowings" in current financial liabilities for 12,073 thousand euro.

There are no reverse factoring transactions.

Non-current loans and borrowings by currency were as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Euro	170,655	140,623	30,032
U.S. dollar	3,982	3,894	88
Pound sterling	605	717	(112)
Other	2,008	2,155	(147)
<b>Total</b>	<b>177,250</b>	<b>147,389</b>	<b>29,861</b>

Non-current loans and borrowings by maturity were as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
2023		983	(983)
2024	1,515	23,085	(21,570)
2025	67,155	50,089	17,066
2026	32,799	17,215	15,584
2027	23,003	26,563	(3,560)
2028	18,146	9,506	8,640
2029	6,433	3,609	2,824
Beyond	28,199	16,339	11,860
<b>Total</b>	<b>177,250</b>	<b>147,389</b>	<b>29,861</b>

Main bank loans, drawings on lines of credit, available lines of credit:

- Italmobiliare has undrawn uncommitted lines of credit with a number of banks, totalling 85,4 million euro;
- In May 2020, Italgem S.p.A. took out a floating-rate loan from Intesa San Paolo with maturity on June 30, 2026; net of repayments made up to December 31, 2023, the loan had a residual amount of 6.1 million euro;
- In 2021 Italgem S.p.A. took out a loan from Banco BPM with maturity in 2028 at a fixed rate for 12.2 million euro; net of the amortisation instalments at December 31, 2023; the loan appears for a residual balance of 8.3 million euro;
- In 2022 Italgem S.p.A. took out a new floating-rate loan from BPER with maturity in 2029 for 26.0 million euro; net of the amortisation instalments at December 31, 2023, the loan appears for a residual balance of 8.9 million euro;
- In 2022, Italgem S.p.A. took out a new floating-rate loan from BNL with maturity in 2027 for 11.0 million euro. At December 31, 2023 the loan appears for a residual balance of 8.5 million euro;
- In 2017 Idrodezzo took out two floating-rate loans from Mediocredito Italiano for an original amount of 4.7 million euro, with maturity in 2032; at December 31, 2023 the loans are shown with a residual balance of 2.5 million euro;
- In 2023, Rovale took out a floating-rate loan from Banco Popolare di Sondrio for 1.8 million euro; at December 31, 2023 the loan appears for a residual balance of 1.6 million euro.
- In 2023 Caffè Borbone took out a new floating-rate loan from Banca Nazionale del Lavoro with maturity in March 2024 for 14.0 million euro; the loan was repaid in advance for its full amount;
- In 2023 Caffè Borbone took out a new loan from Cassa Depositi e Prestiti with semi-annual repayments starting from December 31, 2023 and final maturity in January 2027 at a fixed rate of 10.0 million euro; the loan appears for a residual balance of 8,571 thousand euro;

- Casa della Salute took out a floating-rate loan from Banca Carige on July 3, 2020 with maturity in 2027 for 1.0 million euro; the loan is shown with a residual balance of 628 thousand euro;
- Casa della Salute took out a floating-rate loan from BPM on March 31, 2021 with maturity in 2027 for 2.0 million euro; the loan has a balance of 1.339 million euro;
- Casa della Salute took out a new floating-rate loan from BPM on February 24, 2022 with maturity in 2026 for 1.6 million euro; the loan is shown with a residual balance of 877 thousand euro;
- Casa della Salute took out a new floating-rate loan from BPM on October 4, 2022 with maturity in 2027 for 30 million euro; the loan is shown with a residual balance of 1.520 million euro;
- Sidi Sport S.r.l. took out a floating-rate loan from Banca Popolare Alto Adige S.p.A. in September 2023 for 1.5 million euro, with maturity on June 30, 2029 and pre-amortisation period of 12 months;
- Callmewine took out a floating-rate loan from Bper Banca on April 27, 2023 for 1.5 million euro, with maturity in 2026 and a pre-amortisation period of 6 months. As of December 31, 2023 the loan is shown with a residual balance equal to its initial value, as the first repayment instalment is due in January 2024.

Information on available lines of credit and covenants is provided in the section on IFRS 7.

## 21) CURRENT AND NON-CURRENT PROVISIONS

Non-current and current provisions totalled 26,814 thousand euro at December 31, 2023, showing a decrease of 1.351 thousand euro from December 31, 2022.

(in thousands of euro)	Opening amount	Increases	Decreases	Translation differences	Change in the consolidation area	Other changes	Closing amount
Environmental restoration	763		(763)				
Disputes	104		(74)				30
Other provisions	27,298	1,062	(1,566)	1	15	(26)	26,784
<b>Total</b>	<b>28,165</b>	<b>1,062</b>	<b>(2,403)</b>	<b>1</b>	<b>15</b>	<b>(26)</b>	<b>26,814</b>
Non-current portion	23,697						23,019
Current portion	4,468						3,795
<b>Total</b>	<b>28,165</b>						<b>26,814</b>

"Other provisions" largely reflects provisions for risks from the sale of investments, provisions relating to antitrust proceedings and provisions for disputes with employees.

"Other provisions" reflects the amounts provided in connection with contractual and commercial liabilities.

The main disputes pending at December 31, 2023 are summarised below.

As explained in previous financial reports, following the completion in recent years of various mergers and acquisitions, as the selling party, the Parent Company is subject to compensation claims by the respective purchasing parties for alleged violations of the declarations and guarantees given by the seller and/or non-fulfilment of obligations contained in the contract. In this regard, nothing took place during the period that might entail material changes to the risk provisions already made.

In Italgen, the provisions amounting to 4,244 thousand euro relate to the request for payment of additional fees by the Lombardy Region for the provisional running of the Major Derivations for the period 2011-2019.

Appropriate provision has been made on an accrual basis for legal and tax disputes concerning other Group companies, in cases where, with respect to risks that have emerged and assessment of related risks, potential liabilities are probable and measurable.

## 22) NON-CURRENT TAX PAYABLES

Non-current tax payables amount to 4,489 thousand euro (5,129 thousand euro at December 31, 2022); the difference compared with 2022 is a result of the parent company accepting the "fiscal peace" facilitation offered under the 2023 Budget Law to settle disputes about CFCs for the years 2012-2016.

No contingent liabilities were reported.

### Tax disputes

The 2nd level Tax Court of Justice of Lombardy with sentence no. 1237 of April 5, 2023 upheld the appeals presented by the Parent Company against the assessment notices relating to CFCs for the years 2010 and 2011, thus completely overturning the 1st level sentences which saw Italmobiliare as the losing party. For such dispute, the Company has accounted for a provision in the financial statements.

On June 8, 2023, the revocation sentence concerning the "Ansaldo dispute" was published. With this sentence, while not overturning the previous ruling, the Court ordered the case to be referred to the 2nd level Tax Court of Justice of Lombardy, just for the penalties, allowing the Parent Company to start a discussion with the Tax Office to obtain at least a reduction in the penalties charged. As of today, the Company has already paid the entire amount due.

On September 30, 2023 the Parent Company accepted the "fiscal peace" facilitation offered under the 2023 Budget Law to settle disputes about CFCs for the years 2012-2016, which were definitively closed.

During the year, Italgas S.p.A. accepted the "facilitated settlement of tax disputes", a deflationary instrument for disputes introduced by Law 29/2022 (Budget Law 2023) for the dispute regarding the VAT rate applicable to electricity transport services provided in 2012. In relation to this dispute, for which potential liabilities of around 2.1 million euro were estimated, but never recognised as they were considered possible, but not probable, the Company submitted a request for facilitated settlement within the deadlines and paid the full amount (867 thousand euro), the sum owed to the Revenue Agency.

## 23) DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Total deferred tax assets net of deferred tax liabilities amounted to 7,312 thousand euro at December 31, 2023, were as follows:

(in thousands of euro)	December 31, 2022	Impact on the income statement	Other changes	December 31, 2023
Tax benefit on carry-forward losses	519	1,733	(1,672)	580
Property, plant and equipment	(491)	(210)	918	217
Other equity investments	(134)	2	(54)	(186)
Inventories	776	211	(12)	975
Non-current provisions and employee benefits	6,918	60	(191)	6,787
Other	(5,190)	(9,232)	(1,263)	(15,685)
<b>Total</b>	<b>2,398</b>	<b>(7,436)</b>	<b>(2,274)</b>	<b>(7,312)</b>
of which:				
Deferred tax assets	11,898			11,582
Deferred tax liabilities	(9,500)			(18,894)
<b>Total</b>	<b>2,398</b>			<b>(7,312)</b>

The change in 'Other' refers to deferred tax liabilities arising from the allocation to the brand in the SIDI Sport Group's PPA.

The right-of-use assets of the entities included in Casa della Salute Group, which prepare their individual financial statements under the local Gaap, amount to 31,430 thousand euro (21,245 thousand euro at December 31, 2022) while the lease financial liabilities amount to 31,680 thousand euro (21,344 thousand euro at December 31, 2022). At December 31, 2023, the related gross deferred tax assets and liabilities would amount to 8,839 thousand euro and 8,769 thousand euro (5,955 thousand euro and 5,927 thousand euro at December 31, 2022). In the above-reported table, a net amount is presented.

The right-of-use assets (net of leaseholding improvements) of the entity Officina Profumo-Farmaceutica di Santa Maria Novella, which prepares its individual financial statements under the local Gaap, amount to 10,783 thousand euro, while the lease financial liabilities amount to 11,022 thousand euro. At December 31, 2023, the related gross deferred tax assets and liabilities would amount to 3,075 thousand euro and 3,009 thousand euro. In the above-reported table, a net amount is presented.

Deferred tax assets consist of amounts computed on tax losses. The assets were recognized on the basis of a forecast made by the companies included in the current Italian tax consolidation system, which considers that sufficient taxable income is likely to be made in the coming years to offset the carry-forward tax losses.

At December 31, 2023, the amount of net deferred tax liabilities recorded in equity reserves was 686 thousand euro (333 thousand euro at December 31, 2022).

Unrecognised deferred tax assets relating to losses for the year and previous years amounted to 775 thousand euro (665 thousand euro at December 31, 2022); the amount referred to losses reported by Group companies not included in the Italian tax consolidation, which are unlikely to be recovered.

## 24) TRADE PAYABLES

"Trade payables" consisted entirely of amounts due to suppliers, and totalled 69,655 thousand euro (71,183 thousand euro at December 31, 2022).

## 25) TAX LIABILITIES

Tax liabilities amounted to 1,070 thousand euro (4,562 thousand euro at December 31, 2022) and refer mainly to amounts due to the tax authorities for income taxes accrued during the year, which decreased due to the lower taxable income made during the year by the companies participating in the tax consolidation.

Furthermore, it should be noted that current tax payables of the parent company at December 31, 2023 come to zero (3,603 thousand euro at December 31, 2022). The value at December 31, 2023 fell to zero as a result of offsetting the 2023 liability against the 2022 tax credit and the advances paid.

## 26) OTHER LIABILITIES

The balance on this caption was as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Due to employees	20,526	25,519	(4,993)
Due to social security bodies	5,754	5,295	459
Due to tax authorities	10,258	8,311	1,947
Accrued expenses and deferred income	13,509	9,206	4,303
Derivatives	244	506	(262)
Due to financial and private equity companies	6,782	9,277	(2,495)
Advances from customers	406	399	7
Due to suppliers for non-current assets	1,072	1,530	(458)
Other liabilities	9,992	9,788	204
<b>Total</b>	<b>68,543</b>	<b>69,831</b>	<b>(1,288)</b>

Amounts due to financial and private equity companies include payables to customers of Crédit Mobilier de Monaco and payables to Clessidra Private Equity and Clessidra Capital Credit funds.

"Other payables" include the residual debt of Italgas for the purchase of the investments in Idroenergy S.r.l. and Idrodezzo S.r.l. for 3,848 thousand euro.

## COMMITMENTS

(in thousands of euro)	December 31, 2023	December 31, 2022
Collateral given		
Deposits, guarantees, sureties, commitments and other	127,902	142,957
<b>Total</b>	<b>127,902</b>	<b>142,957</b>

Commitments include a residual amount of 91,429 thousand euro (115,488 thousand euro at December 31, 2022) for the subscription of private equity funds. There are no irrevocable commitments for raw material purchases.



## Income statement

### 27) REVENUE AND INCOME

Revenue from sales and services and income totalled 585,750 thousand euro, divided as follows:

(in thousands of euro)	2023	2022	Change	Change %
<b>Industrial revenue</b>				
Product sales	416,134	344,553	71,581	20.8%
Services provided	97,347	82,776	14,571	17.6%
<b>Total</b>	<b>513,481</b>	<b>427,329</b>	<b>86,152</b>	<b>20.2%</b>
<b>Financial revenue and income</b>				
Interest	10,282	4,692	5,590	n.s.
Dividends paid	4,032	5,070	(1,038)	-20.5%
Gains realised and other revenue	26,544	17,690	8,854	50.1%
Commissions	31,285	28,286	2,999	10.6%
<b>Total</b>	<b>72,143</b>	<b>55,738</b>	<b>16,405</b>	<b>29.4%</b>
<b>Revenue from other activities</b>				
Other revenue	126	563	(437)	-77.6%
<b>Total</b>	<b>126</b>	<b>563</b>	<b>(437)</b>	<b>-77.6%</b>
<b>Grand total</b>	<b>585,750</b>	<b>483,630</b>	<b>102,120</b>	<b>21.1%</b>

The line item "Product sales" is mainly attributable to Caffè Borbone. The change is mainly attributable to the higher revenue of the Caffè Borbone group for 37,679 thousand euro, the Officina Profumo-Farmaceutica di Santa Maria Novella group for 9,541 thousand euro, and the consolidation of the SIDI Sport group for 23,806 thousand euro (acquisition at the end of 2022).

The line item "Services provided" is attributable almost exclusively to the Italgem group and the Casa della Salute group, with an increase of 6,867 thousand euro and 10,326 thousand euro, respectively.

The line item "Gains realised and other revenue" mainly refers to the Parent Company and includes revaluations of FVTPL securities for 22,598 thousand euro (4,478 thousand euro in 2022).

The item "Commissions" refers to the Clessidra Group's companies (an increase of 2,999 thousand euro) and Crédit Mobilier de Monaco.

### 28) RAW MATERIALS AND SUPPLIES

Raw materials and supplies amounted to 223,440 thousand euro, divided as follows:

(in thousands of euro)	2023	2022	Change	Change %
Raw materials and semifinished goods	105,699	97,553	8,146	8.4%
Fuel	3,342	4,475	(1,133)	-25.3%
Materials and machinery	61,053	60,507	546	0.9%
Finished goods	22,412	25,661	(3,249)	-12.7%
Electricity and water	24,572	29,780	(5,208)	-17.5%
Change in inventories of raw materials, consumables and other	6,362	(12,553)	18,915	n.s.
<b>Total</b>	<b>223,440</b>	<b>205,423</b>	<b>18,017</b>	<b>8.8%</b>

The increase in "Raw materials and semifinished goods" is attributable to the increase in revenue and in the cost of raw materials, which particularly affected the Group's industrial companies.

## 29) SERVICES

Expense for services amounted to 120,083 thousand euro, divided as follows:

(in thousands of euro)	2023	2022	Change	Change %
Services	28,863	21,002	7,861	37.4%
Maintenance	3,971	3,147	824	26.2%
Transport	20,073	16,770	3,303	19.7%
Legal fees and consultancy	18,627	16,454	2,173	13.2%
Rents	9,431	6,449	2,982	46.2%
Insurance	2,850	2,392	458	19.1%
Membership fees	400	332	68	20.5%
Other expense	35,868	29,426	6,442	21.9%
<b>Total</b>	<b>120,083</b>	<b>95,972</b>	<b>24,111</b>	<b>25.1%</b>

"Other expense" largely consisted of commission expense on trading activities, communication and marketing expense, and entertainment expense, mainly relating to the Group's industrial companies.

## 30) PERSONNEL EXPENSES

Personnel expenses amounted to 103,965 thousand euro, broken down as follows:

(in thousands of euro)	2023	2022	Change	Change %
Wages and salaries	74,013	57,940	16,073	27.7%
Social security contributions	20,596	16,795	3,801	22.6%
Other expense	9,356	9,814	(458)	-4.7%
<b>Total</b>	<b>103,965</b>	<b>84,549</b>	<b>19,416</b>	<b>23.0%</b>

The incremental change is due to the increase in the number of employees mainly in the Casa della Salute group (146 units), the Officina Profumo-Farmaceutica di Santa Maria Novella group (56 units) and the Caffè Borbone group (25 units), as well as to the 2023 consolidation of the SIDI Sport group for 7,159 thousand euro.

"Other expense" is mainly related to costs of temporary personnel, canteen costs, employee insurance costs, travel costs and personnel training and recruitment costs.

Please note that the Long-Term Incentive Plan of the Company envisages the assignment of a specific number of rights to receive "Phantom Stocks" linked to a predefined level of Net Asset Value per share and ESG Performance, at the end of a three-year vesting period (2023-2025). The plan envisages a threshold, target and maximum performance level in relation to the underlying goal. Failure to reach at least the threshold level will mean that the right to receive the bonus is lost. The fair value of the LTI plan was measured at December 31, 2023 considering the target net asset value per share and the satisfaction of the ESG performance as evaluated by the main specialised rating agencies (CDP, Sustainalytics, S&P). Overall, the "Phantom Stock Grant 2023-2025 plan" foresees the grant of 565,973 rights to 19 beneficiaries.

The number of employees is shown below:

(units)	2023	2022	Change
Number of employees at year end	1,496	1,305	218
Average number of employees	1,410	965	445

The average number of employees increased by 445, mainly due to the 2023 consolidation of the SIDI Sport group (252 units) and also to the increase of employees in the Casa della Salute group (110 units), the Officina Profumo-Farmaceutica di Santa Maria Novella group (54 units) and the Caffè Borbone group (25 units).

### 31) OTHER OPERATING (INCOME) EXPENSES

Other operating expenses, net of other operating income, amounted to 45,524 thousand euro, broken down as follows:

(in thousands of euro)	2023	2022	Change	Change %
Other tax	9,144	6,567	2,577	39.2%
Provision for environmental restoration fund	2,746	2,244	502	22.4%
Interest expense and other expense relating to financial companies	22,352	42,147	(19,795)	-47.0%
Amounts set aside to provisions and other expense	17,439	8,054	9,385	n.s.
Other income	(7,086)	(7,662)	576	-7.5%
Net gains from the sale of non-current assets	(17)	(166)	149	-89.8%
Other (income) expense	946	785	161	20.5%
<b>Total</b>	<b>45,524</b>	<b>51,969</b>	<b>(6,445)</b>	<b>-12.4%</b>

"Interest expense and other expense relating to financial companies" include write-downs and losses on financial assets valued at FVTPL and derivatives on investments for 13,877 thousand euro (40,221 thousand euro at December 31, 2022).

"Other income" mainly includes insurance indemnities, reimbursements and compensation.

### 32) AMORTISATION AND DEPRECIATION

The total amount of 37,400 thousand euro (32,318 thousand euro in 2022) refers to property, plant and equipment for 26,362 thousand euro (21,351 thousand euro in 2022), investment property for 374 thousand euro (234 thousand euro in 2022) and intangible assets for 10,664 thousand euro (10,733 thousand euro in 2022).

Depreciation of property, plant and equipment includes 9,186 thousand euro (6,769 thousand euro at December 31, 2022) relating to the depreciation of the right of use on leased assets, following the application of IFRS 16.

### 33) IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

In 2023, intangible assets and goodwill were written down by 5,647 thousand euro (revaluations for 124 thousand euro at December 31, 2022) mainly related to SIDI Sport and Callmewine.

### 34) FINANCE INCOME AND COSTS, NET GAINS (LOSSES) ON EXCHANGE-RATE DIFFERENCES AND DERIVATIVES

Net finance costs amount to 9,942 thousand euro. This amount is composed as follows:

(in thousands of euro)	2023		2022	
	Income	Costs	Income	Costs
Interest income	1,012		108	
Interest expense		(9,242)		(2,007)
Dividends and income (costs) from equity investments	6	(114)		(167)
Other finance income	520		142	
Other finance costs		(1,145)		(1,386)
<b>Total finance income (costs)</b>	<b>1,538</b>	<b>(10,501)</b>	<b>250</b>	<b>(3,560)</b>
Gains/(losses) from derivatives on interest-rate risk		(181)	170	
Gains/(losses) from derivatives on exchange-rate risk	87			
Net exchange-rate differences		(337)	198	
<b>Exchange-rate differences and net gains (losses) on derivatives</b>	<b>(431)</b>		<b>368</b>	
<b>Total finance income (costs), exchange-rate differences and net gains (losses) on derivatives</b>		<b>(9,394)</b>		<b>(2,942)</b>

The caption mainly consists of interest on loans for 5,570 thousand euro (960 thousand euro in 2022), interest expenses for the bond loan issued by Clessidra Factoring for 2,300 thousand euro, interest expenses for leases for 1,372 thousand euro following the application of IFRS 16 (385 thousand euro in 2022) and bank charges and commissions of 781 thousand euro (864 thousand euro in 2022).

### 35) IMPAIRMENT OF FINANCIAL ASSETS

In 2023, following the impairment test performed, there were no impairment losses on financial assets, as in 2022.

### 36) SHARE OF PROFIT/(LOSS) OF EQUITY-ACCOUNTED INVESTEEES

(in thousands of euro)	2023	2022	Change	Change %
Tecnica Group	8,685	15,718	(7,033)	-44.7%
Iseo	1,324	3,477	(2,153)	-61.9%
AGN Energia	4,564	4,011	553	13.8%
Dokimè	87	(42)	129	n.s.
CCCHE	1,869	(549)	2,418	n.s.
Gardawind	(216)	2,744	(2,960)	-107.9%
Florence	41,715	(545)	42,260	n.s.
Farmagorà	(750)	(95)	(655)	n.s.
<b>Total</b>	<b>57,278</b>	<b>24,719</b>	<b>32,559</b>	<b>131.7%</b>

The increase was mainly due to the gain on the sale of Florence InvestCo for 40,062 thousand euro.

### 37) INCOME TAX

Income tax for the period was negative for 19,323 thousand euro, analysed as follows:

(in thousands of euro)	2023	2023	Change	Change %
Current tax	20,226	10,774	9,452	87.7%
Prior-year tax and other prior-year tax items	2	(5,209)	5,211	-100.0%
Deferred tax	(905)	2,450	(3,355)	n.s.
<b>Total</b>	<b>19,323</b>	<b>8,015</b>	<b>11,308</b>	<b>141.1%</b>

Current tax increased proportionally to the increase in pre-tax income.

In Italy, the IRES tax rate applied by the Italian companies on estimated taxable profit for the year was 24%. Taxes for Group companies in other countries are calculated using local tax rates.

The reconciliation between the tax charge reflected in the income statement and the theoretical tax charge does not consider IRAP, since IRAP uses a taxable base other than profit before tax.

The reconciliation between the theoretical tax charge and the tax charge reflected in the income statement is set out below:

(in thousands of euro)		2023
<b>Consolidated profit (loss) before tax relating to continuing operations</b>		<b>104,002</b>
Current IRES tax rate		24.0%
<b>Theoretical tax charge</b>		<b>(24,960)</b>
Tax effect on permanent differences:		
- foreign dividends and other exempt income		23,084
- non-deductible costs		(10,495)
Net effect for the year of deferred tax assets and liabilities not recognized on temporary differences		(2,006)
Recovery in year of deferred tax assets not recognised in previous years on deductible temporary differences and/or tax losses		(282)
Effect of change in tax rates		(146)
Withholdings on foreign dividends		163
Effect of difference between Italian and foreign tax rate		(30)
Other changes		180
<b>Effective income tax charge</b>	<b>13.9%</b>	<b>(14,492)</b>
Effective IRAP tax charge		(4,904)
Other components not related to income for the year		73
<b>Total income tax relating to continuing operations</b>	<b>18.6%</b>	<b>(19,323)</b>

No offsets were made in the item "Net effect for the year of deferred tax assets and liabilities not recognized on temporary differences".

### 38) PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

The figure referring to 2022 concerned the consolidation of the Sirap group according to IFRS 5.

(in thousands of euro)	2023	2022	Change	Change %
Result of the companies being sold		(38)	38	-100.0%
<b>Total</b>		<b>(38)</b>	<b>38</b>	<b>-100.0%</b>

### 39) OTHER COMPREHENSIVE INCOME

(in thousands of euro)	Gross amount	Income tax	Net amount
<b>Other comprehensive income</b>			
Fair value gain/(loss) on:			
Financial assets measured at FVTOCI	27,799	(343)	27,456
Derivatives	(179)	(44)	(223)
Translation differences	(298)		(298)
Actuarial gains (losses) on defined benefit plans	(645)	29	(616)
<b>Total other comprehensive income from continuing operations</b>	<b>26,677</b>	<b>(358)</b>	<b>26,319</b>
Other comprehensive income from discontinued operations			
<b>Total other comprehensive income</b>	<b>26,677</b>	<b>(358)</b>	<b>26,319</b>

The change in financial assets measured at FVTOCI is made of 26,818 thousand euro for changes in fair value and 981 thousand euro for gains on sales.

## 40) EARNINGS PER SHARE

Earnings per share at December 31, 2023 and 2022, were determined on the Parent Company profit for the respective periods.

### Basic earnings per share

The weighted average number of shares and attributable profit are shown below:

	2023	2022
(no. shares in thousands)	Ordinary shares	Ordinary shares
No. shares at January 1	42,500	42,500
Treasury shares at January 1	(217)	(217)
Weighted average number of treasury shares sold in the year		
<b>Total</b>	<b>42,283</b>	<b>42,283</b>
Attributable profit in thousands of euro	66,596	21,053
Basic earnings per share in euro	1.575	0.498

Profit attributable by share category was determined as follows:

	2023	2022
(in thousands of euro)	Ordinary shares	Ordinary shares
Residual profit apportioned to all shares	66,596	21,053
<b>Total</b>	<b>66,596</b>	<b>21,053</b>

Diluted earnings per share are not reported due to the expiration of the stock option plans.

## IFRS 7

### Net financial position

The net financial position at December 31, 2023 is set out below:

(in thousands of euro)	Caption	NOT NFP	NFP	Current assets	Current liabilities	Non-current assets	Non-current liabilities
Trade receivables and other non-current assets	256,968	245,232	11,736			11,736	
Other current assets including derivative financial instruments	37,809	26,019	11,790	11,790			
Investments, bonds and current financial receivables	173,914		173,914	173,914			
Cash and cash equivalents	121,915		121,915	121,915			
Non-current financial liabilities	(177,250)		(177,250)				(177,250)
Other non-current payables and liabilities	(9,580)	(9,478)	(102)				(102)
Current financial liabilities	(167,401)		(167,401)		(167,401)		
Other liabilities	(68,543)	(61,517)	(7,026)		(7,026)		
<b>Total</b>	<b>167,832</b>	<b>200,256</b>	<b>(32,424)</b>	<b>307,619</b>	<b>(174,427)</b>	<b>11,736</b>	<b>(177,352)</b>
Assets classified as held for sale							
Liabilities directly associated with assets classified as held for sale							
<b>Total</b>	<b>167,832</b>	<b>200,256</b>	<b>(32,424)</b>	<b>307,619</b>	<b>(174,427)</b>	<b>11,736</b>	<b>(177,352)</b>

The net financial position at December 31, 2023 was negative for 32,424 thousand euro, as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
<b>Current financial assets</b>	<b>307,619</b>	<b>262,917</b>	<b>44,702</b>
Cash and cash equivalents	121,915	101,641	20,274
Derivative financial instruments	205	688	(483)
Other current financial assets	185,499	160,588	24,911
<b>Current financial liabilities</b>	<b>(174,427)</b>	<b>(143,306)</b>	<b>(31,121)</b>
Bank loans and overdrafts	(118,768)	(99,652)	(19,116)
Borrowings	(55,415)	(43,148)	(12,267)
Derivative financial instruments	(244)	(506)	262
<b>Non-current financial assets</b>	<b>11,736</b>	<b>12,106</b>	<b>(370)</b>
Non-current financial assets	11,651	11,651	
Derivative financial instruments	85	455	(370)
<b>Non-current financial liabilities</b>	<b>(177,352)</b>	<b>(147,389)</b>	<b>(29,963)</b>
Borrowings	(177,250)	(147,389)	(29,861)
Derivative financial instruments	(102)		(102)
<b>Net financial position relating to continuing operations</b>	<b>(32,424)</b>	<b>(15,672)</b>	<b>(16,752)</b>
Assets classified as held for sale			
Liabilities directly associated with assets classified as held for sale			
<b>Net financial position relating to discontinued operations</b>			
<b>Total net financial position</b>	<b>(32,424)</b>	<b>(15,672)</b>	<b>(16,752)</b>

Net financial debt as at December 31, 2023, calculated as envisaged in the Consob communication "Call for attention no. 5/21 of April 29, 2021", is positive (i.e. the net financial position is negative) for 44,160 thousand euro (positive for 27,778 thousand euro at December 31, 2022). This amount does not include non-current financial assets and includes current lease liabilities of 7,186 thousand euro and non-current lease liabilities of 58,878 thousand euro.

Non-current financial assets include receivables from customers of Credit Mobilier de Monaco and receivables from the funds of the Clessidra group.



## COMPARISON BETWEEN FAIR VALUE AND CARRYING AMOUNT AND HIERARCHY

The table below compares the carrying amount and the fair value of financial assets and liabilities at December 31, 2023, divided on the basis of the new IFRS 9 categories and the related hierarchy:

Carrying amount							Fair value			
(in thousands of euro)	FVTPL	FVTOCI	Amortised cost	FV hedges	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Other equity investments		182,621				182,621	30,126	23,288	129,207	182,621
Trade receivables and other non-current assets	241,820		15,063	85		256,968	242	2,294	239,369	241,905
Financial assets at FVTPL in NFP	2,451					2,451	242	2,209		2,451
Financial assets at FVTPL not in NFP	239,369					239,369			239,369	239,369
Non-current receivables			11,028			11,028				
Trade receivables			1,477			1,477				
Derivatives				85		85		85		85
Guarantee deposits			2,558			2,558				
Decrease/(increase) in trade receivables			256,531			256,531				
Current assets including derivative financial instruments			37,604	205		37,809		205		205
Derivatives				205		205		205		205
Trade receivables			11,585			11,585				
Other amounts due			26,019			26,019				
Equity investments, bonds and current financial receivables	170,881		3,033			173,914	75,218	94,968	695	170,881
NFP Equity investments FVTPL	16,679					16,679	16,679			16,679
Financial assets at FVTPL in NFP	154,202					154,202	58,539	94,968	695	154,202
Financial receivables and accruals			3,033			3,033				
Cash and cash equivalents			121,915			121,915				
Total	412,701	182,621	434,146	290		1,029,758	105,586	120,755	369,271	595,612
Financial liabilities										
Non-current financial liabilities						177,250		177,250		177,250
Loans and borrowings						82,521		82,521		82,521
Bond loans						35,851		35,851		35,851
Finance lease payables						58,878		58,878		58,878
Other non-current payables and liabilities						4,989		102		102
Derivatives								102		102
Other non-current payables						4,989				
Current financial liabilities						167,401		167,401		167,401
Loans and borrowings						127,771		127,771		127,771
Finance lease payables						7,186		7,186		7,186
Other loans and borrowings						21		21		21
Other financial payables						32,423		32,423		32,423
Trade payables						69,655				
Other liabilities						244		244		244
Derivatives						244		244		244
Trade payables										
Other payables, accruals and deferrals						61,517				
Total	244		142,943	102	344,651	487,940		344,997		344,997

Loans and borrowings are at a floating rate, therefore their book values are reasonably in line with their fair values. Trade receivables and payables are current assets and liabilities and are carried at amounts that are reasonable approximations of their fair value. The carrying amount of finance lease payables, although at a fixed rate, approximates their fair value.

The table below compares the carrying amount and the fair value of financial assets and liabilities at December 31, 2022, divided on the basis of the new IFRS 9 categories and the related hierarchy:

Carrying amount							Fair value			
(in thousands of euro)	FVTPL	FVTOCI	Amortised cost	FV hedges	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Other equity investments		174,738				174,738	54,655	18,793	101,290	174,738
Trade receivables and other non-current assets	215,404		14,677	455		230,536	237	2,270	213,352	215,859
Financial assets at amortised cost	2,052					2,052	237	1,815		2,052
Financial assets at FVTPL in NFP	213,352					213,352			213,352	213,352
Financial assets at FVTPL not in NFP			11,257			11,257				
Non-current receivables			1,688			1,688				
Derivatives				455		455		455		455
Guarantee deposits			1,732			1,732				
Decrease/(increase) in trade receivables			205,636			205,636				
Current assets including derivative financial instruments	259		33,735	429		34,423		688		688
Derivatives	259			429		688		688		688
Trade receivables			10,783			10,783				
Other amounts due			22,952			22,952				
Equity investments, bonds and current financial receivables	143,117		6,688			149,805	43,815	98,846	456	143,117
NFP Equity investments FVTPL	16,490					16,490	16,490			16,490
Financial assets at FVTPL in NFP	126,627					126,627	27,325	98,846	456	126,627
Financial receivables and accruals			6,688			6,688				
Cash and cash equivalents			101,641			101,641				
Total	358,780	174,738	362,377			896,779	98,707	120,597	315,098	534,402
Financial liabilities										
Non-current financial liabilities						147,389		147,434		147,434
Loans and borrowings					66,276	66,276		66,276		66,276
Bond loans					35,555	35,555		35,600		35,600
Finance lease payables					45,381	45,381		45,381		45,381
Other loans and borrowings					177	177		177		177
Other non-current payables and liabilities			493			493				
Derivatives										
Other non-current payables			493			493				
Current financial liabilities						133,523		133,523		133,523
Loans and borrowings					123,691	123,691		123,691		123,691
Finance lease payables					5,693	5,693		5,693		5,693
Other loans and borrowings					10	10		10		10
Other financial payables					4,129	4,129		4,129		4,129
Trade payables						71,183				
Other liabilities	506		69,325			69,831		506		506
Derivatives	506					506		506		506
Trade payables			9,277			9,277				
Other payables, accruals and deferrals			60,048			60,048				
Total	506		141,001		280,912	422,419		281,463		281,463

Trade receivables and payables were short-term current assets and liabilities and their book values are reasonably in line with their fair values.

Derivatives are measured and recognized at fair value.

The fair value of foreign-currency assets and liabilities is determined using the closing rates. The fair value of fixed-rate assets and liabilities is determined using a fixed rate with no credit margin, net of transaction costs directly attributable to the financial assets and financial liabilities.

In determining and documenting the fair value of financial instruments, the Group uses the following hierarchy based on different measurement methods:

- level 1: financial instruments with prices quoted on active markets;
- level 2: prices quoted on active markets for similar financial instruments, or fair value determined with other measurement methods where all significant inputs are based on observable market data;
- level 3: fair value determined with measurement methods where no significant input is based on observable market data.

Information on the fair value of financial assets and financial liabilities not measured at fair value is excluded, when carrying amount is a reasonable approximation of fair value.

Movements on level 3 financial instruments at December 31, 2023 were as follows:

(in thousands of euro)	Level 3 31/12/2022	Increases					Decreases						Level 3 31/12/2023
		Purchases	Gains on disposals in income statement	Other gains in income statement	Gains in equity	Other changes	Sales	Repayments	Losses on disposals in income statement	Other losses in income statement	Losses in equity	Other changes	
Non-current equity investments	101,290	2,028			20,468	38,475	(30,846)	(1,733)		(140)	(305)	(30)	129,207
Receivables and other non-current assets	213,352	31,092		14,600				(5,905)		(10,269)	(3,501)		239,369
Equity investments, bonds and current financial assets	456	203		81	173		(218)						695

No reclassifications from categories measured at fair value to categories measured at amortized cost were made in the year under review or in the previous year, in the Group financial asset portfolio.

The fair value of level 3 non-current equity investments has been estimated. For further information, please refer to the paragraph "Other equity investments".

## Currency risk hedges and Hedge Accounting

The Group has no currency risk hedges.

Variable-rate to fixed-rate IRS contracts were arranged by Italgas for a nominal amount of 11.1 million euro and by the Casa della Salute group for a nominal amount of 7.0 million euro to hedge the floating rate loans taken out by them.

## Financial risk management policy and objectives

The Italmobiliare Board of Directors defines general Group principles and management policy for the Parent Company. In the other Group segments, management policy for financial risks and financial instruments is defined by the parent of each segment or by individual companies on the basis of the characteristics of the segment, and consistently with general Group principles.

The "Other companies" segment does not present material financial risks and therefore does not formulate a specific policy.

For discussion of management policies and objectives in each segment, the reader is referred to the specific section.

## Notional amount of derivatives

Financial risk management is an integral part of Group asset management, and is conducted by each segment on the basis of the guidelines drawn up with reference to the type of business. The Group uses derivatives to optimize its risk/yield profile.

The notional amount of derivative contracts at December 31, 2023, is set out below, subdivided by operating segment and maturity:

Notional amounts					
(in millions of euro)	Italmobiliare	Italgen	Casa della Salute	SIDI Sport	Total
Derivatives on interest rates		11.1	7.0		18.1
Derivatives on shares	4.1				4.1
Derivatives on indices	9.1				9.1
Derivatives on commodities		0.7			0.7
<b>Total</b>	<b>13.2</b>	<b>11.8</b>			<b>32.0</b>

Notional amounts					
(in millions of euro)	< 1 year	1-2 years	2-5 years	> 5 years	Total
Derivatives on interest rates	3.2	4.2	9.8	0.9	18.1
Derivatives on shares	4.1				4.1
Derivatives on indices	9.1				9.1
Derivatives on commodities	0.7				0.7
<b>Total</b>	<b>17.1</b>	<b>4.2</b>	<b>9.8</b>	<b>0.9</b>	<b>32.0</b>

# FINANCIAL RISKS

## Credit risk

Credit risk is the risk that a counterparty might default on its obligations and generate a financial loss for the Group.

Credit risk is managed by each segment in relation to its type of business.

## Liquidity risk

Liquidity risk is the risk that due to an inability to raise new funds or sell assets on the market, the company might be unable to settle its payment obligations. This would impact on the results of operations if the group was obliged to sustain additional costs to meet its commitments, or conditions of insolvency putting the company's ability to continue as a going concern at risk.

The table below shows consolidated net financial debt by maturity (without the fair value of derivatives and financial receivables) compared with undrawn lines of credit and cash and cash equivalents.

At December 31, 2023:

(in millions of euro)	Maturity				Total
	< 1 year	1 - 2 years	2 - 5 years	Beyond	
Total financial liabilities	(179.6)	(73.3)	(62.5)	(36.0)	<b>(351.4)</b>
Undrawn committed lines of credit	63.8				<b>63.8</b>
Cash and cash equivalents	121.9				<b>121.9</b>

The Group also has uncommitted lines of credit for 108.9 million euro.

Consolidated figures are broken down by sector as follows:

(in millions of euro)	Notional amounts											Total
	ITM	Italgen	Caffè Borbone	Capitelli	SMN	Casa della Salute	CMW	Clessidra	SIDI Sport	Other companies	Eliminations	
Total financial liabilities	(4.9)	(45.8)	(20.5)	(3.3)	(19.3)	(76.3)	(2.0)	(175.3)	(11.4)	(15.0)	22.4	<b>(351.4)</b>
Undrawn committed lines of credit	0.1	15.5				1.8		40.0	6.4			<b>63.8</b>
Cash and cash equivalents	18.2	9.4	37.6	3.1	16.3	10.0	0.8	20.6	0.7	5.2		<b>121.9</b>

At December 31, 2022:

(in millions of euro)	Maturity				Total
	< 1 year	1 - 2 years	2 - 5 years	Beyond	
Total financial liabilities	(141.8)	(32.8)	(88.8)	(26.8)	<b>(290.2)</b>
Undrawn committed lines of credit	76.8			1.8	<b>78.6</b>
Cash and cash equivalents	101.3				<b>101.3</b>

The Group also has uncommitted lines of credit for 124.5 million euro.

2022 consolidated figures are broken down by sector as follows:

(in millions of euro)	Notional amounts											Total
	ITM	Italgas	Caffè Borbone	Capitelli	SMN	Casa della Salute	CMW	Clessidra	SIDI Sport	Other companies	Eliminations	
Total financial liabilities	(20.6)	(33.1)	(32.2)	(4.2)	(14.0)	(46.6)	(0.4)	(117.9)	(41.7)	(9.1)	29.6	<b>(290.2)</b>
Undrawn committed lines of credit		32.3				1.8		43.8	0.7			<b>78.6</b>
Cash and cash equivalents	22.5	1.1	11.6	2.5	18.8	1.8	1.5	12.5	21.9	7.4		<b>101.6</b>

## Market risks

### INTEREST RATE RISK

The Group is exposed to the risk of changes in market interest rates, as follows:

- the risk of variations in the fair value of fixed-rate financial assets and liabilities. A change in interest rates affects the fair value of fixed-rate assets and liabilities;
- the risk linked to future cash flows on floating-rate financial assets and liabilities. A change in interest rates has a limited impact on the fair value of floating-rate financial assets and liabilities, but may affect future cash flows and profits.

In the industrial companies, management of the interest-rate risk has a dual purpose, to minimize the cost of net financial debt and reduce exposure to fluctuation.

In the financial companies, interest-rate risk management is an integral part of the core business, and is based on investment and debt policies established by the governing bodies of the companies in question.

The Group may hedge interest-rate risks with derivatives such as interest-rate swaps, forward rate agreements, futures and interest-rate options arranged from time to time with leading banks.

Net financial debt at inception and after interest-rate hedges recorded at notional value was as follows at December 31, 2023:

(in millions of euro)	
<b>Balance at December 31, 2023</b>	
Fixed-rate financial liabilities	(76.5)
Fixed-rate financial assets	33.8
<b>Fixed rate NFP at inception</b>	<b>(42.7)</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	(18.1)
<b>Fixed rate NFP after hedging</b>	<b>(60.8)</b>
Floating-rate financial liabilities	(234.3)
Floating-rate financial assets	18.9
<b>Floating rate NFP at inception</b>	<b>(215.4)</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	18.1
<b>Floating rate NFP after hedging</b>	<b>(197.3)</b>
Net fair value of derivatives	
Other instruments not subject to interest-rate risk	225.7
<b>Total NFP</b>	<b>(32.4)</b>

## CURRENCY RISK

The table below details consolidated net exposure by currency, showing financial assets and liabilities denominated in currencies other than the local currency.

(in millions of euro)	USD (*)	GBP (*)	Other (*)
Financial assets (**)	101.2	26.7	3.8
Financial liabilities (**)			
<b>Net exposure by currency</b>	<b>101.2</b>	<b>26.7</b>	<b>3.8</b>

(\*) assets and liabilities are stated at their nominal amount in euro when the local currency is not euro

(\*\*) excluding trade payables and receivables

Group companies are structurally exposed to currency risk on cash flows from operating activities and on financing activities denominated in currencies other than their respective functional currencies.

The impact of currency translation on subsidiaries' equity is recorded in a separate equity reserve.

## EQUITY PRICE RISK

The Group is exposed to the risk of market fluctuations on listed equities and other instruments in portfolio. Exposure is concentrated in Italmobiliare, to which reference should be made for further details.

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Investments at FVTOCI	30,126	54,655	(24,529)
Equity investments FVTPL	16,679	16,490	189
<b>Overall exposure</b>	<b>46,805</b>	<b>71,145</b>	<b>(24,340)</b>

In addition, the Group is exposed to changes in the fair value of financial assets measured at fair value levels 2 and 3.

## COMMODITY PRICE RISK

The Group is exposed to a commodity price risk on raw materials and energy products.

These risks are managed by the individual segments, through diversification of procurement sources.

# ITALMOBILIARE

## Risk management policies

### OBJECTIVES

For Italmobiliare, exposure to financial risk is an opportunity to generate profits within the constraints established for the purposes of careful and prudent management of financial resources.

### FINANCIAL INSTRUMENTS

Group guidelines define the types of financial instruments allowed, maximum amounts, counterparties and methods of approval.

Derivatives may be used both as risk management instruments and as instruments relating to market positioning.



## Credit risk

Italmobiliare is exposed to credit risk with respect to issuers of financial instruments and counterparties on financial transactions.

The guidelines establish minimum rating levels for individual investments (where applicable), for type of instrument, for rating class and maximum exposure in relation to individual counterparties.

A monitoring and reporting system has also been established for senior management.

Italmobiliare has no significant exposure to trade credit risks.

The table below illustrates the level of credit risk exposure for each instrument (bonds, deposits, other financial assets) and with respect to the counterparties to derivatives.

(in millions of euro)	Fair Value	Average rating	Residual average life (in years) (*)
Bonds at FVTPL	40.2	Baa1	15.12
Deposits	18.2	n/a	n/a
Other financial assets	243.0	n/a	n/a
Derivatives on shares	(0.2)	n/a	< 1
Cash and cash equivalents	18.2	n/a	n/a

(\*) determined on first call

Assuming a parallel shift of +100 bps in the credit curve of Credit Default Swap, the estimated total change in financial instruments would be -0.6 million euro, reflected entirely in the income statement.

Deposits are subject to counterparty risk, but a shift of +100 bps in the curve would not have an impact on the amount thereof.

Other financial assets and derivatives are excluded from the sensitivity analysis since their fair value does not depend on the creditworthiness of the counterparty.

## Liquidity risk

Italmobiliare risk management policy is designed to optimize financial resources through effective management (in terms of maturities, costs and liquidity) of the segment's assets and liabilities.

The Net Financial Position (hereinafter "NFP") at December 31, 2023 reflected a strong positive position: a regular report is drawn up analysing the NFP trend in relation to the segment's requirements.

The table below sets out debt by maturity (residual life) compared with financial assets and undrawn lines of credit.

(in millions of euro)	Maturity				Total
	< 1 year	1 - 2 years	2 - 5 years	Beyond	
Total financial liabilities	(3.6)		(1.5)		(5.1)
Total financial assets	74.8		11.1	123.5	209.4
<b>Total NFP</b>	<b>71.2</b>		<b>9.6</b>	<b>123.5</b>	<b>204.3</b>
Undrawn committed lines of credit	0.1				0.1

The Net Financial Position at December 31, 2023 is equal to 204,258 thousand euro and is set out below:

(in thousands of euro)	Caption	Not NFP	NFP	Current assets	Current liabilities	Non-current assets	Non-current liabilities
Trade receivables and other non-current assets	274,169	255,960	18,209			18,209	
Investments, bonds and current financial receivables	172,954		172,954	172,954			
Cash and cash equivalents	18,195		18,195	18,195			
Non-current financial liabilities	(415)		(415)				(415)
Current financial liabilities	(4,441)		(4,441)		(4,441)		
Other liabilities	(15,563)	(15,319)	(244)		(244)		
<b>Total</b>	<b>444,899</b>	<b>240,641</b>	<b>204,258</b>	<b>191,149</b>	<b>(4,685)</b>	<b>18,209</b>	<b>(415)</b>

Any short-term drawings on committed lines of credit are reclassified on expiry of the respective facility.

Uncommitted lines of credit available amount to 103.0 million euro, while the residual commitment to subscribe to private equity funds amounts to 91,429 thousand euro.

## Market risks

### INTEREST RATE RISK

Fluctuations in interest rates affect the fair value of financial assets and liabilities and the level of net finance costs.

Regular reports are drawn up analysing the NFP and detailing asset and liability management.

The table below illustrates the NFP of Italmobiliare at December 31, 2023, and exposure to interest-rate risk; reference should be made to the specific note for a detailed breakdown of the NFP.

(in millions of euro)	
<b>Balance at December 31, 2023</b>	
Fixed-rate financial liabilities	(0.5)
Fixed-rate financial assets	30.8
<b>Fixed rate NFP at inception</b>	<b>30.3</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
<b>Fixed rate NFP after hedging</b>	<b>30.3</b>
Floating-rate financial liabilities	(3.2)
Floating-rate financial assets	19.8
<b>Floating rate NFP at inception</b>	<b>16.6</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
<b>Floating rate NFP after hedging</b>	<b>16.6</b>
Assets not exposed to interest-rate risk	158.8
Liabilities not exposed to interest-rate risk	(1.4)
<b>Total NFP</b>	<b>204.3</b>

Floating-rate assets include cash and cash equivalents, amounts due from Group companies and floating-rate bonds; fixed-rate liabilities include amounts due to third parties and Group companies and lease liabilities.

A sensitivity analysis was carried out to determine the change in the fair value of the total net financial position caused by an instantaneous shift of 100 bps in forward interest rates (assuming a parallel shift in the curve). Modified Duration was used as the sensitivity criterion. The analysis found an overall estimate of -1.3 million euro, with an effect exclusively on the income statement.

On demand and time deposits, an instantaneous shift in the curve would not generate an automatic effect on the income statement.

Symmetrical results would be generated by an instantaneous parallel downward shift in the rate curve.

## CURRENCY RISK

Overall exposure to the currency risk is limited. Currency positions are limited and used with the objective of de-correlating the risk of traditional financial assets in the liquidity management portfolio.

## OTHER PRICE RISKS

Italmobiliare is particularly exposed to the risk of fluctuations in the prices of listed equities carried at fair value.

Since Italmobiliare is a holding company, exposure to the equity risk is inherent to its core business. In some cases, for limited amounts, the Policies set out procedures and approvals for the use of derivatives to reduce this risk.

At December 31, 2023, listed financial assets exposed to price risk amounted to 46.8 million euro, of which 30.1 million euro measured at FVTOCI and 16.7 million euro measured at FVTPL.

A hypothetical reduction of 5% in share prices would have a negative impact of 2.3 million euro on the assets' fair value, of which 1.5 million euro on equity and 0.8 million euro on the income statement.

(in millions of euro)	Fair value	Share price delta	Impact on income statement	Impact on equity
Shares at FVTPL	16.7	-5%	(0.8)	
Shares at FVTOCI	30.1	-5%		(1.5)

## Other risks

### CYBER SECURITY

Cyber security risk is one of the risks subject to periodic evaluation and continuous monitoring by the entire Group and at individual company level. Specific activities such as audits, training sessions and the definition of a security governance framework valid for the entire Group were also planned and carried out during 2023. This involved carrying out a specific follow-up to verify the extent to which Group companies had implemented the organisational, procedural and technological measures to mitigate this type of risk. It also involved increasing the number of companies covered by an insurance policy. Work continues on strengthening or adopting organisational, procedural and technological measures to mitigate this type of risk.

### CLIMATE CHANGE

In 2023, under the coordination of the Internal Audit Department, which is entrusted with risk management, and with the support of the Sustainability Department, the process of refining the ESG risk assessment continued, with particular attention to climate risk. In particular, the involvement of management of the Portfolio Companies was even more structured, with workshops and round tables dedicated to the subject.

The assessment adopts a precautionary approach, preferring to overestimate the risks in order to activate improvement processes that go well beyond mitigation. In fact, updating the risk assessment contributes to fuelling and refining the mitigation actions reflected in the budget or strategic planning and in the annual ESG Plans of the Holding and Portfolio Companies, transforming the risks, often intrinsic to the business segments, into opportunities and potential for value creation.

The Group's sustainable approach represents in itself a strategy for anticipating and mitigating risks. Strategic vision and global references inspire governance processes and are integrated into them. Management systems built on internationally recognised schemes constitute valid operational references. The solidity and effectiveness of the governance system adopted and the performances achieved are recognised by certifications of our management systems and ESG ratings.

Our Code of Ethics, Sustainability Policies and Responsible Investment Policy contain explicit references and commitments to the fight against climate change. In line with this system of governance, in March 2023 Italmobiliare formalised its membership of the Science Based Targets initiative (SBTi), taking a firm commitment to set short and long-term emission reduction objectives in line with the net-zero scenario. In October 2023, we sent our short-term reduction objectives to the SBTi team of experts for scientific validation. Long-term targets (net-zero in 2050) will be sent as soon as guidelines are available. Following the Parent Company's commitment, the Portfolio Companies are also joining the SBTi.

Based on this rationale, Italmobiliare excludes investments in high-carbon sectors and subjects potential targets to due diligence processes including climate risk assessment, alignment with the Taxonomy and the SBTi. The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The Control and Risk Committee supervises the risk assessment process, which is then reviewed and approved by the Board of Directors. The Chief Sustainability Officer also takes part in the discussion on climate risks. The Internal Audit Department, which is entrusted with risk management, supported by the Sustainability Department, updates the assessment of exposure to climate risks annually and verifies its consistency every six months.

Over the years, the assessment has been refined, assisting and involving Portfolio Companies in identifying risks and opportunities linked to the various scenarios that are adopted. The transition risks are identified with respect to the scenario chosen as a strategic point of reference, i.e. "Net Zero 2050", defined by the Network for Greening the Financial System (NGFS), consistent with the SBTi commitment. From the same scenario, Italmobiliare has adopted the shadow price curve as an effective point of reference for quantifying in financial terms the evolution of political pressure, market preferences, available technologies and abatement costs.

Physical risks are identified with respect to the "Current Policies" scenario defined by the NGFS. The item that physical and/or transition risks could have the greatest impact on is equity investments, for which the above risks are factored into the business plans used for the impairment test, or into the related sensitivities.

Extreme climatic events and the extent to which they become chronic can impact assets with intrinsic characteristics of vulnerability, such as outdoor activities, those performed in sensitive geographical areas or dependent on single production structures. Overall, the Group's direct assets are not particularly exposed to physical risks. In any case, all Portfolio Companies, supported by budgets and strategic planning, adopt and update mitigation and adaptation measures at all locations. For some specific sectors, such as those that depend on agricultural or livestock commodities, the impacts may be more significant in the supply chain. The Portfolio Companies involved carefully monitor upstream operators, differentiating and creating alternatives in supplies and engaging them in mitigation initiatives.

Exposure to transition risks depends on the capacity for vision and governance of a complex series of critical factors, including:

- carbon intensity and the value of the carbon footprint;
- the adoption of decarbonisation strategies aligned with the commitment to the Science Based Targets initiative (SBTi);
- belonging to value chains that are already, or expected to become, heavily regulated in climate matters, or in which significant technological developments can be expected;
- the use of energy and energy-intensive raw materials;

- the size of logistics and distribution in sensitive B2B or B2C markets;
- growing expectations regarding transparency and performance on the part of authorities, institutions, investors, business partners and stakeholders in general.

The direct or indirect assets of the Group are exposed in different ways. In any case, supported by budgets and strategic planning, the Holding Company and all of the Portfolio Companies have already activated a process of decarbonisation. Among the initiatives already consolidated, the exclusive use of renewable electricity, which for new companies entering the portfolio is achieved within the first year.

The Non-Financial Report contains details on the main risks that have been identified and, above all, the numerous mitigation measures that have been adopted, refined or integrated, on the Group's carbon footprint including category 15 "investments" and on SBTi progress.

## CAFFÈ BORBONE

### Risk management policies

By its nature, the Group is exposed daily to risks deriving from its own activity, whether they are connected to the more traditional area of hygiene/health risk that can affect the quality of the products, to risks that may affect the health and safety of those directly or indirectly involved in the production process.

#### OBJECTIVES

The Group places among its objectives the ability to prevent and control the spread of risks associated with operating activities, with particular attention to the quality of its products to protect the health of consumers.

This occurs through "exclusion" and "precaution" interventions during the programming phase, to "prevention" interventions in the production processes.

#### FINANCIAL INSTRUMENTS

The financial instruments adopted by the company are intended solely to provide it with the funds required to carry on its business. Consequently, amounts, terms and conditions of financial instruments are designed to meet the needs of the operations to which they refer.

### Credit risk

The Group has established procedures for constant vetting of the creditworthiness of its customers, to whom it grants extended terms of payment, and limits product sales to customers with inadequate creditworthiness and guarantees. Customer vetting is based on the collection of data and information on new customers, and on monthly analyses of individual credit positions in order to check for any anomalies in average collection time, with investigation of material bad debts. The company has also arranged insurance cover against credit risk.

In addition to assessing the specific risk towards certain credit positions, the Group also carries out analyses of probable default of an overall nature, in relation to the ageing of the receivable.

In this regard, note that during 2023 the Group increased the provision for bad and doubtful accounts by 503 thousand euro to align the nominal amount, mainly of some specific credit positions, with the estimated realisable amount. Receivables amount to 56,510 thousand euro, while the allowance for doubtful accounts comes to 5,281 thousand euro.

## Liquidity risk

The Group manages liquidity risk through an efficient liquidity management policy and planning designed to establish short-term financial commitments as well as extraordinary measures to identify the most appropriate hedging solutions.

The table below sets out the NFP by maturity (residual life) compared with financial assets:

(in millions of euro)	Maturity				Total
	< 1 year	1 - 2 years	2 - 5 years	Beyond	
Total financial liabilities	(13.3)	(6.5)	(0.7)		(20.5)
Total financial assets	37.6				37.6
<b>Total NFP</b>	<b>24.3</b>	<b>(6.5)</b>	<b>(0.7)</b>		<b>17.1</b>

## Market risks

### INTEREST RATE RISK

Interest rate risk is the risk of changes in the value or future cash flows of a financial instrument, due to changes in interest rates.

Since part of the loans granted are not covered by swap derivative instruments, the company is exposed to interest rate risk.

### CURRENCY RISK

The segment is exposed to currency risk particularly as regards the euro/dollar exchange, since coffee-bean prices are quoted in dollars.

The risks of a rise in raw material prices are managed through appropriate commercial strategies contemplating corresponding adjustments to price lists where necessary.

### OTHER PRICE RISKS

This category includes risks related to fluctuations in market prices, which may have a material impact on the value or future cash flows of the Group.

Specifically, the segment is exposed to variations in the price of coffee, plastic and paper. The prices of these production factors and related market indicators are monitored continually in order to mitigate negative impact on results of operations through appropriate commercial strategies contemplating corresponding adjustments to price lists where necessary.

Even if only to a residual extent, Caffè Borbone S.r.l. is exposed to the risk of fluctuations in the prices of listed equities carried at fair value.

## Other risks

### CLIMATE CHANGE

During 2023, ESG risks were assessed, especially those related to the climate. The risks identified helped to confirm the mitigation initiatives already in progress or to define additional action plans to deal with the transition in the best way possible, transforming risks into business opportunities.

Overall climate risk for Caffè Borbone is considered high as a consequence of exposure to both physical and transitional risks in the food sector. Exposure to physical risks, both acute and chronic, has been estimated as medium-high, mainly on the availability of green coffee which is cultivated in sensitive non-European areas. Exposure to transition risks has been rated medium-high due to the probable evolution of segment policies. In addition there is market risk due to the growing sensitivity of distributors and consumers to low-carbon food products and reputational risk because of insufficiently effective communication on climate objectives. The main risk factor identified by the company is the increase in the price of raw material (coffee), which has been reflected in the forecast used for the impairment test.

No specific risks to the Group's property, plant and equipment and investment property have been identified.

## OFFICINA PROFUMO-FARMACEUTICA DI SANTA MARIA NOVELLA

### Risk management policies

By its nature, the group is exposed daily to risks deriving from its own activity, to risks that may affect the health and safety of those directly or indirectly involved in the production process.

#### OBJECTIVES

The group places among its objectives the ability to prevent and control the spread of risks associated with operating activities, with particular attention to the quality of its products to protect the health of consumers.

#### FINANCIAL INSTRUMENTS

The financial instruments adopted by the group are intended solely to provide it with the funds required to carry on its business. Consequently, amounts, terms and conditions of financial instruments are designed to meet the needs of the operations to which they refer.

### Credit risk

The credit risk is limited overall and relates to sales to distributors on the Asian market, as there is no credit risk on sales in shops and online. In any case, the group adopts credit risk mitigation procedures by analysing in advance the reliability of its distributors, limiting credit lines and monitoring the collection of receivables based on contractual deadlines. An adequate allowance is set aside for doubtful accounts.

## Liquidity risk

With regard to the policies and choices based on which management intends to address liquidity risk, the following should be noted:

- the Group owns financial assets for which a liquid market exists and which are readily saleable to meet liquidity needs;
- there are debt instruments or other lines of credit to meet liquidity needs;
- the Group has bank deposits to meet liquidity needs;
- there are no significant concentrations of liquidity risk.

In this context, liquidity risk is considered to be extremely limited.

## Market risks

The Group operates in the so-called “Beauty and Personal Care” (BPC) sector, characterised by high competition and the presence of large operators able to influence consumers' choices and preferences. In any case, the particular segment in which the group operates, the level of differentiation of the products that it sells, combined with high brand awareness and tradition, has created a close relationship with customers that significantly mitigates this risk.

The Group is focusing its efforts on implementing and improving a direct approach to the market by developing efficient and user-friendly online channels. It has also been promoting marketing investments to strengthen brand awareness, while constantly working on new products and the renewal of existing products.

The Group is well aware of the fact that consumers are becoming more and more sensitive to the question of product sustainability, which is why we have invested in continuous research into suitable components, promoted transparent communication on products, their development and production and the origin of the raw materials.

### INTEREST RATE RISK

Interest rate risk is the risk of changes in the value or future cash flows of a financial instrument, due to changes in interest rates.

The group does not have any financial debt with the banking system. Consequently, the risk of changes in the interest rate is connected to the return on financial assets and that of cash and cash equivalents, so it is considered irrelevant.

### CURRENCY RISK

Group companies do not carry out operations and transactions in currencies other than their own, so there is no risk for the group attributable to changes in exchange rates.

## Other risks

### CLIMATE CHANGE

The Group is well aware of the fact that consumers are becoming more and more sensitive to the question of product sustainability, which is why we have invested in continuous research into suitable components, promoted transparent communication on products, their development and production and the origin of the raw materials.

No significant effect is expected on cash flows or the useful life of fixed assets.



## ITALGEN

The segment is exposed to the following risks arising from the use of financial instruments:

- credit risk;
- market risk.

Information about group exposure to each of the listed risks, the goals and processes of risk management policy and the methods used to assess risk is provided below.

### Credit risk

During 2023, Italgén updated its commercial policy by signing new long-term power purchase contracts (PPAs) with companies controlled by the Italmobiliare Group and external end-customers, as well as wholesalers for approximately 50% of the expected output. These contracts provide for the physical delivery of electricity to the customer, falling within the "own use exemption" of IFRS 9. The rest is sold on the Power Exchange at variable prices. The end-customers and selected wholesalers have a very high credit rating and credit worthiness, which means that the company is exposed to a very limited risk that trade receivables will not be collected.

### Market risks

Market risk is the risk of fluctuation in the fair value or future cash flows of a financial instrument due to variations in market prices as a result of changes in exchange and interest rates. The aim of market risk management is to keep exposure to the risk within acceptable limits and, at the same time, to optimize return on investment.

#### INTEREST RATE RISK

Italgén is exposed to an interest-rate risk since about 40% of its net financial position is at a floating rate, indexed to 1, 3 and 6 month Euribor.

At December 31, 2023 an increase of 1% in the reference rates would have led to an increase of 264 thousand euro of finance costs and an increase of 34 thousand euro on finance income.

### Liquidity risk

Italgén has unconfirmed credit lines for a total of 23.5 million euro. These credit lines cover the financial requirements caused by the seasonal nature of the business which typically results in a rise of the net financial position in the first half and a subsequent decline in the second half of the year.

During the periodic refinancing of the medium-term gross debt, the company aims to maintain at least 50% of the repayment instalments with a maturity of more than twelve months.

The contracts for certain loans granted to the Italgén Group contain covenants that require compliance with financial indicators that typically are calculated once a year. The financial indicator of reference is leverage (gross financial debt, net of cash and cash equivalents/gross operating profit), with a top limit of between 3.5 and 4.0. Failure to comply with these covenants would result in termination of the arrangement leading to early repayment. At December 31, 2023, the covenants were amply complied with.

## Other risks

### CLIMATE CHANGE

The Italgen Group is exposed to both meteorological risks, linked to the volume of rainfall which in a single year can differ significantly from the historical average, with negative effects on production volumes, and to price risk. In recent years, the company has reduced its fixed cost base in order to be less exposed in the event of particularly dry years. It has also embarked on a process of diversifying its sources of energy production.

During 2023, ESG risks were assessed, especially those related to the climate. The risks identified helped to confirm the mitigation initiatives already in progress or to define additional action plans to deal with the transition in the best way possible, transforming risks into business opportunities. Overall climate risk for Italgen is considered medium-high. Exposure to physical risks, both acute and chronic, is put at medium-high, mainly because of the effects of reduced rainfall on the availability of water to be used in turbines; in fact, in the 2024-2055 business plan updated to January 2024, the assumption for the forecast of future rainfall is the average rainfall of the last five years (lower than the ten years used previously due to the scarcity of rainfall in recent years).

## CASA DELLA SALUTE

### Risk management policies

Operating in the medical-health sector, the group is exposed on a daily basis to risks deriving from its business and the health of the patients wanting the services that it offers.

### OBJECTIVES

The Casa della Salute group wants to be a point of reference for the prevention and promotion of health, responding to the needs of assistance and of people with innovative and patient-oriented management models, with the excellence of instrumental performances always aligned with state-of-the-art technologies and a consolidated partnership with the National Health System.

### FINANCIAL INSTRUMENTS

The financial instruments adopted by the group are intended solely to provide it with the funds required to conduct its core business. Consequently, amounts, terms and conditions of financial instruments are designed to meet the needs of the transaction to which they refer.

### Credit risk

Cash receipts are mainly collected through a POS (using a debit or credit card); for this reason, the group has a low risk exposure in relation to the collection of trade receivables, which represent approximately 85% of turnover.

The group is currently establishing a procedure for managing receivables and evaluating their ageing; in addition to assessing the specific risk in relation to certain debtor positions, analyses are carried out in relation to the age of the receivable.

At the end of 2023, as a result of these evaluations, the provision for doubtful accounts was increased by 54 thousand euro. Receivables amount to 3,752 thousand euro, while the provision for doubtful accounts amount to 151 thousand euro.

## Liquidity risk

In relation to the debt position, Casa della Salute is exposed to liquidity risk (i.e. the risk of encountering difficulties in meeting the obligations assumed in the loan agreements).

The following is a summary of the residual value of the loans outstanding at 31 December 2023 and the repayment plan.

(in millions of euro)	Maturity				Total
	< 1 year	1 - 2 years	2 - 5 years	Beyond	
Total financial liabilities	(5.8)	(14.3)	(27.4)	(28.8)	<b>(76.3)</b>
Total financial assets	10.0				<b>10.0</b>
<b>Total NFP</b>	<b>4.2</b>	<b>(14.3)</b>	<b>(27.4)</b>	<b>(28.8)</b>	<b>(66.3)</b>

## Market risks

### INTEREST RATE RISK

Interest rate risk is the risk of changes in the value or future cash flows of a financial instrument, due to changes in interest rates.

The Casa della Salute group has eleven bank loans outstanding, of which eight at floating rate and therefore exposed to interest rate risk, and three at fixed rate.

### OTHER PRICE RISK

This category includes risks related to fluctuations in market prices, which may have a material impact on the value or future cash flows of the group.

In particular, Casa della Salute is exposed to changes in the price of the utilities and raw materials used. Their prices are constantly monitored with the aim of mitigating, as far as possible, these risks and any negative impact on the group's results.

## Other risks

### CLIMATE CHANGE

During 2023, ESG risks were assessed, especially those related to the climate. The risks identified helped to confirm the mitigation initiatives already in progress or to define additional action plans to deal with the transition in the best way possible, transforming risks into business opportunities. The climate change risk is not regarded as significant.

It should be noted that in January 2024, membership of the Science Based Targets initiative ("SBTi") and the Net Zero 2050 objective was formalised.

The SBTi is a global body that enables businesses to set ambitious emissions reduction targets in line with the latest climate science. The SBTi's goal is to push companies around the world to support the aim of the global economy to halve emissions by 2030 and reach net zero by 2050.

As regards new investments, a preliminary analysis shows a limited physical risk, given that the various clinics are located in different places.

## CALLMEWINE

The Group, which operates in the online sale of wines and spirits, is mainly exposed to market risk, generated by a very strong impact in competitive terms and by a highly variable purchase price dynamic caused by product availability and inflationary increases.

### Market risks

#### OTHER PRICE RISK

This category includes risks related to fluctuations in market prices, which may have a material impact on the margins of the company.

Callmewine's objective is to identify a correct balance in terms of margins between selling prices to the public, which are heavily influenced by very aggressive competition, and the purchase costs of raw materials, which continue to suffer from inflation, albeit to a lesser extent than last year. In addition, it is expected that a particularly poor year for wine production, such as 2023, could be another excuse for producers to raise their prices.

Lastly, the general decline in consumption and the consequent reduction in wine purchases by customers in terms of frequency and average expense should not be overlooked.

### Other risks

#### CLIMATE CHANGE

Callmewine, whose business is linked to products derived from the land and the use of natural resources, is paying suitable attention to climate risk. It has identified the critical nature of two aspects in particular: the vulnerability of vineyards to climate change and the complexity of political decisions regarding the agri-food world.

The diversification of products by geographical areas with different impacts in terms of climate and the rising awareness of producers towards sustainability and environmental issues are some of the risk containment measures launched by Callmewine.

## CAPITELLI

### Other risks

The main risk for Capitelli undoubtedly concerns the procurement of pork meat, its raw material, both in terms of cost and in terms of quality, a situation that has got worse following cases of swine fever in Italy, even if limited to the Pavia area. This has had a direct effect on the availability of pigs, and an indirect effect in terms of further volatility in the cost of the raw material, which has increased even more. These two factors have pushed up the price of pork. The company has put a number of specific measures in place to mitigate these risks. The most important involves the creation and progressive strengthening of a supply chain dedicated to Capitelli. Indeed, the company already ensures that it has a safe and certified source of supply for a significant percentage of its production through partnerships with breeders and slaughterhouses.

From a medium to long-term perspective, the plan is to offer partners multi-year agreements at a fixed price, which would help to limit fluctuations in the cost of raw materials for a certain period of time. Capitelli invests continuously in process improvements in order to guarantee the excellence of its products and in 2023 it obtained IFS certification for the quality and traceability of its food output.

Capitelli continuously invests in process improvements to ensure the excellence of its products and in 2023 obtained IFS certification on the quality and traceability of food production. During 2023, the assessment of ESG risks and climate risk in particular was updated.

There is only one production site, which is exposed to physical risk as there is no easy backup in the event of an emergency that interrupts production. The maintenance and improvement of the plant's adaptation measures are the most effective type of mitigation that has been implemented. The supply chain is highly dependent on farmed commodities (pork), which are exposed - especially in the warmer seasons - to the risk of insufficient nutrition for the quality standards that are needed. The most relevant mitigation initiative is the launch of the Capital Supply Chain, which promotes animal welfare, resilient farming practices, entrepreneurial culture and financial support. Even more important is the exposure to transition risks, particularly those connected to regulations in force or being adopted with a focus on the climate and effects on direct or indirect operations (e.g. packaging), those connected to the growing sensitivity of consumers and sales channels (large-scale retail) towards products with a low carbon footprint and those relating to the adequacy of communication on the commitment to fight climate change. Capitelli responds by joining the Science Based Targets initiative - SBTi (January 2024) and starting to define an aligned decarbonisation strategy, also through the selection and growing involvement of suppliers (e.g. packaging). Lastly, the improvement of metrics and disclosure is continuous and progressive, in anticipation of legal requirements. With a view to effectively dealing with possible increases and fluctuations in the cost of energy, which have been frequent and unpredictable in recent years, Capitelli has signed a long-term agreement with Italgas for the fixed-price supply of renewable energy produced by a supply chain that is 100% made in Italy.

## CLIMATE CHANGE

Capitelli fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business. In 2023, Capitelli joined the UN Global Compact, the most important global strategic corporate sustainability initiative. Two accidents happened at work during 2023. Capitelli continues to implement a methodological approach aimed at creating a full safety culture. Since 2022, Capitelli has been using exclusively renewable electricity, self-produced or purchased with guarantees of origin, in further evolution as already mentioned in the previous paragraph. The fulcrum of the strategic programme of sustainable development and emissions reduction is the agreement reached with Italgas for the construction of a photovoltaic park adjacent to the Capitelli factory with approximately 4 MW of power. The new plant, which is expected to come into operation in early 2025, will make it possible to satisfy most of the company's electricity and heating needs.

## SIDI SPORT

### Other risks

## CLIMATE CHANGE

The growing sensitivity of consumers towards issues of climate change and, more generally, towards the question of sustainability presents companies with new challenges and exposes them to possible critical issues. Ever since it joined the Italmobiliare group, SIDI has been integrating ESG principles into all areas of its business. During 2023, the assessment of ESG risks and climate risk in particular was updated. In the coming months the company will take further important steps through membership of the Science Based Targets initiative (SBTi) – expected in early 2024 – and the alignment of metrics and disclosure in anticipation of legal requirements.

Furthermore, with a view to effectively dealing with possible increases and fluctuations in the cost of energy, which have been frequent and unpredictable in recent years, SIDI Sport has signed a long-term agreement with Italgas for the fixed-price supply of renewable energy produced by a supply chain that is 100% made in Italy.

SIDI Sport fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business. During 2023, SIDI Sport successfully completed the year of ESG "onboarding", which includes a series of activities codified by the Responsible Investment Policy of the Italmobiliare Group.

Furthermore, in 2023, SIDI Sport had already joined the UN Global Compact, the most important global strategic corporate sustainability initiative. There were no accidents at work involving company personnel.

Assessment has been made of the potential impact of using recycled materials in the future production of sports shoes. However, at present, the technologies have not yet been developed, so the effects cannot be estimated.

## CSRD

In 2023, Italmobiliare activated the transition towards application of the Corporate Sustainability Reporting Directive (CSRD). A multifunctional working group was set up under the coordination of the Sustainability Department, which activated three work areas according to a specific timeline: more timely analysis of the contents with respect to the current reporting, a review of the internal processes and control points needed to ensure the quality of data collection, and the exploration of IT tools that can support more effective management of information flows.

The first work area (contents) has been completed, identifying the elements requiring the most attention in the quantification of risks and opportunities and the definition of evolutionary strategies. The data collection relating to assets and revenue required by the ESRS E1 standard was also tested on 2023. The activity of the second work area (processes) is currently underway, with the aim of defining the guidelines to be implemented at Holding and Portfolio Companies level by April 2024. The third work area has also been activated, involving a first in-depth meeting with a provider capable of integrating the tools already used for financial reporting.

## OTHER INFORMATION

### Transactions with related parties

Data relating to transactions with related parties in 2023 were not significant. They are detailed in the table below:

(in thousands of euro)	Revenue and income (expense)	Trade receivables (payables)	Financial assets (liabilities)	Net finance income/(costs)	Other operating income (expense)
Associates not consolidated line-by-line	151	128	1,759	79	
	(375)	(28)			
Other related parties	20				
	(743)				650
<b>Total</b>	<b>171</b>	<b>128</b>	<b>1,759</b>	<b>79</b>	
	<b>(1,118)</b>	<b>(28)</b>			<b>650</b>
% impact on financial statement items	0.0%	0.0%	0.6%	5.1%	
	-0.3%	0.0%			-1.4%

The comparatives for 2022 are set out below:

(in thousands of euro)	Revenue and income (expense)	Trade receivables (payables)	Financial assets (liabilities)	Net finance income/(costs)	Other operating income (expense)
Associates not consolidated line-by-line	763	47	1,834	43	
		(9)			
Other related parties					
	(711)				
<b>Total</b>	<b>763</b>	<b>47</b>	<b>1,834</b>	<b>43</b>	
	<b>(711)</b>	<b>(9)</b>			
% impact on financial statement items	0.2%	0.0%	0.7%	17.2%	
-	0.2%	0.0%			1.2%

The percentage impact of the above-mentioned transactions with related parties on cash flows was negligible.

### Remuneration of key management personnel

The table below sets out the amounts accrued during the year by key management personnel: the Directors, the Chief Operating Officer and the Italmobiliare S.p.A. Financial Reporting Officer, for positions held in the Group:

(in thousands of euro)	2023	2022
Short-term benefits: fees and remuneration	7,218	6,882
Other long-term benefits: length-of-service bonuses and incentives	4,748	3,276
Share-based payments (stock options)		
<b>Total</b>	<b>11,966</b>	<b>10,158</b>

## Audit fees

The following table provides details of the 2023 audit fees of the Italmobiliare Group for the independent auditors Deloitte & Touche S.p.A. and the foreign companies of the Deloitte & Touche network, pursuant to art. 149-duodecies para. 1, CONSOB Resolution no. 11971 of May 14, 1999:

(in thousands of euro)	Deloitte S.p.A.	Other Italian companies in the Deloitte network	Other foreign companies in the Deloitte network
Audit services	768		
Other attestation services	81		
Other legal, tax and corporate services	15	20	
Other consultancies	122	184	
Expenses	76		
<b>Total</b>	<b>1,062</b>	<b>204</b>	

With regard to Clessidra, 263 thousand euro was also invoiced for activities carried out on unconsolidated funds by Italmobiliare.

## Grants from the Public Administration

Following approval of the annual Competition Law no. 124/2017 aimed at improving the transparency of public grants received, it should be noted that:

- Italgas S.p.A., during the year, received from Gestore dei Servizi Energetici S.p.A., with tax code 05754381001, GRIN incentives (a new form of incentive provided under ministerial decree 06/07/2012 for all IAFR ex Green Certificates plant, effective as from 2016) totalling 129 thousand euro gross of tax withholdings and operating expense as per art. 4 of the incentivised tariff agreement, as well as electric energy sales at the All-Inclusive Tariff, i.e. tariffs for withdrawal of power sent to the grid whose value includes both the price component and the incentivised component, also from Gestore dei Servizi Energetici S.p.A., for 915 thousand euro, and FER-E incentivised electric energy sales for 704 thousand euro, also from Gestore dei Servizi Energetici S.p.A. During the year, Italgas received the contribution of the Asos components from the Cassa per i Servizi Energetici e Ambientali following the verification of the SEESU network balance on energy-intensive consumers pursuant to the Energy Decree belonging to the electrical intensity class "VAL X", for the years from 2018 to 2021, for a total of 7,827 thousand euro.
- during the year, Idroenergia received from Gestore dei Servizi Energetici S.p.A. 51 thousand euro for sales of FER-E incentivised electric energy and 386 thousand euro for sales of so-called "Dedicated Withdrawal" electricity at minimum guaranteed prices;
- during the year, Idrodezzo received 130 thousand euro from Gestore dei Servizi Energetici S.p.A. for sales of FER-E incentivised electric energy;
- during the year, Rovalto received 393 thousand euro from Gestore dei Servizi Energetici S.p.A. for sales of FER-E incentivised electric energy;
- in 2023, the Casa della Salute group received 16 thousand euro of training aid intended for companies operating in the Ligurian territory, 11 thousand euro as an advertising bonus, 19 thousand euro as an exemption adopted following the crisis caused by the Covid-19 epidemic (regarding payment of IRAP), and used 765 thousand euro as a tax credit for Industry 4.0 investments and 87 thousand euro as an energy tax credit (for electricity and gas);
- Caffè Borbone received relief from social contributions under the "Decontribution for Southern Italy" scheme for 1,061 thousand euro, and used 932 thousand euro as an energy tax credit (electricity and gas) and 3,190 thousand euro as a tax credit for Industry 4.0 and ZES investments;



- SIDI Sport received financial benefits in 2023 for contributions in the form of a tax credit for investments in capital goods pursuant to L.190/2019 and L.178/2020 ("Industry 4.0") for a total of 7,237 thousand euro; contributions in the form of tax credits linked to the Energy Decree (Law Decree no. 17 of 1 March 2023, converted into law 34/2023 and amended by Legislative Decree 21/2023 and Legislative Decree 50/2023) relating to the consumption of electricity and gas, for a total of 35 thousand euro, grants in the form of savings on the social security contributions paid by the Company for its employees, as a result of the INPS decontribution for maternity relief for 1.4 thousand euro, and contributions for advertising bonuses for 10 thousand euro.
- Capitelli used 19 thousand euro as an energy tax credit (electricity and gas) and 2 thousand euro as an advertising bonus.

## Statement of cash flows

### B) CASH FLOWS FROM INVESTING ACTIVITIES

The table below shows the main equity investments acquired by the Group in 2023:

(in millions of euro)	2023	2022
Private equity funds	31.1	52.5
Value Italy	5.8	
Casa della Salute Group	5.3	
Farmagorà Group	1.6	10.2
Officina Profumo-Farmaceutica di Santa Maria Novella Group	0.7	
SIDI Sport		87.1
Bene Assicurazioni		41.1
Florence InvestCo		13.0
Archimede		12.0
Callmewine		4.5
CCC Holdings Europe		2.5
SES		1.1
Other	0.4	3.6
Cash acquired	(2.6)	(21.1)
<b>Total</b>	<b>42.3</b>	<b>206.5</b>

Equity investments are shown net of the cash and cash equivalents of the companies acquired and the change in payables for equity investment acquisitions.

The following table shows the main disposals of equity investments made by the Group in 2023:

(in millions of euro)	2023	2022
Sale of property, plant & equipment	3.5	2.2
Sales of investments:		
Florence InvestCo	75.6	
Heidelberg Materials AG	30.5	
Unicredit	4.0	
BDT fund (partial reimbursement)	2.7	8.8
Clessidra funds (partial reimbursement)	1.9	6.8
Dokimè	1.7	
Iconiq fund (partial reimbursement)	0.8	2.1
Ariston	0.4	
Isomer fund (partial reimbursement)	0.4	
Connect fund (partial reimbursement)	0.1	
Officina Profumo-Farmaceutica di Santa Maria Novella (partial sale)		10.0
Coima Res		4.1
Archimede (partial sale)		3.0
Lindsay Goldberg fund (partial reimbursement)		0.6
Lauxera (partial reimbursement)		0.2
Other		
<b>Total</b>	<b>121.6</b>	<b>37.8</b>

## Significant events after the reporting date

On 28 February the sale of the investment in AGN Energia was completed. Italmobiliare held a 32.02% stake in AGN Energia and realised 100 million euro from selling it, approximately 20% more than the latest valuation of its NAV, with a gain of around 26 million euro and a cash on cash return of 1.8x.

## Outlook

In 2023, the global economy recorded a change in real GDP (estimated +3%) in line with growth potential. However, the second quarter of the year was characterised by a general slowdown in the economy, especially in the manufacturing sector and in Europe.

Although the expansionary phase remains below the long-term trend, the start of the new year has highlighted an acceleration of the cycle, driven above all by services. After sixteen months of contraction, the manufacturing sector has stabilised with an increase in the ratio between new orders and inventory to the highest level seen in the last twenty-four months, which suggests a further strengthening. The Eurozone remains in contraction, but the indicators (including employment) point to a gradual recovery, including industry, burdened by the repercussions of the energy crisis and the decline in world trade. Faced with moderate expansion in China, grappling with the deflationary effect of reduced leverage in the real estate sector, the United States has seen an increase in pace, particularly in services.

The average inflation rate in advanced economies fell to 4.6% in 2023, from 7.3%, pushed down by the dynamics of goods and energy prices, while the decline in service prices continues with greater stickiness, bolstered by the increase in wages. Unemployment in the main economies remains at all-time lows, despite the monetary tightening started two years ago.

The current year's prospects for the main economies, including the Eurozone, should benefit from a foreseeable increase in real incomes, which should generate more demand for consumer goods: wage growth, despite having reached its peak and slowing down, still stands above the sequential trend of inflation. With the exception of impromptu monthly data, inflation should fall even more with the main contribution coming from services other factors, including energy, remaining generally stable. Global price dynamics are also contained by China, a global deflationary factor. Tensions in the Suez Canal may have an impact on value chains (delivery times, tariffs) but they currently appear to be under control. Financial and credit conditions should also generate a positive impulse, with the central banks of the main countries expected to lower their interest rates over the coming months. Fiscal policy remains expansionary, although the boost to growth is neutral or negative compared with 2023. Investments benefit from topics related to infrastructure spending, reallocation of value chains and investment in technology. In the Eurozone, the lower investments in the first half of the year resulting from the delayed effects of the monetary tightening should be partially offset by the higher spending foreseen by the national programmes relating to the NextGeneration EU post-covid recovery plan.

The probability of a global recession remains low, but one could be triggered by various endogenous and exogenous factors. Deglobalisation, high debt and demographic effects reduce the growth potential of the Chinese economy. In particular, debt reduction in the real estate sector is having an impact on the country's overall demand, triggering off a deflationary trend. This vicious circle can only be interrupted through economic policy interventions, especially fiscal policy to support consumption. If they proved to be insufficient, the effects would be global (China's weight in terms of global GDP comes to 19.5%), with significant repercussions in Asia, Europe and Latin America. The issue of the sustainability of public debt, on the other hand, involves the main advanced economies, exposed to the relative trend of interest expenditure compared with the nominal growth rate (in Italy, but not only). Moreover, central banks face a symmetrical risk between inflation and recession: an excessive time lag between the fall in inflation and "delays" in the interest rate cut (leading to a further increase in real interest rates) would be reflected in a higher impact of monetary tightening, while a premature or "aggressive" reduction in rates could "unmoor" inflation expectations. Lastly, the scenario is exposed to various potential exogenous shocks: the escalation of conflicts and geopolitical tensions, the possible repercussions of a year full of elections (in USA/Europe in particular). The effects would be immediately reflected on certain variables and factors, such as raw materials, the crisis of value chains, the volatility of financial markets and a consequent deterioration in financial/credit conditions.

Italmobiliare's portfolio once again confirmed the characteristics of resilience that it had shown previously, thanks to proactive risk management, the complete integration of sustainability into its development strategies and the management reactivity on the part of the Holding and Portfolio Companies. Even though results differed between the various Portfolio Companies, some of which were heavily penalised by adverse market trends, overall at an aggregate level, they showed slightly better results in terms of both turnover and EBITDA, which is reflected in the decidedly positive performance of the NAV per share.

In a scenario which for 2024 remains characterised by macroeconomic uncertainties and geopolitical tensions of extraordinary importance, the challenge will be to further consolidate the resilience of the portfolio as a whole and support the investee companies in maintaining or recovering growth trajectories, in terms of both volumes and margins, with a view to creating sustainable value.

Realising the value of the stake in AGN Energia at the end of February 2024, as well as the previous sale of the interest in the Florence Group during 2023, both achieved excellent returns on investment. This confirms Italmobiliare's ability to create value by proactively supporting the transformation and growth phase of the investee companies, as well as its strategic flexibility in seizing opportunities to rotate the portfolio if the process of accompanying the business has been completed and market conditions suggest that it is the right time to sell.

In addition to the continuous search for management efficiency and integration of strategic skills that are consistent with the increasingly high level of challenges facing Italian SMEs, in 2024 the focus will continue to be on encouraging the main portfolio companies to grow through targeted M&A and add-ons, and initiatives involving organic development and international expansion.

The progressive development or acquisition of synergetic assets characterises the strategy of Casa della Salute and Italgas to consolidate their presence in two highly strategic sectors such as healthcare, increasingly affected by a need for high quality and accessible services, territorial capillarity and innovation technology, and the renewable energy sector, at the heart of the transition towards a low-carbon economy and diversification of energy sources.

M&A and development transactions aimed at building the direct presence in key markets are also accompanying the international expansion of Officina Profumo-Farmaceutica di Santa Maria Novella, especially in areas of high potential such as Asia and the USA, together with the continuous development of new products that are able to intercept the requests of an increasingly wide audience in the wake of a centuries-old tradition of excellence that is unique in the world.

Caffè Borbone, which continues its path of consolidation among the leaders of the single-serve coffee sector in Italy, has undertaken a strong process of growth abroad with the aim of proposing its products with an excellent quality/price ratio in selected European markets and in the United States.

Among the other main Portfolio Companies, Capitelli will continue to promote brand awareness, enhancing the extraordinary quality of its products, while Sidi, whose year was affected by the strong global slowdown in the bicycle sector, by a significant strengthening of the management team and by the progressive optimisation of the distribution and supplier network, aims to recover volumes and margins in the high-end segment which has always characterised its positioning in technical footwear for motorbikes and bicycles, also thanks to the launch of new product categories.

At the same time, Italmobiliare will continue its proactive role as a strategic partner in the growth plans of minority investments such as Tecnica Group, Iseo and Bene Assicurazioni.

On the alternative investment fund front, in addition to the active monitoring of a varied portfolio spread across a wide variety of asset classes, Italmobiliare's leading role continues in the development of the Clessidra Group's multi-asset platform, with projects for further evolution, growth and diversification in all of its areas of activity that are already consolidated: Private Equity, Credit/Debt and Factoring.

Milan, March 7, 2024

***For the Board of Directors***  
**The Chief Executive Officer**  
**(Carlo Pesenti)**



# ANNEX

The table below sets out equity investments held also indirectly when such investments exceed 10% of capital. It also indicates the consolidation method and non-controlling interests.

Company	Head Office		Share Capital		Interest held by Group Companies		
					Direct	Indirect	%
Parent Company							
Italmobiliare S.p.A.	Milano	I	EUR	100,166,937.00			
035 Investimenti S.p.A.	Bergamo	I	EUR	4,157,928.00	10.588		10.588 Italmobiliare S.p.A.
AGN Energia S.p.A.	Volpiano (TO)	I	EUR	11,287,783.00	32.019		32.019 Italmobiliare S.p.A.
AGN Molise S.r.l.	Genova	I	EUR	239,000.00		100.000	100.000 AGN Energia S.p.A.
Alba Tramezzini S.p.A.	Faggiano (TA)	I	EUR	90,000.00		70.000	70.000 New Flour S.p.A.
Archimede S.p.A.	Milano	I	EUR	1,000,000.00	17.241		17.241 Italmobiliare S.p.A.
Autogas Riviera S.r.l.	Taggia (IM)	I	EUR	102,000.00		50.000	50.000 AGN Energia S.p.A.
Bea Arquata S.r.l.	Busalla (GE)	I	EUR	60,000.00		80.000	80.000 Casa della Salute S.p.A.
BEA Biella S.r.l.	Busalla (GE)	I	EUR	130,000.00		51.000	51.000 Casa della Salute S.p.A.
Beijing Tecnica Sport Equipment Co., Ltd	Beijing	RC	CNY	25,727,280.00		50.000	50.000 Tecnica Group S.p.A.
Bene Assicurazioni S.p.A. Società Benefit	Milano	I	EUR	25,199,000.00	19.996		19.996 Italmobiliare S.p.A.
Blizzard Produktion GmbH	Chop	UA	EUR	7,501,701.00		100.000	100.000 Blizzard Sport GmbH
Blizzard Sport GmbH	Mittersill	A	EUR	36,336.00		100.000	100.000 IQ-Sports Verwaltungs GmbH
Blizzard Sport Liegenschaftsverwaltungs GmbH	Mittersill	A	EUR	36,336.00		99.000	99.000 Blizzard Sport GmbH
bService S.C.A.R.L. Società Benefit	Milano	I	EUR	50,000.00		51.000	51.000 Bene Assicurazioni S.p.A.
Caffè Borbone S.r.l.	Caivano (NA)	I	EUR	1,000,000.00	60.000		60.000 Italmobiliare S.p.A.
Caffè Borbone America Corp.	Fairfield (NJ)	USA	USD	10,000.00		100.000	100.000 Caffè Borbone S.r.l.
Callmewine S.r.l.	Milano	I	EUR	12,245.92		80.000	80.000 FT3 S.r.l.
Callmewine UK Limited	London	UK	GBP	5,000.00		100.000	100.000 Callmewine S.r.l.
Capitelli F.lli S.r.l.	Borgonovo Val Tidone (PC)	I	EUR	51,480.00	80.000		80.000 Italmobiliare S.p.A.
Casa della Salute S.p.A.	Genova	I	EUR	3,696,939.00	84.734		84.734 Italmobiliare S.p.A.
Casa della Salute Sardegna S.r.l.	Genova	I	EUR	1,000,000.00		90.000	90.000 Casa della Salute S.p.A.
CDS Medical S.r.l.	Genova	I	EUR	4,200,000.00		100.000	100.000 Casa della Salute S.p.A.
Cerraduras Iseo Iberica S.L.	Ajalvir - Madrid	E	EUR	300,500.00		90.000	90.000 Iseo Serrature S.p.A.
Clessidra Capital Credit SGR S.p.A.	Milano	I	EUR	2,550,000.00		100.000	100.000 Clessidra Holding S.p.A.
Clessidra CRF G.P. società semplice	Milano	I	EUR	10,000.00		49.000	49.000 Clessidra Capital Credit SGR S.p.A.
Clessidra Factoring S.p.A.	Milano	I	EUR	13,650,000.00		100.000	100.000 Clessidra Holding S.p.A.
Clessidra Holding S.p.A.	Milano	I	EUR	10,000,000.00	100.000		100.000 Italmobiliare S.p.A.
Clessidra Private Equity SGR S.p.A.	Milano	I	EUR	3,600,000.00		100.000	100.000 Clessidra Holding S.p.A.
C.R.M. S.p.A.	Modena	I	EUR	110,000.00		100.000	100.000 New Flour S.p.A.
Compagnia Fiduciaria Nazionale S.p.A.	Milano	I	EUR	90,000.00	16.668		16.668 Italmobiliare S.p.A.
Crédit Mobilier de Monaco S.A.	Montecarlo	MC	EUR	5,810,000.00	99.914		99.914 Italmobiliare S.p.A.
D.O.G.M.A. S.r.l.	Genova	I	EUR	27,000.00		100.000	100.000 Casa della Salute S.p.A.
Eco Park Wind Power	Sofia	BG	BGN	5,000.00		100.000	100.000 Gardawind S.r.l.
Ecoclina S.r.l.	Ariano nel Polesine (RO)	I	EUR	90,000.00		55.000	55.000 AGN Energia S.p.A.
Fara Real Estate S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000 Farmagorà Holding S.p.A.
Farmacia Centrale Ambrosi La Spezia S.r.l.	La Spezia	I	EUR	10,000.00		99.000	99.000 Farmagorà 20 S.r.l.
Farmacia Corti S.r.l.	Novate Mezzola (SO)	I	EUR	50,000.00		80.000	80.000 Farmagorà 17 S.r.l.
Farmacia De Tillier S.r.l.	Aosta	I	EUR	20,000.00		100.000	100.000 Farmagorà 22 S.r.l.
Farmacia degli Angeli S.r.l.	Volpiano (TO)	I	EUR	10,000.00		100.000	100.000 Farmagorà 13 S.r.l.
Farmacia Martinelli Claudia S.r.l.	Teglio (SO) - fraz. Tresenda	I	EUR	20,000.00		100.000	100.000 Farmagorà 24 S.r.l.
Farmacia Quadrio S.r.l.	Sondrio (SO)	I	EUR	20,000.00		100.000	100.000 Farmagorà 26 S.r.l.
Farmacia San Martino S.r.l.	Tirano (SO)	I	EUR	20,000.00		100.000	100.000 Farmagorà 28 S.r.l.
Farmacia Santagostino S.r.l.	Assago (MI)	I	EUR	60,000.00		100.000	100.000 Farmagorà 16 S.r.l.
Farmagorà 12 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000 Farmagorà Holding S.p.A.
Farmagorà 13 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000 Farmagorà Holding S.p.A.
Farmagorà 15 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000 Farmagorà Holding S.p.A.
Farmagorà 16 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000 Farmagorà Holding S.p.A.
Farmagorà 17 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000 Farmagorà Holding S.p.A.
Farmagorà 18 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000 Farmagorà Holding S.p.A.
Farmagorà 19 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000 Farmagorà Holding S.p.A.
Farmagorà 20 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000 Farmagorà Holding S.p.A.

Method	Non-controlling interest %	Equity at 31/12/2022		Profit for the year 2022		Company
						Parent Company <b>Italmobiliare S.p.A.</b>
Fair Value		EUR	6,968,927	EUR	-246,134	035 Investimenti S.p.A.
Equity		EUR	195,956,043	EUR	1,720,251	AGN Energia S.p.A.
Equity		EUR	n.d.	EUR	n.d.	AGN Energia S.p.A.
Fair Value		EUR	6,001,000	EUR	- 90,538	Alba Tramezzini S.p.A.
Fair Value		EUR	50,492,651	EUR	- 1,707,349	Archimede S.p.A.
Equity		EUR	2,237,585	EUR	511,884	Autogas Riviera S.r.l.
Cost		EUR	60,000	EUR	-18,125	Bea Arquata S.r.l.
Line-by-line	49.000	EUR	477,918	EUR	225,281	BEA Biella S.r.l.
Equity		CNY	-31,900,384	CNY	-11,674,541	Beijing Tecnica Sport Equipment Co., Ltd
Fair Value		EUR	60,357,248	EUR	177,939	Bene Assicurazioni S.p.A. Società Benefit
Equity		EUR	1,640,321	EUR	21,521	Blizzard Produktion GmbH
Equity		EUR	36,065,377	EUR	17,889,824	Blizzard Sport GmbH
Equity		EUR	5,627,765	EUR	4,983	Blizzard Sport Liegenschaftsverwaltungs GmbH
Fair Value		EUR	65,449	EUR	10,461	bService S.C.A.R.L. Società Benefit
Line-by-line	40.000	EUR	369,419,086	EUR	38,958,263	Caffè Borbone S.r.l.
Line-by-line		USD	-116,278	USD	-126,278	Caffè Borbone America Corp.
Line-by-line	20.000	EUR	2,928,595	EUR	-1,215,456	Callmewine S.r.l.
Line-by-line		GBP	-14,235	GBP	-19,235	Callmewine UK Limited
Line-by-line	20.000	EUR	17,225,913	EUR	1,279,239	Capitelli F.lli S.r.l.
Line-by-line	15.266	EUR	8,684,299	EUR	-1,714,934	Casa della Salute S.p.A.
Line-by-line	10.000	EUR	989,594	EUR	-10,405	Casa della Salute Sardegna S.r.l.
Line-by-line		EUR	4,841,815	EUR	301,563	CDS Medical S.r.l.
Equity		EUR	3,641,477	EUR	565,302	Cerraduras Iseo Iberica S.L.
Line-by-line		EUR	3,570,439	EUR	-1,779,700	Clessidra Capital Credit SGR S.p.A.
Line-by-line	51.000	EUR	11,917	EUR	-330,154	Clessidra CRF G.P. società semplice
Line-by-line		EUR	18,068,716	EUR	2,365,896	Clessidra Factoring S.p.A.
Line-by-line		EUR	31,873,519	EUR	-406,245	Clessidra Holding S.p.A.
Line-by-line		EUR	9,542,138	EUR	2,084,171	Clessidra Private Equity SGR S.p.A.
Fair Value		EUR	11,132,882	EUR	- 2,726,385	C.R.M. S.p.A.
Fair Value		EUR	4,465,301	EUR	146,963	Compagnia Fiduciaria Nazionale S.p.A.
Line-by-line	0.086	EUR	5,752,000	EUR	132,000	Crédit Mobilier de Monaco S.A.
Line-by-line		EUR	322,225	EUR	-28,749	D.O.G.M.A. S.r.l.
Equity		BGN	5,405,000	BGN	2,710,000	Eco Park Wind Power
Equity		EUR	899,790	EUR	33,636	Ecoclina S.r.l.
Equity		EUR	32,404	EUR	-32,648	Fara Real Estate S.r.l.
Equity	-	EUR	146,887	EUR	6,010	Farmacia Centrale Ambrosi La Spezia S.r.l.
Equity		EUR	100,006	EUR	40,004	Farmacia Corti S.r.l.
Equity		EUR	263,140	EUR	103,141	Farmacia De Tillier S.r.l.
Equity		EUR	389,445	EUR	356,489	Farmacia degli Angeli S.r.l.
Equity		EUR	1,851,603	EUR	197,308	Farmacia Martinelli Claudia S.r.l.
Equity		EUR	219,325	EUR	358,830	Farmacia Quadrio S.r.l.
Equity		EUR	92,025	EUR	58,245	Farmacia San Martino S.r.l.
Equity		EUR	2,222,582	EUR	-37,420	Farmacia Santagostino S.r.l.
Equity		EUR	955,864	EUR	-4,136	Farmagorà 12 S.r.l.
Equity		EUR	-323	EUR	-10,321	Farmagorà 13 S.r.l.
Equity		EUR	6,174	EUR	-3,826	Farmagorà 15 S.r.l.
Equity		EUR	6,465	EUR	-3,536	Farmagorà 16 S.r.l.
Equity		EUR	7,062	EUR	-2,939	Farmagorà 17 S.r.l.
Equity		EUR	6,985	EUR	-3,016	Farmagorà 18 S.r.l.
Equity		EUR	6,985	EUR	-3,015	Farmagorà 19 S.r.l.
Equity		EUR	n.d.	EUR	n.d.	Farmagorà 20 S.r.l.



Company	Head Office		Share Capital	Interest held by Group Companies			
				Direct	Indirect	%	
Farmagorà 21 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 22 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 23 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 24 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 25 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 26 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 27 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 28 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 29 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 30 S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Barlassina S.r.l.	Barlassina (MB)	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Bovolone S.r.l.	Bovolone (VR)	I	EUR	10,000.00	100.000	100.000	Farmagorà 19 S.r.l.
Farmagorà Cagliari S.r.l. (former Farmacia Murtas S.r.l.)	Cagliari	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Cantù S.r.l.	Cantù	I	EUR	90,000.00	100.000	100.000	Farmagorà 15 S.r.l.
Farmagorà Carignano S.r.l. (former Farmacia Bonanni S.r.l.)	Genova	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Carmagnola S.r.l.	Bergamo	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Cernusco S.N. 1 S.r.l.	Cernusco sul Naviglio (MI)	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Cernusco S.N. 2 S.r.l. (former Farmacia Businelli S.r.l.)	Cernusco sul Naviglio (MI)	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Chivasso S.r.l. (former Farmacia Chivasso Est S.r.l.)	Chivasso (TO)	I	EUR	30,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Cornigliano S.r.l. (former Farmacia Centrale S.r.l.)	Genova	I	EUR	20,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Distribuzione S.r.l.	Bergamo	I	EUR	100,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Garbagnate S.r.l.	Garbagnate Milanese (MI)	I	EUR	10,000.00	100.000	100.000	Farmagorà 18 S.r.l.
Farmagorà Ghisalba S.r.l.	Ghisalba (BG)	I	EUR	100,000.00	100.000	100.000	Farmagorà 23 S.r.l.
Farmagorà Holding S.p.A.	Bergamo	I	EUR	58,765,714.00	24.095	24.095	Italmobiliare S.p.A.
Farmagorà Lumezzane S.r.l.	Lumezzane (BS)	I	EUR	10,000.00	100.000	100.000	Farmagorà 12 S.r.l.
Farmagorà Mantello S.r.l.	Mantello (SO)	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Montjovet S.r.l.	Montjovet (AO)	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Ponte Nizza S.r.l.	Ponte Nizza (PV)	I	EUR	102,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà San Pietro S.r.l.	Genova (GE)	I	EUR	21,000.00	100.000	100.000	Farmagorà 25 S.r.l.
Farmagorà Sanfré S.r.l. (former Farmacia Barberis S.r.l.)	Sanfré (CN)	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Sant'Omobono T. S.r.l. (former Farmacia Vanoncini S.r.l.)	Sant'Omobono Terme (BG)	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Presezzo S.r.l. (former Farmacia dell'Isola S.r.l.)	Presezzo (BG)	I	EUR	50,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Solza S.r.l.	Solza (BG)	I	EUR	30,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Trescore S.r.l.	Trescore Balneario (BG)	I	EUR	10,000.00	100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Vicenza S.r.l.	Vicenza	I	EUR	10,000.00	100.000	100.000	Farmagorà 21 S.r.l.
Feroneria Prod. S.A.	Arad	RO	RON	20,628,636.40	99.9999 0.0001	99.9999 0.0001	Iseo Serrature S.p.A. Microhard S.r.l.
Fin.Priv. S.r.l. (**)	Milano	I	EUR	20,000.00	14.285	14.280	Italmobiliare S.p.A.
FIT S.r.l. Società Benefit	Seregno (MB)	I	EUR	120,000.00	100.000	100.000	Bene Assicurazioni S.p.A.
Franco Tosi Ventures S.r.l.	Milano	I	EUR	100,000.00	100.000	100.000	Italmobiliare S.p.A.
FT2 S.r.l.	Milano	I	EUR	10,000.00	100.000	100.000	Italmobiliare S.p.A.
FT3 S.r.l.	Milano	I	EUR	10,000.00	100.000	100.000	Italmobiliare S.p.A.
G.D.S. Media & Communication S.r.l. Società unipersonale (under liquidation)	Palermo	I	EUR	10,000.00	100.000	100.000	S.E.S. Società Editrice Sud S.p.A.
Gardawind S.r.l.	Vipiteno (BZ)	I	EUR	100,000.00	49.000	49.000	Italgas S.p.A.
Gastone S.r.l.	Ravenna	I	EUR	60,000.00	100.000	100.000	C.R.M. S.p.A.
Giornale di Sicilia Editoriale Poligrafica S.p.A.	Palermo	I	EUR	9,717,608.00	100.000	100.000	S.E.S. Società Editrice Sud S.p.A.
Gres Art S.r.l. Società Benefit	Bergamo	I	EUR	50,000.00	100.000	100.000	GRES Hub S.r.l.
GRES Hub S.r.l.	Milano	I	EUR	10,000.00	100.000	100.000	Italmobiliare Servizi S.r.l.
Gruppo Energia Italia S.r.l. (***)	Volpiano (TO)	I	EUR	108,000.00	50.000	50.000	AGN Energia S.p.A.
Haekon Eood	Sofia	BG	BGN	5,000.00	100.000	100.000	Gardawind S.r.l.
Idrodezzo S.r.l.	Villa di Serio (BG)	I	EUR	10,000.00	100.000	100.000	Italgas S.p.A.
Idroenergy S.r.l.	Villa di Serio (BG)	I	EUR	99,000.00	100.000	100.000	Italgas S.p.A.
Il Pettiroso S.r.l.	Vicenza	I	EUR	10,000.00	100.000	100.000	Fara Real Estate S.r.l.

Method	Non-controlling interest %	Equity at 31/12/2022		Profit for the year 2022		Company
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 21 S.r.l.
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 22 S.r.l.
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 23 S.r.l.
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 24 S.r.l.
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 25 S.r.l.
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 26 S.r.l.
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 27 S.r.l.
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 28 S.r.l.
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 29 S.r.l.
Equity	EUR	n.d.	EUR	n.d.		Farmagorà 30 S.r.l.
Equity	EUR	741,588	EUR	-40,618		Farmagorà Barlassina S.r.l.
Equity	EUR	-17,133	EUR	282,083		Farmagorà Bovolone S.r.l.
Equity	EUR	3,873,384	EUR	-351,880		Farmagorà Cagliari S.r.l. (former Farmacia Murtas S.r.l.)
Equity	EUR	90,000	EUR	193,152		Farmagorà Cantù S.r.l.
Equity	EUR	-48,252	EUR	-23,989		Farmagorà Carignano S.r.l. (former Farmacia Bonanni S.r.l.)
Equity	EUR	-128,127	EUR	-138,127		Farmagorà Camagnola S.r.l.
Equity	EUR	959,005	EUR	-312,524		Farmagorà Cernusco S.N. 1 S.r.l.
Equity	EUR	98,921	EUR	52,376		Farmagorà Cernusco S.N. 2 S.r.l. (former Farmacia Businelli S.r.l.)
Equity	EUR	65,986	EUR	2,903		Farmagorà Chivasso S.r.l. (former Farmacia Chivasso Est Srl)
Equity	EUR	62,283	EUR	-266,063		Farmagorà Cornigliano S.r.l. (former Farmacia Centrale S.r.l.)
Equity	EUR	n.d.	EUR	n.d.		Farmagorà Distribuzione S.r.l.
Equity	EUR	11,268	EUR	-120,052		Farmagorà Garbagnate S.r.l.
Equity	EUR	1,477,679	EUR	232,259		Farmagorà Ghisalba S.r.l.
Equity	EUR	41,433,906	EUR	-1,004,340		Farmagorà Holding S.p.A.
Equity	EUR	230,468	EUR	199,006		Farmagorà Lumezzane S.r.l.
Equity	EUR	-117,268	EUR	-124,211		Farmagorà Mantello S.r.l.
Equity	EUR	642,553	EUR	-69,573		Farmagorà Montjovet S.r.l.
Equity	EUR	636,014	EUR	-128,307		Farmagorà Ponte Nizza S.r.l.
Equity	EUR	51,509	EUR	13,702		Farmagorà San Pietro S.r.l.
Equity	EUR	20,658	EUR	188,879		Farmagorà Sanfrè S.r.l. (former Farmacia Barberis S.r.l.)
Equity	EUR	271,810	EUR	261,811		Farmagorà Sant'Omobono T. S.r.l. (former Farmacia Vanoncini Srl)
Equity	EUR	49,825	EUR	25,974		Farmagorà Presezzo S.r.l. (former Farmacia dell'Isola S.r.l.)
Equity	EUR	609,601	EUR	-131,924		Farmagorà Solza S.r.l.
Equity	EUR	2,201,878	EUR	391,580		Farmagorà Trescore S.r.l.
Equity	EUR	320,505	EUR	-45,652		Farmagorà Vicenza S.r.l.
Equity	RON	33,149,484	RON	773,191		Feroneria Prod. S.A.
Fair Value	EUR	104,565,654	EUR	10,293,017		Fin.Priv. S.r.l. (**)
Fair Value	EUR	573,523	EUR	102,604		FIT S.r.l. Società Benefit
Line-by-line	EUR	657,494	EUR	-2,294		Franco Tosi Ventures S.r.l.
Line-by-line	EUR	208,814,053	EUR	7,804,501		FT2 S.r.l.
Line-by-line	EUR	17,765,449	EUR	-23,380		FT3 S.r.l.
Cost	EUR	-339,069	EUR	-362,969		G.D.S. Media & Communication S.r.l. Società unipersonale (under liquidation)
Equity	EUR	1,171,692	EUR	6,084		Gardawind S.r.l.
Fair Value	EUR	835,231 <sup>3</sup>	EUR	-332,507 <sup>3</sup>		Gastone S.r.l.
Cost	EUR	13,385,644	EUR	-1,715,024		Giornale di Sicilia Editoriale Poligrafica S.p.A.
Line-by-line	EUR	n.d.	EUR	n.d.		Gres Art S.r.l. Società Benefit
Line-by-line	EUR	2,939,043	EUR	-55,483		GRES Hub S.r.l.
Equity	EUR	4,586,110	EUR	1,698,468		Gruppo Energia Italia S.r.l. (***)
Equity	BGN	5,929,000	BGN	2,411,000		Haekon Eood
Line-by-line	EUR	1,998,900	EUR	-395,075		Idrodezzo S.r.l.
Line-by-line	EUR	3,516,804	EUR	-466,519		Idroenergy S.r.l.
Equity	EUR	51,756	EUR	-5,212		Il Pettiroso S.r.l.

Company	Head Office		Share Capital		Interest held by Group Companies		
					Direct	Indirect	%
Immobiliare Ghisalba S.n.c.	Bergamo	I	EUR	10,000.00		100.000	100.000 Fara Real Estate S.r.l.
Immobiliare Lido di Classe S.r.l. (under liquidation)	Roma	I	EUR	255,000.00	18.036		18.036 Italmobiliare S.p.A.
IQ-Sports Verwaltungs GmbH	Mittersill	A	EUR	35,000.00		100.000	100.000 Tecnica Group S.p.A.
Iseo (Beijing) Security Technology Co., Ltd	Beijing	RC	CNY	500,000.00		100.000	100.000 Iseo Asia Limited
Iseo Asia Limited	Hong Kong	HK	HKD	1,000,000.00		100.000	100.000 Iseo Serrature S.p.A.
Iseo Asia Pacific Sdn Bhd	Puchong, Selangor D.E.	MAL	MYR	715,560.00		100.000	100.000 Iseo Asia Limited
Iseo Colombia S.A.S.	Bogotá	CO	COP	1,800,000,000.00		55.556	100.000 Iseo Serrature S.p.A.
Iseo Denmark A.P.S.	Copenhagen	DK	EUR	18,000.00		55.000	55.000 Iseo Serrature S.p.A.
Iseo Deutschland GmbH	Gera	D	EUR	1,000,000.00		100.000	100.000 Iseo Serrature S.p.A.
Iseo France S.A.S.	Vaux Le Pénil	F	EUR	1,075,440.00		100.000	100.000 Iseo Serrature S.p.A.
Iseo Galvanica S.r.l.	Arad	RO	RON	2,800,000.00		99.500	99.500 Iseo Serrature S.p.A.
						0.500	0.500 Microhard S.r.l.
Iseo Gulf LCC	Dubai	UAE	AED	300,000.00		100.000	100.000 Iseo Middle East FZE
Iseo Iberica System & Services S.L. (former Locken Iberica S.L.)	Madrid	ES	EUR	5,000.00		100.000	100.000 Iseo Serrature S.p.A.
Iseo Middle East FZE	Dubai	UAE	AED	1,000,000.00		100.000	100.000 Iseo Denmark A.P.S.
Iseo Peru S.A.C.	Lima	PE	PEN	1,250,000.00		90.000	90.000 Iseo Serrature S.p.A.
Iseo Serrature S.p.A.	Pisogne (BS)	I	EUR	24,429,800.00	39.246		39.246 Italmobiliare S.p.A.
Iseo South Africa Proprietary Limited	Cape Town	ZA	ZAR	2,163.00		100.000	100.000 Iseo Serrature S.p.A.
Iseo UKI Limited (former Locken UK Limited)	London	GB	GBP	1,000.00		100.000	100.000 Iseo Serrature S.p.A.
Italgen S.p.A.	Villa di Serio (BG)	I	EUR	20,000,000.00	100.000		100.000 Italmobiliare S.p.A.
Italmobiliare Servizi S.r.l.	Milano	I	EUR	3,520,000.00	100.000		100.000 Italmobiliare S.p.A.
ITM Bacco S.r.l.	Milano	I	EUR	100,000.00	60.000		60.000 Italmobiliare S.p.A.
Lowa Boots LLC	Stanford	USA	USD	35,000.00		99.900	99.900 Lowa Sportschuhe GmbH
						0.100	0.100 Tecnica Group S.p.A.
Lowa Production Sro	Bošany	SK	EUR	1,068,115.00		100.000	100.000 Lowa R&D S.r.l. (former Riko Sport S.r.l.)
Lowa R&D S.r.l.	Caselle di Altivole (TV)	I	EUR	780,000.00		100.000	100.000 Lowa Sportschuhe GmbH
Lowa Schuhe AG	Interlaken	CH	CHF	1,100,000.00		100.000	100.000 MM Holding AG
Lowa Sportschuhe GmbH	Jetzendorf	D	EUR	5,000,000.00		80.000	80.000 Tecnica Group S.p.A.
Mesomarket Eood	Sofia	BG	BGN	5,000.00		100.000	100.000 Gardawind S.r.l.
Microhard S.r.l.	Rovellasca (CO)	I	EUR	100,000.00		100.000	100.000 Iseo Serrature S.p.A.
MM Holding AG	Stans	CH	CHF	100,000.00		100.000	100.000 Lowa Sportschuhe GmbH
New Flour S.p.A.	Milano	I	EUR	163,000.00	16.974		16.974 Italmobiliare S.p.A.
Norfin S.r.l.	Giavera del Montello (TV)	I	EUR	95,000.00		100.000	100.000 Tecnica Group S.p.A.
Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.	Firenze	I	EUR	2,100,000.00		95.000	95.000 FT2 S.r.l.
Officina Profumo-Farmaceutica di Santa Maria Novella of America Corporation	New York	USA	USD	2,000,000.00		100.000	100.000 Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
PLV S.r.l.	Genova	I	EUR	10,000.00		100.000	100.000 Casa della Salute S.p.A.
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milano	I	EUR	1,300,000.00	100.000		100.000 Italmobiliare S.p.A.
R.T.P. Radio Televisione Peloritana S.r.l.	Messina	I	EUR	200,000.00		100.000	100.000 S.E.S. Società Editrice Sud S.p.A.
Rovale S.r.l.	Villa di Serio (BG)	I	EUR	10,000.00		51.000	51.000 Italgen S.p.A.
S.E.S. Società Editrice Sud S.p.A.	Messina	I	EUR	10,695,505.08	33.527		33.527 Italmobiliare S.p.A.
SA.LU.COM. S.r.l.	Genova	I	EUR	10,000.00		100.000	100.000 Casa della Salute S.p.A.
San Samuele S.r.l.	Venezia	I	EUR	30,000.00		100.000	100.000 Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Santa Maria Novella France S.A.S.	Levallois-Perret	FR	EUR	20,000.00		100.000	100.000 Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Santa Maria Novella Japan K.K.	Tokyo	JPN	JPY	10,000,000.00		100.000	100.000 Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Santa Maria Novella UK Limited	London	UK	GBP	1,000.00		100.000	100.000 Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Schöffel-Lowa-Sportartikel GmbH & Co. KG	Schwabmünchen	D	EUR	100,523.00		50.000	50.000 Lowa Sportschuhe GmbH
Sicilia On Line S.r.l. (under liquidation)	Palermo	I	EUR	99,000.00		50.000	50.000 Giornale di Sicilia Editoriale Poligrafica S.p.A.
SIDI Romania S.r.l. (former La Sierra Scarpe Srl)	Popești Leordeni	RO	RON	50,000.00		100.,000	100.000 SIDI Sport S.r.l.

Method	Non-controlling interest %	Equity at 31/12/2022		Profit for the year 2022		Company
Equity		EUR	10,000	EUR	-5,455	Immobiliare Ghisalba S.n.c.
Cost		EUR	-3,616,227	EUR	-70,532	Immobiliare Lido di Classe S.r.l. (under liquidation)
Equity		CNY	14,560,948	EUR	-7,838	IQ-Sports Verwaltungs GmbH
Equity		EUR	6,280,004	CNY	428,454	Iseo (Beijing) Security Technology Co., Ltd
Equity		MYR	70,121	EUR	-2,715	Iseo Asia Limited
Equity		COP	158,324	MYR	115,322	Iseo Asia Pacific Sdn Bhd
Equity		EUR	13,648,607	COP	-835,994,244	Iseo Colombia S.A.S.
Equity		EUR	-81,194	EUR	-90,935	Iseo Denmark A.P.S.
Equity		EUR	3,472,507	EUR	161,805	Iseo Deutschland GmbH
Equity		RON	22,724,541	EUR	4,846,067	Iseo France S.A.S.
Equity		EUR	1,010,353	RON	-116,762	Iseo Galvanica S.r.l.
Equity		AED	429,969	AED	1,552	Iseo Gulf LCC
Equity		EUR	79,332	EUR	-258,171	Iseo Iberica System & Services S.L. (former Locken Iberica S.L.)
Equity		EUR	4,873,950	EUR	1,265,052	Iseo Middle East FZE
Equity		PEN	1,402,699	PEN	212,643	Iseo Peru S.A.C.
Equity		EUR	93,557,556	EUR	7,355,779	Iseo Serrature S.p.A.
Equity		ZAR	-329,354	ZAR	-3,274,696	Iseo South Africa Proprietary Limited
Equity		EUR	1,618,579	EUR	1,153,915	Iseo UKI Limited (former Locken UK Limited)
Line-by-line		EUR	33,516,866	EUR	4,242,852	Italgen S.p.A.
Line-by-line		EUR	11,317,159	EUR	126,115	Italmobiliare Servizi S.r.l.
Line-by-line	40,000	EUR	19,254,491	EUR	-16,711	ITM Bacco S.r.l.
Equity		USD	16,656,327	USD	1,861,854	Lowa Boots LLC
Equity		EUR	24,106,163	EUR	3,130,377	Lowa Production Sro
Equity		EUR	27,108,307	EUR	3,614,585	Lowa R&D S.r.l.
Equity		CHF	7,238,411	CHF	3,213,627	Lowa Schuhe AG
Equity		EUR	102,775,688	EUR	21,590,352	Lowa Sportschuhe GmbH
Equity		BGN	1,215,000	BGN	3,941,000	Mesomarket Eood
Equity		EUR	2,965,752	EUR	473,456	Microhard S.r.l.
Equity		CHF	9,031,380	CHF	1,264,176	MM Holding AG
Fair Value		EUR	22,623,523	EUR	-190,943	New Flour S.p.A.
Equity		EUR	-166,060	EUR	-362,934	Norfin S.r.l.
Line-by-line	5,000	EUR	157,269,064	EUR	-591,698	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Line-by-line		USD	-637,039	USD	478,718	Officina Profumo-Farmaceutica di Santa Maria Novella of America Corporation
Line-by-line		EUR	-319,676	EUR	-210,495	PVL S.r.l.
Line-by-line		EUR	1,341,303	EUR	299,662	Punta Ala Promozione e Sviluppo Immobiliare S.r.l.
Cost		EUR	450,285	EUR	302,038	R.T.P. Radio Televisione Peloritana S.r.l.
Line-by-line	49,000	EUR	476,199	EUR	-79,126	Rovale S.r.l.
Equity		EUR	42,363,869	EUR	-1,610,731	S.E.S. Società Editrice Sud S.p.A.
Line-by-line		EUR	149,515	EUR	-8,056	SALU.COM. S.r.l.
Line-by-line		EUR	115,603	EUR	61,073	San Samuele S.r.l.
Line-by-line	-	EUR	47,613	EUR	27,613	Santa Maria Novella France S.A.S.
Line-by-line		JPY	n.d.	JPY	n.d.	Santa Maria Novella Japan K.K
Line-by-line	-	GBP	740,893	GBP	76,667	Santa Maria Novella UK Limited
Equity		EUR	2,594,549	EUR	229,517	Schöffel-Lowa-Sportartikel GmbH & Co. KG
Cost		EUR	-25,740 <sup>2</sup>	EUR	-62,743 <sup>2</sup>	Sicilia On Line S.r.l. (under liquidation)
Line-by-line		RON	-1,969,116	RON	-2,019,116	SIDI Romania S.r.l. (former La Sierra Scarpe Srl)

Company	Head Office		Share Capital	Interest held by Group Companies			
				Direct	Indirect	%	
SIDI Sport S.r.l.	Maser (TV)	I	EUR	500,000.00	100.000	100.000	Italmobiliare S.p.A.
Sirap Gema S.r.l. (****)	Bergamo	I	EUR	500,000.00	100.000	100.000	Italmobiliare S.p.A.
Société d'Etudes de Participations et de Courtages S.A.	Montecarlo	MC	EUR	1,290,000.00	99.983	99.983	Italmobiliare S.p.A.
Sofia S.r.l.	Pisogne (BS)	I	EUR	18,918.00	55.001	55.001	Iseo Serrature S.p.A.
Solar Derthona S.r.l.	Villa di Serio (BG)	I	EUR	30,000.00	100.000	100.000	Italgen S.p.A.
Solar Rooftop S.r.l.	Villa di Serio (BG)	I	EUR	50,000.00	100.000	100.000	Italgen S.p.A.
Splendorgas S.r.l.	Santi Cosma e Damiano (LT)	I	EUR	10,000.00	60.000	60.000	AGN Energia S.p.A.
T.G.S. Telegiornale di Sicilia S.r.l.	Palermo	I	EUR	336,000.00	98.099	98.099	Giornale di Sicilia Editoriale Poligrafica S.p.A.
					0.007	0.007	S.E.S. Società Editrice Sud S.p.A.
Tecnica Group Canada Inc	Saint-Laurent	CA	CAD	4,000,000.00	100.000	100.000	Tecnica Group S.p.A.
Tecnica Group France S.a.r.l.	Annecy-Le-Vieux	FR	EUR	1,000,000.00	100.000	100.000	Tecnica Group S.p.A.
Tecnica Group Germany GmbH	Jetzendorf	D	EUR	715,808.00	100.000	100.000	Tecnica Group S.p.A.
Tecnica Group Japan Ltd	Tokyo	JP	YEN	100,000,000.00	99.900	99.900	Tecnica Group S.p.A.
Tecnica Group S.p.A.	Giavera del Montello (TV)	I	EUR	38,533,835.00	40.000	40.000	Italmobiliare S.p.A.
Tecnica Group Schweiz AG	Stans	CH	CHF	500,000.00	100.000	100.000	Tecnica Group S.p.A.
Tecnica Group USA Corp.	West Lebanon	USA	USD	5,800,000.00	100.000	100.000	Tecnica Group S.p.A.
Tecnica Group Ukraine LLC	Beregovo	UA	EUR	150,000.00	100.000	100.000	Tecnica Ungheria Kft.
Tecnica Ungheria Kft.	Nagykálló	H	EUR	98,352.00	99.000	99.000	Tecnica Group S.p.A.
					1.000	1.000	Norfin S.r.l.
Tecnigas S.r.l.	Prevalle (BS)	I	EUR	49,920.00	50.000	50.000	AGN Energia S.p.A.
Tianjing Tecnica International Trading Co., Ltd	Tianjin Port	RC	CNY	2,417,770.00	50.000	50.000	Tecnica Group S.p.A.
Versilgas S.r.l.	S. Stefano di Magra (SP)	I	EUR	36,400.00	50.000	50.000	AGN Energia S.p.A.

(\*) Financial Statement at 31/07/2022

(\*\*) Financial Statement at 30/11/2022

(\*\*\* ) Financial Statement at 30/09/2023

(\*\*\*\*) On 11/07/2023, the reduction of the share capital to €500,000 was registered in the Companies Register.

1. Interim Financial Statement referred to 31/03/2022

2. Financial Statement for liquidation at 31/12/2012

3. Financial Statement at 31/12/2021

Method	Non-controlling interest %	Equity at 31/12/2022		Profit for the year 2022		Company
Line-by-line		EUR	30,185,569	EUR	3,656,272	SIDI Sport S.r.l.
Line-by-line		EUR	8,681,943	EUR	-2,365,453	Sirap Gema S.r.l. (****)
Line-by-line	0.020	EUR	240,144	EUR	-43,867	Société d'Etudes de Participations et de Courtages S.A.
Equity		EUR	953,545	EUR	-176,121	Sofia S.r.l.
Line-by-line		EUR	12,505	EUR	-17,495	Solar Derthona S.r.l.
Line-by-line		EUR	8,057	EUR	-23,800	Solar Rooftop S.r.l.
Equity		EUR	372,671	EUR	17,934	Splendorgas S.r.l.
Cost		EUR	876,304	EUR	-821,299	T.G.S. Telegiornale di Sicilia S.r.l.
Equity		CAD	6,629,714	CAD	322,256	Tecnica Group Canada Inc
Equity		EUR	3,789,798	EUR	602,203	Tecnica Group France S.a.r.l.
Equity		EUR	525,621	EUR	25,091	Tecnica Group Germany GmbH
Equity		YEN	259,269,188	YEN	59,898,346	Tecnica Group Japan Ltd
Equity		EUR	122,134,280	EUR	23,939,325	Tecnica Group S.p.A.
Equity		CHF	2,314,288	CHF	1,145,503	Tecnica Group Schweiz AG
Equity		USD	44,099,321	USD	7,663,695	Tecnica Group USA-Corp.
Equity		USD	n.d.	USD	n.d.	Tecnica Group Ukraine LLC
Equity		EUR	12,466,834	EUR	897,099	Tecnica Ungheria Kft.
Equity		EUR	1,303,463	EUR	1,303,463	Tecnigas S.r.l.
Equity		CNY	-1,712,985	CNY	-25,659	Tianjing Tecnica International Trading Co., Ltd
Equity		EUR	1,112,940	EUR	14,349	Versilgas S.r.l.

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INVESTMENT HOLDING

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**Certification pursuant to art. 154-bis paragraph 5 of the Italian Consolidated Law on Finance (CLF) regarding the consolidated financial statements pursuant to art. 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions**

1. The undersigned Carlo Pesenti, Chief Executive Officer, and Mauro Torri, Manager in charge of financial reporting of Italmobiliare S.p.A., hereby certify, also in consideration of art. 154-bis, paragraphs 3 and 4, of legislative decree no. 58 of February 24, 1998:
  - the adequacy in relation to the characteristics of the company and
  - the actual application
 of the administrative and accounting procedures adopted for the preparation of the **consolidated financial statements** during the period from January 1, 2023 to December 31, 2023.
2. The assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of the consolidated financial statements as at and for the year ended December 31, 2022 is based on a model identified by Italmobiliare in accordance with the CoSO framework (illustrated in the *CoSO Report*) and also takes into account the document “*Internal Control over Financial Reporting – Guidance for Smaller Public Companies*”, both issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represent a generally accepted international framework.
3. It is also certified that:
  - 3.1 the consolidated financial statements as at and for the year ended December 31, 2023:
    - a) have been prepared in compliance with the applicable International Financial Reporting Standards recognized by the European Community pursuant to European Parliament and Council Regulation no. 1606/2002 of July 19, 2002;
    - b) correspond to the contents of the accounting books and records;
    - c) are suitable to provide a true and fair view of the financial position, results of operations and cash flows of Italmobiliare S.p.A. and of the group of companies included in the consolidation scope;
  - 3.2 the Director’s report includes a reliable analysis of the performance and results of operations, as well as of the situation of Italmobiliare S.p.A. in its capacity as an issuer, and of the group of companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

March 7, 2024

Chief Executive Officer

Manager in charge of financial reporting

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Carlo Pesenti

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Mauro Torri

# Deloitte.

Deloitte & Touche S.p.A.  
Via Tortona, 25  
20144 Milano  
Italia

Tel: +39 02 83322111  
Fax: +39 02 83322112  
[www.deloitte.it](http://www.deloitte.it)

**INDEPENDENT AUDITOR'S REPORT**  
**PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010**  
**AND ARTICLE 10 OF THE EU REGULATION 537/2014**

To the Shareholders of  
Italmobiliare S.p.A.

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Opinion**

We have audited the consolidated financial statements of Italmobiliare S.p.A. and its subsidiaries (the "Group"), which comprise the statement of financial position as at December 31, 2023, the income statement, the statement of comprehensive income, the consolidated statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

**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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Italmobiliare S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03048560166 - R.E.A. n. MI-1720239 | Partita IVA: IT03049560166

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### ***Measurement of financial assets with fair value levels 2 and 3***

#### **Description of the key audit matter**

The consolidated financial statements at December 31, 2023 include financial assets measured at fair value categorized into hierarchy levels 2 and 3 amounting to Euro 489,8 million, equal to 47,6% of total financial assets and 21,9% of total assets.

For the above financial assets, a listed price on an active market is not available and therefore the related measurement is based on complex valuation techniques that require a significant level of judgement.

We considered the measurement of financial assets with fair value levels 2 and 3 a key audit matter of the Group consolidated financial statements at December 31, 2023 considering: i) it entails a significant level of judgements by the Directors, ii) the complexity of the relevant valuation techniques and of the significant inputs and iii) the significance of the amounts.

Note 6) "Other equity investments", 7) "Trade receivables and other non-current assets" and 12) "Equity investments, bonds and current financial receivables" of the consolidated financial statements include the disclosures about the measurement of financial assets.

#### **Audit procedures performed**

Our audit procedures, among others, included:

- understanding of the relevant controls implemented for the acquisition, disposal and measurement of financial assets;
- assessing the appropriateness of the accounting rules adopted by the Group in accordance with the requirements of IFRS 9 and IFRS 13;
- testing, on a sample basis, the appropriate categorization of financial assets into the fair value levels;
- testing, on a sample basis, the reasonableness and the accuracy of the valuation techniques, the significant inputs and their actual application provided by the Directors for measurement purposes of the fair value levels 2 and 3.
- assessing the appropriateness of the disclosures provided in the notes about financial assets and their fair value levels and their compliance with the related accounting principles.

### ***Recoverability of goodwill and intangible asset with indefinite useful life***

#### **Description of the key audit matter**

The consolidated financial statements at December 31, 2023 include goodwill amounting to Euro 288,0 million, and intangible assets with indefinite useful life related to the "Caffè Borbone", "Sidi Sport" and the "Officina Profumo Farmaceutica di Santa Maria Novella" trademark amounting Euro 92,1 million, Euro 31,2 million and Euro 124,2 million respectively.

The above reported assets, as required by IAS 36, are not systematically amortized but are subject to impairment test at least annually.



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The Directors carried out an impairment test of the cash generating units (CGUs) to whom the goodwill is allocated, supported also by an independent external advisor, comparing their recoverable amount, assessed on the basis of the value in use or the fair value, and their carrying amount.

The Directors determined the value in use based on assumptions that include, among others, (i) the cash flows included in the 2024 budget approved by the Board of Directors of the subsidiaries and the plans prepared by Management which include the projections of the financial and economic results (ii) the determination of an appropriate discount rate (WACC) and (iii) an estimate of the long-term growth rate (g-rate) for the cash flows beyond the plan explicit period. The determination of the value in use is also based on assumptions influenced by future expectations and external variables, including the evolution of the conditions for their respective markets.

The recoverable amount of the “Caffè Borbone”, “Sidi Sport” and the “Officina Profumo Farmaceutica di Santa Maria Novella” trademarks with indefinite useful life were estimated by the Directors, also with the support of an independent external advisor, as their fair value, determined using an income approach method, based on assumptions made by the Directors relating to the expected turnover set out in the 2024 budget and the plan for the following years, the explicit royalty rates and the discount rate (“Relief from royalty method”).

As a result of the impairment test, impairment losses were recognised on the goodwill allocated to the “Sidi Sport” CGU for Euro 1,2 million and to the “Callmewine” CGU for Euro 2,9 million.

Given the significance of the assets recognized in the consolidated financial statements, the judgement required in the estimates of expected cash flows, royalties, and of the key assumptions of the impairment test model used for the calculation of the value in use, we considered the recoverability of goodwill and intangible assets with indefinite useful life a key audit matter of the consolidated financial statements.

Note 3) “Goodwill” and 4) “Intangible assets” of the consolidated financial statements include the disclosures on the valuation of goodwill and intangible assets.

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**Audit procedures  
performed**

In order to assess the recoverability of the above assets we have preliminary analyzed the process used by Management to determine the recoverable amount of the CGUs and the trademark with indefinite useful life, analyzing the methods and assumptions used for the development of the impairment test.



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Our audit procedures, which also involved our own valuation specialists, included:

- understanding of the relevant controls implemented by the Group on the impairment test process;
- analyzing the reasonableness of the main assumptions used for developing the expected cash flows (including the effects of the macroeconomic scenario and potential impacts coming from the climate change) and royalties, together with the collection of other relevant information provided by the Directors;
- evaluating the competences, capabilities and objectivity of the external advisor involved by the Directors for the preparation of the impairment test;
- analyzing the differences between budgeted targets and actual results in order to understand the nature of the deviations, also considering, the changes of the macroeconomic scenario, and the reliability of the budgeting process;
- analyzing the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate) in the value in use determination and of the market multiples in the fair value determination;
- assessing the mathematical accuracy of the model used to determine the value in use of the CGUs and the fair value of the trademarks with indefinite useful life;
- analyzing the appropriate determination of the carrying amount of the CGUs, in compliance with the methods used for the estimate of the value in use;
- assessing the sensitivity analysis performed by Management;
- assessing the appropriateness of the disclosures reported in the notes and its compliance with IAS 36.

#### ***Recoverability of investments in associates***

##### **Description of the key audit matter**

The consolidated financial statements at December 31, 2023 include investments in associates amounting Euro 152,4 million – accounted for using the equity method.

At each reporting date, the Directors, supported also by an independent external advisor, carry out an impairment test for the investments in associates, in order to compare their recoverable amount, assessed as either their value in use or their fair value, with their carrying amount. In fiscal year 2023, the recoverable amount has been assessed exclusively with the fair value methodology, where the fair value is determined in accordance with the market multiples method, based on the assumptions of the actual ebitda/expected ebitda included in the 2024 budget/forecast for year 2023 together with the estimate of such market multiples.

The estimate of the recoverable amount is also based on assumptions influenced by future expectations and external variables, including the conditions for their respective markets.



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The impairment test performed did not identify any impairment loss.

Given the judgement in the estimates of the expected ebitda, together with the key assumptions of the impairment test model used by the Directors for the calculation of the investments in associates' recoverable amount, we considered the recoverability of the investments in associates a key audit matter of the consolidated financial statements.

Note 5) "Investments in associates" of the consolidated financial statements include the disclosures on the recoverability of the investments in associates.

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**Audit procedures  
performed**

We have preliminary assessed the process used by Management to determine the recoverable amount of the investments in associates analyzing the methods and assumptions used for the development of the impairment test.

Our audit procedures, which also involved our own valuation specialists, included:

- understanding of the relevant controls implemented by the Group on the impairment test process of the investments in associates;
- analyzing the reasonableness of the main assumptions used for developing the expected ebitda (including the effects of the macroeconomic scenario and potential impacts coming from the climate change), together with the collection of other relevant information provided by the Directors;
- evaluating the competences, capabilities and objectivity of the external advisor involved by the Directors for the preparation of the impairment test;
- analyzing the differences between budgeted targets and actual results in order to understand the nature of the deviations, also considering, the changes of the macroeconomic scenario, and the reliability of the budgeting process;
- analyzing the reasonableness of the market multiples method used to measure the fair value;
- assessing the mathematical accuracy of the model used to determine the recoverable amount of the investments in associates;
- comparing the recoverable amount of the investments in associates with their carrying amount;
- assessing the sensitivity analysis performed by Management;
- assessing the appropriateness of the disclosures reported in the notes and its compliance with IAS36.





### **Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements**

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



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- Conclude on the appropriateness of management'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related threats or the related safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

#### **Other information communicated pursuant to art. 10 of the EU Regulation 537/2014**

The Shareholders' Meeting of Italmobiliare S.p.A. has appointed us on April 17, 2019 as auditors of the Company for the years from December 31, 2019 to December 31, 2027.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Italmobiliare S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the “Delegated Regulation”) to the consolidated financial statements, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the illustrative notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

### Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Italmobiliare S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of the Italmobiliare Group as at December 31, 2023, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of Italmobiliare Group as at December 31, 2023 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Italmobiliare Group as at December 31, 2023 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

**Deloitte.**

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**Statement pursuant to art. 4 of the Consob Regulation for the implementation of Legislative Decree 30 December 2016, no. 254**

The Directors of Italmobiliare S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.

Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by us.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Massimiliano Semprini**  
Partner

Milan, Italy  
March 13, 2024

*As disclosed by the Directors on page **A3**, the accompanying consolidated financial statements of Italmobiliare S.p.A. is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's 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.*





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**ITALMOBILIARE**  
INVESTMENT HOLDING

**ITALMOBILIARE  
S.P.A.**

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**SEPARATE  
FINANCIAL  
STATEMENTS  
2023**

# FINANCIAL STATEMENTS

## Statement of financial position

(euro)	Notes	31.12.2023	31.12.2022	Change
<b>Non-current assets</b>				
Property, plant and equipment	1	8,005,379	7,738,798	266,581
Investment property	2	12,935,532	7,082,977	5,852,555
Intangible assets	3			
Equity investments in subsidiaries and associates	4	666,216,382	762,210,291	(95,993,909)
Other equity investments	5	148,758,265	144,172,570	4,585,695
Deferred tax assets	6	4,008,128	3,776,501	231,627
Other non-current assets	7	274,169,524	236,292,412	37,877,112
<b>Total non-current assets</b>		<b>1,114,093,210</b>	<b>1,161,273,550</b>	<b>(47,180,339)</b>
<b>Current assets</b>				
Trade receivables	8	521,069	534,860	(13,791)
Other current assets including derivative financial instruments	9	7,428,178	13,610,678	(6,182,500)
Tax assets	10	17,906,874	33,383,219	(15,476,345)
Equity investments, bonds and current financial receivables	11	172,953,962	132,051,431	40,902,531
Cash and cash equivalents	12	18,195,557	22,499,597	(4,304,040)
<b>Total current assets</b>		<b>217,005,640</b>	<b>202,079,784</b>	<b>14,925,854</b>
<b>Assets classified as held for sale</b>	<b>13</b>	<b>60,388,345</b>		
<b>Total assets</b>		<b>1,391,487,195</b>	<b>1,363,353,335</b>	<b>28,133,860</b>
<b>Equity</b>				
Share capital	14	100,166,937	100,166,937	
Share premium reserve	15	55,606,873	55,606,873	
Reserves	15	29,338,724	(1,628,355)	30,967,079
Treasury shares	16	(5,165,730)	(5,165,730)	
Retained earnings	17	1,163,449,559	1,140,762,377	22,687,182
<b>Total equity</b>		<b>1,343,396,363</b>	<b>1,289,742,102</b>	<b>53,654,261</b>
<b>Non-current liabilities</b>				
Borrowings	19	414,961	122,646	292,315
Employee benefits	18	765,999	723,742	42,257
Provisions	20	16,110,000	15,700,000	410,000
Tax liabilities	20	4,489,464	5,129,437	(639,973)
Other non-current liabilities	21	4,084,594	93,606	3,990,988
Deferred tax liabilities	22	424,317	173,719	250,598
<b>Total non-current liabilities</b>		<b>26,289,335</b>	<b>21,943,150</b>	<b>4,346,185</b>
<b>Current liabilities</b>				
Loans and borrowings	19	36,196		36,196
Financial liabilities	19	3,300,442	18,301,394	(15,000,952)
Employee benefits	23	1,796,804	2,654,685	(857,881)
Provisions				
Tax liabilities			3,602,934	(3,602,934)
Other current liabilities	24	16,668,055	27,109,071	(10,441,016)
<b>Total current liabilities</b>		<b>21,801,497</b>	<b>51,668,083</b>	<b>(29,866,586)</b>
<b>Total liabilities</b>		<b>48,090,832</b>	<b>73,611,233</b>	<b>(25,520,401)</b>
<b>Liabilities directly associated with assets classified as held for sale</b>				
<b>Total equity and liabilities</b>		<b>1,391,487,195</b>	<b>1,363,353,335</b>	<b>28,133,860</b>

The effects of transactions with related parties on the statement of financial position, income statement and statement of cash flows are shown in the relevant attachments, pursuant to Consob Resolution no. 15519 of July 27, 2006.

## Income statement

(euro)	Notes	2023	%	2022	%	Change amount	%
<b>Revenue</b>							
Revenue and income		120,418,688		137,048,735		(16,630,047)	
<b>Total revenue and income</b>	<b>25</b>	<b>120,418,688</b>	<b>100.0</b>	<b>137,048,735</b>	<b>100.0</b>	<b>(16,630,047)</b>	<b>-12.1</b>
Other revenue and income	26	892,957		809,535		83,422	
Raw materials and supplies	27	(323,581)		(310,651)		(12,930)	
Services	28	(7,432,081)		(8,505,013)		1,072,932	
Personnel expenses	29	(16,896,282)		(16,204,213)		(692,069)	
Other operating income (expenses)	30	(28,959,038)		(42,539,902)		13,580,864	
<b>Gross operating profit</b>		<b>67,700,663</b>	<b>56.2</b>	<b>70,298,490</b>	<b>51.3</b>	<b>(2,597,828)</b>	<b>-3.7</b>
Amortisation and depreciation	31	(844,598)		(706,505)		(138,093)	
<b>Operating profit</b>		<b>66,856,065</b>	<b>55.5</b>	<b>69,591,985</b>	<b>50.8</b>	<b>(2,735,921)</b>	<b>-3.9</b>
Finance income and costs	32	(56,685)		(80,763)		24,078	
Impairment of financial assets	33	(19,178,347)		(48,084,069)		28,905,722	
<b>Profit/(loss) before tax</b>		<b>47,621,033</b>	<b>39.5</b>	<b>21,427,153</b>	<b>15.6</b>	<b>26,193,879</b>	<b>&gt;100</b>
Income tax	34	3,956,050		12,120,864		(8,164,814)	
<b>Profit/(loss) for the year</b>		<b>51,577,083</b>	<b>42.8</b>	<b>33,548,017</b>	<b>24.5</b>	<b>18,029,066</b>	<b>53.7</b>

## Statement of comprehensive income

(euro)	Notes	2023	2022	Change amount	%
<b>Profit/(loss) for the year</b>		<b>51,577,083</b>	<b>33,548,017</b>	<b>18,029,066</b>	<b>53.7</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Financial assets measured at FVTOCI	5	31,948,573	(5,546,095)	37,494,668	
Income tax related to other comprehensive income		(289,473)	32,995	(322,468)	
Remeasurement of net defined benefit liability/asset		16,129	90,557	(74,428)	
<b>Total items that will not be reclassified to profit or loss</b>		<b>31,675,229</b>	<b>(5,422,543)</b>	<b>37,097,772</b>	
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign exchange differences on translation of foreign operations					
<b>Total items that may be reclassified subsequently to profit or loss</b>					
<b>Total other comprehensive income for the year</b>		<b>31,675,229</b>	<b>(5,422,543)</b>	<b>37,097,772</b>	
<b>Total comprehensive income</b>		<b>83,252,312</b>	<b>28,125,474</b>	<b>55,126,838</b>	<b>196.0</b>

## Statement of changes in equity

(euro)	Reserves						
	Share capital	Share premium	OCI reserve	Other reserves	Treasury shares	Retained earnings	Total equity
Balances at December 31, 2021	100,166,937	55,606,873	4,900,281		(5,165,730)	1,165,304,369	1,320,812,730
Statement of comprehensive income			(5,513,100)			90,557	(5,422,543)
Reclassification for sale of investments at FVTOCI			(1,015,536)			1,015,536	
Profit for the year						33,548,017	33,548,017
Reduction of stock option plans for extinction and/or exercise							
Stock options exercised							
Profit distribution:							
Dividends						(59,196,102)	(59,196,102)
Balances at December 31, 2022	100,166,937	55,606,873	(1,628,355)		(5,165,730)	1,140,762,377	1,289,742,102
Statement of comprehensive income			31,659,100			16,129	31,675,229
Reclassification for sale of investments at FVTOCI			(692,021)			692,021	(0)
Profit for the year						51,577,083	51,577,083
Reduction of stock option plans for extinction and/or exercise							
Stock options exercised							
Profit distribution:							
Dividends						(29,598,051)	(29,598,051)
Balances at December 31, 2023	100,166,937	55,606,873	29,338,724		(5,165,730)	1,163,449,559	1,343,396,363

## Statement of cash flows

(in thousands of euro)	Notes	2023	2022
<b>A) Cash flows from operations</b>			
Profit/(loss) before tax		47,621	21,427
Amortisation, depreciation and impairment losses		845	707
(Capital gains)/losses on securities, investments, PPE and investment property		(2)	3,444
Change in employee benefits and other provisions		452	(3,769)
Reversal of impairment adjustments to financial assets		19,178	48,084
Reversal of net finance income/costs	35	(111,793)	(135,259)
<b>Cash flows from operating activities before tax, finance income/costs and change in working capital</b>		<b>(43,699)</b>	<b>(65,366)</b>
Change in trade receivables		(16)	190
Change in trade payables		(858)	540
Change in other receivables/payables, accruals and deferrals		6,839	(9,992)
<b>Total changes in working capital</b>		<b>5,965</b>	<b>(9,262)</b>
Net finance costs paid		11,789	36,961
Dividends received	25	46,287	116,931
Tax payments, net of rebates		(2,411)	(46,152)
<b>Total A)</b>		<b>17,932</b>	<b>33,112</b>
<b>B) Cash flows from investing activities</b>			
Capital expenditure:			
PPE and investment property	2	(6,484)	(1,656)
Intangible assets			
Change in financial receivables		(3,384)	11,186
Financial assets (Investments and Private Equity funds)	35	(64,735)	(201,670)
Change in current equity investments and securities	35	(50,972)	(20,074)
<b>Total capital expenditure</b>		<b>(125,575)</b>	<b>(212,214)</b>
PPE and investment property			
Change in receivables for sale of financial assets			
Proceeds from disposal of non-current assets	35	128,153	33,330
Change in current equity investments and securities	11	19,458	151,049
<b>Total disposals</b>		<b>147,611</b>	<b>184,379</b>
<b>Total B)</b>		<b>22,036</b>	<b>(27,835)</b>
<b>C) Cash flows from financing activities</b>			
Change in financial liabilities	19	(14,673)	15,151
Change in treasury shares and Other non-monetary change	16	(1)	6,034
Dividends paid	16	(29,598)	(59,196)
<b>Total C)</b>		<b>(44,272)</b>	<b>(38,011)</b>
<b>D) Change in cash and cash equivalents (A+B+C)</b>		<b>(4,304)</b>	<b>(32,734)</b>
<b>E) Cash and cash equivalents at the beginning of the year</b>		<b>22,500</b>	<b>55,234</b>
<b>D+E) Cash and cash balances at the end of the year</b>	12	<b>18,196</b>	<b>22,500</b>

## NOTES

The draft financial statements of Italmobiliare S.p.A. for the year ended December 31, 2023 were approved by the Board of Directors on March 7, 2024. During the meeting, the Directors authorised also the publication of a press release dated March 7, 2024, containing the abovementioned financial statements' key information.

The company that draws up the consolidated-financial statements of the largest grouping that includes Italmobiliare is Cemital Privital Aureliana S.p.A., based in Milan.

The financial statements have been presented on a going-concern basis.

## Core businesses

Italmobiliare S.p.A. is a legal entity established in accordance with the laws of the Republic of Italy and listed on the Milan Stock Exchange since 1980. Its core business is the acquisition and management of equity investments in subsidiaries, associates or other companies.

Within this context, the Company may conduct financial, commercial, industrial and services transactions that it deems necessary and appropriate to achieve its corporate purposes.

The Company also provides subsidiaries with administrative and technical services.

## Accounting policies

These financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) applicable at December 31, 2023 as endorsed by the European Union, and with the provisions issued in implementation of article 9 of Legislative Decree no. 38/2005. The term IFRS also includes all revised international accounting standards (IAS) and all the interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), previously called SIC.

The Italian laws that enact EU Directive 2013/34 also apply, where compatible, to companies that prepared financial statements in accordance with the IFRS. Consequently, these financial statements are compliant with the Italian Civil Code and the corresponding indications of the Consolidated Law on Finance (CLF) for listed companies with regard to the Directors' report, the independent statutory audit and the publication of the financial statements. The separate financial statements and related notes also set out the details and additional disclosures required under the articles of the Italian Civil Code governing financial statements, since such requirements are not in conflict with the IFRS, and under other Consob regulations and dispositions governing financial statements.

In compliance with European Regulation no. 1606 of July 19, 2002, the policies adopted do not include the standards and interpretations published by the IASB and the IFRS IC at December 31, 2023 but not yet endorsed by the European Union as of that date, except as indicated below.

### Accounting standards, amendments and IFRS interpretations applied from January 1, 2023

The following accounting standards, amendments and IFRS interpretations were applied for the first time by the Company starting from January 1, 2023.

- On May 18, 2017, the IASB published IFRS 17 – Insurance Contracts which is intended to replace IFRS 4 – Insurance Contracts. The accounting standard was applied starting from January 1, 2023. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations deriving from insurance contracts. The adoption of this standard and the related amendment did not have any effect on the Company's financial statements.

- On May 7, 2021, the IASB published an amendment called “Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”. The document clarifies how deferred taxes on certain transactions that can generate assets and liabilities of the same amount, such as leasing and dismantling obligations, at the date of first registration, must be accounted for. The changes were applied starting from January 1, 2023. The adoption of this amendment did not have any effect on the Company's financial statements.
- On February 12, 2021, the IASB published two amendments called “Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2” and “Definition of Accounting Estimates—Amendments to IAS 8”. The amendments to IAS 1 require an entity to disclose relevant information about the accounting standards applied by the Company. The amendments are aimed at improving disclosure on the accounting standards applied by the Company in order to provide more useful information to investors and other primary users of financial statements, as well as to help companies distinguish changes in accounting estimates from changes in accounting policies. The changes were applied starting from January 1, 2023. The adoption of these amendments did not have any effect on the Company's financial statements.
- On May 23, 2023 the IASB published an amendment called “Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules”. The document introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules (which was in force in Italy on December 31, 2023, but applicable starting from January 1, 2024) and provides specific disclosure requirements for entities affected by the related International Tax Reform. The document provides for immediate application of the temporary exception, while the disclosure requirements only apply to annual financial statements beginning on or after January 1, 2023 and not to interim financial statements with a closing date prior to December 31, 2023. The Italmobiliare Group does not exceed the turnover thresholds in the scope of the Pillar Two Model Rules.

**Accounting standards, amendments and IFRS and IFRIC interpretations endorsed by the European Union, not yet compulsorily applicable and not adopted in advance by the Company at December 31, 2023.**

The following accounting standards, amendments and IFRS interpretations were endorsed by the European Union, but not yet compulsorily applicable and not adopted in advance by the Company at December 31, 2023:

- On January 23, 2020 the IASB published an amendment called “Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current” and on October 31, 2022 an amendment called “Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants”. These amendments aim to clarify how to classify payables and other short or long-term liabilities. Furthermore, the amendments also improve the disclosure requirements for an entity when its ability to defer the settlement of a liability for at least twelve months is contingent upon meeting certain parameters (i.e., covenants). The changes come into force from January 1, 2024; but early application is permitted. The directors do not expect this amendment to have a significant effect on the Company's financial statements.
- On September 22, 2022 the IASB published an amendment called “Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback”. The document requires the seller-lessee to measure the lease liability arising from a sale & leaseback transaction so as not to recognise income or loss that relates to the retained right of use. The amendments come into force from January 1, 2024, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Company's financial statements.



### **Accounting standards, amendments and IFRS interpretations published at December 31, 2023, but not endorsed by the European Union at that date**

At the date of these financial statements the competent bodies of the European Union have not yet completed the approval process necessary for adoption of the amendments and principles described below.

- On May 25, 2023 the IASB published an amendment called "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of the financial statements to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and understand the impact of such arrangements on the entity's exposure to liquidity risk. The amendments apply starting from January 1, 2024, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Company's financial statements.
- On August 15, 2023, the IASB published an amendment called "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". This amendment mandates that an entity adopt a consistent methodology to assess the exchangeability of one currency into another, determine the spot exchange rate to be utilised, and provide corresponding disclosure in the notes when exchangeability is not feasible. The amendment will apply starting from January 1, 2025, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Company's financial statements.
- On January 30, 2024, the IASB published the "IFRS 14 – Regulatory Deferral Accounts", which allow only those who adopt IFRS for the first time to continue to recognize the amounts relating to activities subject to regulated tariffs (so-called "Rate Regulation Activities") according to the previous accounting principles adopted. As the Company is not a first-time adopter, this standard is not applicable.

## **MEASUREMENT CRITERIA AND BASIS OF PRESENTATION**

The financial statements adopt the cost method, with the exception of derivatives and financial assets, which are measured at fair value. The carrying amounts of hedged assets and liabilities are adjusted to reflect changes in fair value on the basis of the hedged risks. The financial statements are presented in euro. All amounts in the accounting schedules and in the notes are rounded to thousands of euro, unless otherwise specified.

The basis of presentation of the Italmobiliare S.p.A. separate financial statements is as follows:

- current and non-current assets and current and non-current liabilities are presented as separate classifications on the statement of financial position. Current assets, which include cash and cash equivalents, are assets that the Company intends to realize, sell or consume during its normal business cycle; current liabilities are liabilities that the Company expects to settle during the normal business cycle or in the twelve months after the end of the reporting period;
- on the income statement, costs are analysed by nature;
- with regard to comprehensive income, Italmobiliare S.p.A. presents two statements. The first statement reflects traditional income statement components and the profit (loss) for the year, while the second statement, beginning with the profit (loss) for the year, presents other comprehensive income, net of tax: fair value changes on financial assets measured at FVTOCI, derivative financial instruments designated in hedge accounting, translation differences and effects of the remeasurement of defined benefit plans, presenting separately the elements that can subsequently be recycled to profit or loss for the year from those that will not be reclassified;

- the indirect method is used for the statement of cash flows, with separate reporting of any cash flows by operating, investing and financing activities associated with discontinued operations, when present. In particular, although the Company does not diverge from the provisions of IAS 7 in the classification of items, please note:
  - cash flows from operating activities report cash flows from core operations, interest on loans granted and obtained and dividends received from subsidiaries and associates;
  - investing activities comprise investments in property, plant and equipment and intangible assets, shareholdings, private equity funds and disposals of such assets, as well as other minor investments;
  - cash flows from financing activities include cash flows generated by liability management transactions and leases, dividends and interim dividends paid to the owners of the Company;
  - a separate item is used to report the impact of exchange rates on cash and cash equivalents and their impact on profit or loss is eliminated in full in order to neutralize the effect on cash flows from operating activities.

## USE OF ESTIMATES

In preparing the separate financial statements, the following significant judgments were made when applying the accounting standards of Italmobiliare S.p.A.

The investment in Bacco (held indirectly through ITM Bacco) is measured at FVTOCI in Italmobiliare financial statements because management concluded that Italmobiliare does not have any significant influence over it.

It should be noted that Italmobiliare has the right to appoint an "observer", who has the right to participate in meetings of the Board of Directors of Bacco and the right to be informed in advance of the matters under discussion, without having any right to vote on the resolutions passed by the Board of Directors, nor be considered a member of Bacco's Board of Directors (so IAS 28.6 does not apply, as it assumes that an investor has significant influence if it appoints a member of the Board).

As for the investment in Bacco, also the investment in Archimede is measured at FVTOCI in Italmobiliare financial statements as the stake held is 17.24%. Italmobiliare does not have any significant influence over it.

In addition, the investment in Bene Assicurazioni is measured at FVTOCI. In 2022, the Company paid a consideration of 40 million euro for a 19.99% stake, having received authorisation from IVASS, the Supervisory Authority for the Italian Insurance Sector. Notwithstanding the Company has the right to appoint a Director, the Company management excludes the presence of a significant influence over the investee, because the controlling shareholder owns a 55% stake in the company and the remaining stake is owned by a second investor (Nurberger at 25%). As a consequence, the director appointed by Italmobiliare does not have a significant influence over the decision to be taken by Bene Assicurazioni's Board of Directors (in the absence of shareholders agreements among the parties).

The main assumptions regarding the future and the main causes of uncertainty in the estimate at the end of the reporting period that present a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities during the next financial year are shown below:

- calculation of the fair value of financial assets: as regards investments in listed companies, the fair value is calculated on the basis of the stock market price at the reporting date and could undergo significant changes during the following year; while for financial assets valued with a level 2 and 3 fair value, there is a high degree of judgement due to the elements of complexity inherent in the valuation techniques and significant inputs;
- estimate of provisions and key assumptions about future events used for calculating the provisions (for further details, see note 20);
- impairment losses and reversals on investments in subsidiaries and associates (for further details, see note 4).

## RELATED PARTIES

Related parties are mainly those that share the same parent with Italmobiliare S.p.A., the companies that directly or indirectly are controlled by Italmobiliare S.p.A., the associates (including their subsidiaries) of Italmobiliare S.p.A., or the associates (including their subsidiaries) of any Group company. Related parties also include statutory auditors, and their immediate family, and the key management personnel, and their immediate family, of Italmobiliare S.p.A. Key management personnel comprises management personnel who have the power and direct or indirect responsibility for the planning, management and control of the activities of the Company. They include directors (whether executive or not).

## SUBSIDIARIES AND ASSOCIATES

Subsidiaries are companies in which the company is exposed to variable returns, or holds rights to such returns, by virtue of its relationship with the companies in question, and simultaneously has the ability to affect such returns by exercising its power.

The Company ascertains the existence of control on the basis of the existence of three elements:

- power: the current ability of the company, arising from substantial rights, to decide key operations that have a material impact on the company's returns;
- the exposure of the company to the variability of the returns of the investee;
- correlation between power and returns, the company has the ability to exercise its power to affect the returns arising from the relationship.

Generally speaking, control is assumed to exist when the company holds, directly or indirectly, more than one half of voting rights, including potential voting rights deriving from convertible securities.

Associates are companies in which the company has significant influence over administrative and management decisions even though it does not hold control. Generally speaking, significant influence is assumed to exist when the company holds, directly or indirectly, at least 20% of voting rights at ordinary shareholders' meetings, or, even if it holds a lower percentage of voting rights, when it is entitled to take part in financial and management policy decisions by virtue of a specific juridical status including, but not limited to, participation in shareholders' agreements or other forms of material exercise of governance rights.

Equity investments in subsidiaries and associates are valued at cost. Based on this method, equity investments are initially recognized at cost, subsequently adjusted as a consequence of changes in value if, following suitable impairment tests, conditions occur that make it necessary to adjust the book value to its actual economic value. Original cost is restored in subsequent periods if the grounds for the adjustments no longer exist. Impairment losses and reversals of impairment losses are recognized in the income statement. The costs relating to the purchase of the investments are recorded as an increase in its value.

## TRANSACTIONS IN CURRENCIES OTHER THAN THE FUNCTIONAL CURRENCY

Foreign currency transactions are initially translated into the functional currency using the exchange rate at the transaction date. At the reporting date, foreign currency monetary assets and liabilities are translated into the functional currency at the closing rate. Exchange-rate gains and losses are taken to the income statement.

Non-monetary foreign currency assets and liabilities measured at cost are translated at the exchange rate ruling at the transaction date; those measured at fair value are translated with the exchange rate at the date fair value was determined.

## PROPERTY, PLANT & EQUIPMENT

### Recognition and measurement

Property, plant and equipment are recognized at cost, less accumulated depreciation and any impairment losses. Cost includes the purchase or production cost and the directly attributable costs of bringing the asset to the location and the conditions required for its operation. Production cost includes the cost of materials and direct labour costs. Finance costs relating to the purchase, construction and production of qualifying assets are capitalized.

Subsequent to initial recognition, property, plant and equipment are carried at cost and depreciated over the asset's useful life, less any impairment losses.

Assets under construction are recognized at cost; depreciation begins when the assets are available for use.

When an asset consists of components with a significant cost and different useful lives, initial recognition and subsequent measurement are carried out separately for each component.

### Subsequent expense

Repair and maintenance expense is normally recognized as incurred. Component replacement costs are treated as separate assets and the carrying amount of the replaced component is eliminated with a balancing entry in profit or loss.

### Amortisation and depreciation

Depreciation is generally calculated on a straight-line basis over the estimated useful life of each component of property, plant and equipment. Land is recognized separately from buildings erected on it and is not depreciated.

Useful life determines the depreciation rate until such time that the residual useful life is revised. The useful life range adopted for the various categories of property, plant and equipment is disclosed in the notes.

### Lease

The Company must assess whether the contract is or contains a lease on the date it was entered into. The Company recognises the Right of Use and the related Lease Liability for all the lease contracts in which it acts as a lessee, with the exception of short-term ones (lease contracts with a duration of 12 months or less) and leases relating to low-value goods (i.e. goods with a value of less than Euro 5,000 when new). The contracts for which this exemption has been applied fall mainly into the following categories:

- Computers, telephones and tablets;
- Printers;
- Other electronic devices;
- Furniture and fittings.

With regard to these exemptions, the Company recognises the related payments in the form of operating costs on a straight-line basis over the duration of the contract.

The Lease Liability is initially recognised at the present value of future payments at the start date of the contract. Since there is no implicit interest rate in most of the rental contracts entered into by the Company, the discount rate to be applied to future payments of rents was determined as the Italian risk-free rate, with maturities in line with the duration of the specific rental contract, increased by the credit spread that is specific to the Company.

Lease payments included in the Lease Liability include:

- The fixed component of lease payments, net of any incentives received;
- Payments of variable lease fees based on an index or rate, initially valued using the index or rate on the date the contract begins.

After initial recognition, the book value of the Lease Liability increases due to the interest accrued (using the effective interest method) and decreases to take into account the payments made under the lease contract.

The Right of Use asset includes the initial assessment of the Lease Liability, the lease payments made before or on the date of the contract and any other initial direct costs. The Right of Use is recorded in the financial statements net of depreciation and any impairment losses.

The incentives linked to the lease (for example, free lease periods) are recognised as part of the initial value of the Right of Use and the Lease Liability over the contractual period. The Company did not obtain any discounts on its lease agreements during 2023.

The Right of Use is depreciated on a straight-line basis over the lower of the lease term and the residual useful life of the underlying asset. If the lease contract transfers ownership of the asset or the cost of the Right of Use reflects the Company's willingness to exercise the purchase option, the Right of Use is depreciated over the useful life of the asset in question. Depreciation begins from the start of the lease.

The right-of-use asset is shown under "Property, plant and equipment" in the separate statement of financial position.

The Company applies IAS 36 Impairment of Assets in order to identify any impairment losses.

Variable lease payments that do not depend on an index or rate are not included in the value of the Lease Liability or the Right of Use. The related payments are accounted for in accordance with the accrual principle and are included in "Other expenses" in the income statement.

In the cash flow statement, the Company divides the total amount paid between the principal portion (recognised in cash flows from financing activities) and the interest portion (recorded in cash flows from operating activities).

## INVESTMENT PROPERTY

Investment property is land and/or buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of services. Investment property is initially recognized at purchase cost, including directly attributable costs. Subsequent to initial recognition, investment property is measured at amortized cost, based on the asset's useful life less any impairment losses.

## INTANGIBLE ASSETS

Intangible assets acquired separately are capitalized at cost, while those acquired through business combinations are recognized at fair value.

Subsequent to initial recognition, intangible assets are carried at cost amortised over their useful life, less any impairment losses.

The Company has not identified intangible assets with an indefinite useful life.

## FAIR VALUE MEASUREMENT

For all fair value measurements and disclosures of fair value, that are either required or permitted by IFRS, the Group applies IFRS 13. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date (i.e., an exit price). The fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the principal market, i.e., the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market to which the Group has access, i.e., the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, knowledgeable sellers and buyers who are able to enter into a transaction for the asset or the liability and who are motivated but not forced or otherwise compelled to do so. When measuring fair value, the Group considers the characteristics of the asset or liability, in particular:

- for a non-financial asset, a fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use;
- for liabilities and own equity instruments, the fair value reflects the effect of non-performance risk, i.e., the risk that an entity will not fulfil an obligation, including among others the credit risk of the Group itself;
- in the case of groups of financial assets and financial liabilities with offsetting positions in market risk or credit risk, managed on the basis of an entity's net exposure to such risks, it is permitted to measure fair value on a net basis.

In measuring the fair value of assets and liabilities, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

## IMPAIRMENT

At the end of each reporting period, the Company checks whether there are any internal or external trigger events of possible impairment or recovery in the value of property, plant and machinery or intangible assets according to IAS 36.

At the presence of such trigger events, the recoverable amount of these assets is estimated to determine the amount of any potential write-down or write-back.

The recoverable amount is the higher of the market value (fair value, net of disposal costs) and the value in use. In determining the value in use, the estimated future cash flows are discounted to their present value, using a discount rate which is determined on the basis of the Company's weighted average cost of capital (WACC).

If the recoverable amount of an asset is reckoned to be lower than its carrying amount, it is reduced to this lower value. Impairment losses are recognized in the income statement. Fair value less costs to sell is determined through application of suitable valuation models. These calculations are carried out adopting appropriate income multipliers, quoted share prices on an active market for similar enterprises, comparable transactions on similar assets or other available fair value indicators applicable to the assets being measured.

Investments in subsidiaries and associates are tested for impairment if indications of impairment emerge. This assessment is performed at each reporting date for investments which give rise to a goodwill in the consolidated financial statements.

## REVERSALS OF IMPAIRMENT LOSSES

If an impairment loss on an asset subsequently reverses in full or in part, the asset carrying amount is increased to reflect the new estimated recoverable amount, which may not exceed the amount that would have been reflected in the absence of the impairment loss. Impairment losses and reversals of impairment losses are taken to the income statement.

## FINANCIAL ASSETS

All financial assets are recognized initially at cost at the trade date. Cost corresponds to fair value plus additional costs attributable to the purchase with the exception of financial assets held for trading (FVTPL).

All financial assets must subsequently be recognised at amortized cost or fair value based on the entity's business model for the management of financial assets and the characteristics of the financial asset's contractual cash flows.

Specifically:

- Debt instruments held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows, and which have cash flows represented only by payments of principal and interest on the amount of principal to be returned, are subsequently valued at amortised cost;
- Debt instruments held as part of a business model whose objective is achieved both through the collection of contractual financial flows and through the sale of financial assets, and which have cash flows represented only by payments of principal and interest on the amount of principal to be returned, are subsequently measured at fair value with changes recorded through other comprehensive income (FVTOCI);
- All other debt instruments and investments in equity instruments are subsequently valued at fair value with changes recognised through profit or loss (FVTPL).

On January 1, 2018, the Company irrevocably designated investments in equity instruments previously classified as available for sale in the FVTOCI category. Subsequently, the Company irrevocably designated some investments in equity instruments in the FVTOCI category.

When an investment in a debt instrument measured at FVTOCI is eliminated, the accumulated gain or (loss) previously recognised in other comprehensive income is reclassified from equity to profit or loss for the year by means of a reclassification adjustment. On the other hand, when an investment in an equity instrument representing capital designated at FVTOCI is eliminated, the accumulated gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings without passing through the income statement. Dividends received from investments in equity instruments are recognised in the income statement.

Debt instruments subsequently valued at amortised cost or FVTOCI are subject to impairment.

The CPP3 and CCP4 investment funds managed by Clessidra Capital Credit SGR S.p.A. are measured at FVTPL. Although Clessidra Capital Credit SGR S.p.A. has the power to manage the fund, the variable returns on the investment for the Italmobiliare Group are linked to the shares directly owned by Italmobiliare S.p.A., in addition to those deriving from the service of fund manager. Therefore, in a broad sense, Italmobiliare Group does not control them as there is no link between the management power and the exposure to the variability of the fund's returns. Consequently, the fund manager is considered to be an agent in its management of the fund for the benefit of the unitholders of the fund.

### Impairment of financial assets

As regards the impairment of financial assets, the Company has applied a model based on expected credit losses, with reference to: Investments in debt instruments subsequently valued at amortised cost or FVTOCI.

In particular, the Company measures the provision to cover losses of a financial asset at an amount equal to lifetime expected credit losses (or Lifetime ECL) if the credit risk of this financial asset has significantly increased after initial recognition, or if the financial instrument is an impaired financial asset that has been purchased or originated. However, if the credit risk of a financial instrument has not increased significantly after initial recognition, the company has to measure the provision to cover losses for the financial instrument at an amount equal to the expected losses on receivables deriving from a default event in the next 12 months (or "12-months expected credit losses").

Current financial assets included in the net financial position (also "NFP") are those that accrue interest and have a financial counterparty; the net financial position is therefore made up of all financial assets and liabilities, with the exception of the capital instruments valued at FVTOCI and Private Equity funds (also referred to below as "non-NFP"), and cash and cash equivalents.

### Derecognition of financial assets

The Company derecognizes financial assets in whole or in part when:

- the contractual rights attributable to the assets in question have expired;
- it transfers the risks and rewards incidental to ownership of the asset or does not transfer and does not even substantially maintain all the risks and rewards but transfers control of the assets.

## TREASURY SHARES

Treasury shares are deducted from equity. The original cost of treasury shares and income arising from any subsequent sales are treated as movements in equity.

## TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost less allowances for impairment, which are provided as bad debts are identified.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, checks, bank demand deposits and other cash investments with original maturity of not more than three months.

The definition of cash and cash equivalents in the statement of cash flows is identical to that in the statement of financial position.

## EMPLOYEE BENEFITS

The Company operates pension plans, post-employment medical benefit plans and post-employment benefits.

It also has other commitments, in the form of bonuses payable to employees on the basis of length of service ("Other long-term benefits").

From January 1, 2007, companies with more than 50 employees at the date of introduction of the reform have an obligation to pay the new severance indemnity (TFR) flows to pension schemes chosen by the employees or, in the event that they have opted to keep these flows in the Company, to a treasury account set up at INPS.



For employees of Italian companies with less than 50 employees, the severance indemnities at December 31, 2020 are configured as a defined benefit plan.

For Italmobiliare S.p.A., the severance indemnities accrued at December 31, 2006 continue to be included in the "defined benefit plans", while those accrued after that date are considered, for all employees, as a "defined contribution plan", because all of the Company's obligations end with the periodic payment of a contribution to third-party entities. The portions accrued by employees who have opted to maintain their severance indemnities in the Company as a defined benefit plan are an exception.

### **Defined contribution plans**

Defined contribution plans are structured post-employment benefit programs where the company pays fixed contributions to an insurance company or pension fund and will have no legal or constructive obligation to pay further contributions if the fund does not dispose of sufficient assets to pay all the employee benefits accruing in respect of services rendered during the current year and in previous years.

These contributions are paid in exchange for the services rendered by employees and recognized as an expense as incurred.

### **Defined benefit plans**

Defined benefit plans are structured post-employment benefit programs that constitute a future obligation for the Company. In substance, the company assumes the actuarial and investment risks of the plan. In accordance with IAS 19, the Company uses the projected unit credit method to determine the present value of obligations and the related current service cost.

These actuarial calculations require use of consistent and objective actuarial assumptions about demographic variables (mortality rate, personnel turnover rate) and financial variables (discount rate, future increases in salaries and medical benefits).

When a defined benefit plan is funded in full or in part by contributions paid to a fund that is a separate legal entity or to an insurance company, the plan assets are estimated at fair value.

Benefit obligations are therefore recognized net of the fair value of the plan assets that will be used to settle the obligations.

### **Actuarial gains and losses**

Actuarial gains and losses on post-employment defined benefit plans may arise as a result of changes in the actuarial assumptions used in two consecutive years or as a result of changes in the obligation value in respect of the actuarial assumptions used at the beginning of the year.

Actuarial gains and losses are recognized immediately under other comprehensive income (expense).

Actuarial gains and losses relating to "Other long-term benefits" (service medals, length of service benefits) and to early retirement benefits are recognized in profit or loss immediately.

### **Curtailment and settlement**

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized as profit or loss when the curtailment or settlement occurs. The gain or loss includes changes in the present value of the obligation, changes in the fair value of plan assets, actuarial gains or losses and past service costs not previously accounted for.

At the curtailment or settlement date, the obligation and the fair value of the plan assets are re-measured using current actuarial assumptions.

### Net finance costs

Net finance costs on defined benefit plans consist of the following measurements:

- finance costs computed on the present value of the defined benefit plan liability;
- finance income arising from measurement of the plan assets;
- finance costs or income arising from any limits on recognition of plan surpluses.

Net finance costs are determined by applying to all the above items the discount rate adopted at the beginning of the year to measure the defined benefit plan obligation.

Net finance costs on defined benefit plans are recognized under finance income/costs on the income statement.

### Share-based payments

Options for the subscription and purchase of shares granted by the company to employees and directors give rise to recognition of a cost classified under personnel expenses, with a corresponding increase in equity.

In particular, options for the subscription and purchase of shares are measured at fair value at the grant date and amortized over the vesting period. Fair value at the grant date is determined using the binomial method, and taking account of dividends. Future volatility is determined on the basis of historic market prices, after adjustment for non-recurring events or factors.

The cost of granted options is reviewed on the basis of the actual number of options that have vested at the beginning of the exercise period.

## PROVISIONS

The Company recognizes provisions when a present or constructive obligation arises as a result of a past event, the amount of which can be reliably estimated, and use of resources is probable to settle the obligation.

Provisions reflect the best estimate of the amount required to settle the obligation or transfer it to third parties at the reporting date. If the present value of the financial resources that will be used is material, provisions are determined by discounting expected future cash flows at a rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. When discounting is performed, movements in provisions due to the effect of time or changes in interest rates are recognized in financial items.

Changes in estimates are recognized in the income statement in the year in which the change occurs.

## LOANS AND BORROWINGS

Loans and borrowings are initially recognized at the fair value of the consideration paid/received less charges directly attributable to the financial asset/liability.

After initial recognition, loans and borrowings are measured at amortized cost using the effective interest-rate method.

## TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables are stated initially at the fair value of the original consideration received and subsequently measured at amortized cost.

## REVENUE

Given the specific nature of the activity carried out by the company, "Revenue and income" comprises "Income" which includes dividends received, interest and commission income received by financial and banking companies and revaluations and gains from financial assets valued at FVTPL (recognized and measured on the basis of the rules defined by IFRS 9 for financial instrument assets). Dividends are accounted for on the approval date of the associate company; interest, commissions and rents according to the terms of the individual contract.

Revenue is measured taking into account the consideration specified in the contract with the customer. The Company recognizes revenue when it transfers control of the goods (i.e. property) or services.

Revenue is recognized to the extent that it is probable that the economic benefits associated with the sale of goods or rendering of services are collected by the Company and the amount in question can be reliably determined.

Revenue is recognized at fair value, equivalent to the consideration received or due, taking account of any trade discounts given and volume discounts.

As regards the sale of goods, the performance obligation is considered satisfied when the company transfers the material risks and rewards incidental to ownership of the goods to the purchaser.

## RENTAL INCOME

Rental income is recognized as other revenue in the period that it accrues on a straight-line basis over the rental period, if they have been identified as operating leases.

## COSTS

Costs are recognized on an accrual basis in accordance with the matching principle.

## DERIVATIVES

The Company uses derivatives such as options on securities and futures to manage market risks. Derivatives are measured and recognized at fair value; fair value gains or losses are taken to profit or loss, since the derivatives in question do not qualify for hedge accounting, even though they are arranged in some cases for hedging purposes.

## INCOME TAX

Current income taxes are provided in accordance with local tax laws.

Deferred tax is recognized on the basis of temporary differences between the tax base of assets and liabilities and their carrying amount in the statement of financial position.

Deferred tax liabilities are recognized on all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which such differences, losses or credits may be reversed.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that sufficient taxable profit is no longer likely to be available in the future against which the assets can be used in full or in part.

Deferred tax assets and liabilities are determined at tax rates expected to apply when the deferred tax asset (liability) is realized (settled), based on rates that have been enacted or substantially enacted at the reporting date.

Taxes relating to items recognized directly in equity are recognized in equity, not in the income statement. Deferred tax assets and deferred tax liabilities are not discounted to present value.

The Company has established a National Tax Consolidation contract with the main Italian subsidiaries which makes it possible to offset the various companies' tax profits and losses for IRES purposes.

## Significant events during the period

During 2023, the framework of uncertainty at both national and international level meant that Italmobiliare's strategy focused more and more on its core investment portfolio.

Thanks to a team with a wide variety of industrial, managerial and financial skills and a widespread network of strategic relationships, Italmobiliare provides ongoing support to the Portfolio Companies' management in identifying rapid responses and defending profitability and growth prospects in a very complex market scenario: hedging strategies, intra-group synergies in energy procurement and timely transitions to alternative energy sources, refinancing operations, hiring and training of qualified resources, partnerships for development.

In October, Florence InvestCo S.r.l., in which Italmobiliare held a 13.98% stake, was sold to Permira. Italmobiliare was part of the shareholding structure of the Florence Group from the start. It was created with the aim of aggregating Italian industrial excellence in the sector of luxury textile manufacturing on behalf of third parties. On completion of the sale, Italmobiliare received 78.2 million euro, versus an investment of 30.7 million euro, giving an cash on cash return of 2.5x and an IRR of 51.2%.

# ASSETS

## Non-current assets

### 1) PROPERTY, PLANT AND EQUIPMENT

At December 31, 2023 and at December 31, 2022, property, plant and equipment totalled respectively 8,005 thousand euro and 7,739 thousand euro; the movements on the caption are set out below:

(in thousands of euro)	Land and buildings	Plant and machinery	Office machines and furniture	Vehicles	Total
Gross amount	7,358	1,308	1,110	451	10,227
Accumulated amortisation	(1,236)	(617)	(493)	(142)	(2,488)
<b>Carrying amount at December 31, 2022</b>	<b>6,122</b>	<b>691</b>	<b>617</b>	<b>309</b>	<b>7,739</b>
Additions	817	19	94	172	1,102
Decreases	(497)			(294)	(791)
Amortisation	(75)	(150)	(133)	(110)	(468)
Utilisation of accumulated amortisation	270			153	423
<b>Carrying amount at December 31, 2023</b>	<b>6,637</b>	<b>560</b>	<b>578</b>	<b>230</b>	<b>8,005</b>
Gross amount	7,678	1,327	1,204	329	10,538
Accumulated amortisation	(1,041)	(767)	(626)	(99)	(2,533)
<b>Carrying amount at December 31, 2023</b>	<b>6,637</b>	<b>560</b>	<b>578</b>	<b>230</b>	<b>8,005</b>

The useful lives adopted by the company for the main asset categories are as follows:

- Plant and machinery 5 – 10 years
- Other property, plant and equipment 4 – 8 years

The Company has applied IFRS 16 - Leases, by presenting the right of use in the category of the underlying asset (contracts for car and property rental).

The increase during the year, net of IFRS 16 impacts, is mainly related to the renovation of the Company head office.

### 2) INVESTMENT PROPERTY

Investment property amounting to 12,936 thousand euro (7,083 thousand euro at December 31, 2022) is measured at cost. During the year, this item increased due to the purchase of a new property in Via Borgonuovo, Milan.

The fair value of investment properties at December 31, 2023 was 16.5 million euro. The designation of their fair value is a level 3 calculated yearly by verifying the value of comparable transactions and based on the appraisal prepared by independent external experts.

(in thousands of euro)	Investment property
Gross amount	8,860
Accumulated amortisation	(1,777)
<b>Carrying amount at December 31, 2022</b>	<b>7,083</b>
Additions	6,229
Amortisation	(376)
<b>Carrying amount at December 31, 2023</b>	<b>12,936</b>
Gross amount	15,089
Accumulated amortisation	(2,153)
<b>Carrying amount at December 31, 2023</b>	<b>12,936</b>

Investment properties were depreciated at an annual rate of 3%, which reflects their residual useful life.

### 3) INTANGIBLE ASSETS

Intangible assets consist of investments in software applications for administrative purposes and are fully amortised.

(in thousands of euro)	Sundry licences and rights	Total
Gross amount	634	634
Accumulated amortisation	(634)	(634)
<b>Carrying amount at December 31, 2022</b>		
Amortisation		
<b>Carrying amount at December 31, 2023</b>		
Gross amount	634	634
Accumulated amortisation	(634)	(634)
<b>Carrying amount at December 31, 2023</b>		

### 4) INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The movements on this caption compared to December 31, 2022, are illustrated below:

(in thousands of euro)	
<b>At December 31, 2022</b>	<b>762,210</b>
Increase for purchase of equity investments or capital contribution	33,645
Reclassification of CCC Holdings Europe S.p.A.	(7,517)
Reclassification for sale of investments	(9,740)
Decrease for the sale of Florence	(30,846)
Impairment loss	(19,178)
Reclassification from assets classified as held for sale	(60,358)
Decrease for the distribution of Sirap Gema's capital reserves	(2,000)
<b>At December 31, 2023</b>	<b>666,216</b>

The following corporate changes occurred in 2023:

- the "Increase for purchase of equity investments" mainly refers to the capital increases in CDS (16,9 million euro), SIDI Sport S.r.l. (15 million euro) and Farmagorà (1,6 million euro);
- the decrease for sale of investments relates to the sale of Dokimè (1.7 million euro) and the capital reduction of FT2 S.r.l. (8 million euro).
- The impairment loss mainly refers to the write-down of the companies FT3 (7.3 million euro), SIDI Sport (7.7 million euro) and Sirap Gema (3.9 million euro).

During the year, the ownership stake in CCC Holdings Europe S.p.A. was reclassified, following a decrease of 8.43% in Other participations.

Furthermore, it should be noted that in October, Florence InvestCo S.r.l., in which Italmobiliare held a 13.98% stake, was sold to Permira. On completion of the sale, Italmobiliare received 78.2 million euro, versus an investment of 30.7 million euro, realizing a gain of 44.7 million euro (net of bonuses to be paid for the sale of the investment).

The investments in subsidiaries and associates at December 31, 2023 are listed below:

<b>Subsidiaries</b>	<b>Head Office</b>	<b>% held</b>
Caffè Borbone S.r.l.	Caivano	60.00%
Capitelli F.lli S.r.l.	Borgonovo Val Tidone	80.00%
Casa della Salute S.p.A.	Genova	84.73%
Clessidra Holding S.p.A.	Milano	100.00%
Credit Mobilier de Monaco	Montecarlo	99.91%
Franco Tosi Ventures S.r.l.	Milano	100.00%
FT2 S.r.l.	Milano	100.00%
FT3 S.r.l.	Milano	100.00%
SIDI Sport S.r.l.	Milano	100.00%
Italgen S.p.A.	Villa di Serio	100.00%
Italmobiliare Servizi S.r.l.	Milano	100.00%
ITM Bacco S.r.l.	Milano	60.00%
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milano	100.00%
Société d'Etudes de Participations et de Courtages S.A.	Montecarlo	99.98%
Sirap Gema S.p.A.	Verolanuova	100.00%
<b>Associates</b>	<b>Head Office</b>	<b>% held</b>
AGN Energia S.p.A.	Volpiano	32.02%
Farmagorà Holding S.p.A.	Bergamo	24.09%
Iseo Serrature S.p.A.	Pisogne	39.24%
Società Editrice Sud S.p.A.	Messina	33.53%
Tecnica Group S.p.A.	Giavera del Montello	40.00%

See annexes "A" and "B" for further information on the investments in subsidiaries and associates.

With reference to the subsidiary Clessidra Holding S.p.A., an impairment test was carried out with the support of an independent expert according to the methods provided by IAS 36 (through a value in use configuration). In particular, the Sum-of-Parts (SoP) approach was adopted, which determines the equity value of the investee based on the sum of the economic values of the direct subsidiary Clessidra Holding S.p.A., and of its subsidiaries (i) Clessidra Private Equity SGR S.p.A., (ii) Clessidra Capital Credit SGR S.p.A., and (iii) Clessidra Factoring S.p.A. For Clessidra Holding S.p.A., the amount was determined according to an equity-side approach based on an estimate of its future discounted cash flows, available for the shareholders. The value of Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A. was determined on the basis of an equity-side approach based on the so-called "dividend discount model", which involves discounting the dividends that the companies are expected to distribute in the future. For Clessidra Factoring S.p.A. an equity-side approach was applied based on the P/E 2024 multiple. In particular (6.7x), the recoverable amount was estimated on the basis of the results provided by the company's financial projections of the plans approved by the Board of Directors of Clessidra Holding S.p.A. The cash flows were discounted using a post-tax discount rate of 12.8% for Clessidra Holding S.p.A. and 15.8% for Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A., including an additional premium with respect to the Capital Asset Pricing Model (CAPM) for the specific risk. For the purpose of estimating the terminal value of Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A., an annual long-term sustainable growth rate for net profit (g rate) of 2.0% was used. The recoverable amount of the investment was higher than the respective carrying amount, so no adjustments were made. The sensitivity analysis showed that an increase of 100 basis points (+1.00%) in the discount rate (WACC), with all the other inputs unchanged, would not generate an impairment loss. A 3.5% increase in the reference rate (for Clessidra Holding S.p.A., Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A.) combined with a decrease in the P/E 2024 multiple (for Clessidra Factoring S.p.A.) of approximately 2.0x would determine a recoverable amount in line with the carrying amount of the investment.

The recoverable amount for Caffè Borbone S.r.l. was estimated with the help of an independent expert in the configuration of value in use based on the present value of (unlevered) future cash flows, net of taxes, based on the budget 2024 approved by the company's Board and business projections for the four-year period 2025-2028 prepared by its management and updated in January 2024, net of the net financial position. The 2023-2028 CAGR of revenues foreseen in the plan is equal to 10.3%, compared with an actual growth rate of 13.1% in 2023 and 3.9% in 2022. The cash flows were discounted using a post-tax discount rate (WACC) of 9.0%, including an additional premium with respect to the CAPM to take into account the specific risk. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g) of 2.0% was used. The test did not reveal any evidence of impairment losses since the recoverable amount is significantly higher than the carrying amount. In addition, a sensitivity analysis was carried out to quantify the potential risk of an increase in the price of the raw material (coffee) due to climate change. The recoverable value would be significantly higher than the carrying amount also in this scenario.

The sensitivity analysis showed that an increase of 100 basis points (+1.00%) in the discount rate (WACC), even in conjunction with a 100 basis point reduction in the growth rate (g) in the terminal value, would not generate any impairment loss. Moreover, another sensitivity analysis verified that a 77.2% decrease in future (unlevered) cash flows (net of taxes) would lead to a recoverable amount in line with the carrying amount of the investment.

Lastly, even reducing the revenue CAGR 2023-2028 to 5% (decrease of 5.3 percentage points compared with what is foreseen in the plan), with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge.

With regard to Italgel S.p.A., given that there were no facts or circumstances suggesting that there might trigger an impairment loss, an analytical test was not carried out.

As regards the subsidiary Sidi Sport S.r.l., the recoverable value was estimated with the support of an independent expert in the configuration of the value in use based on the current value of future (unlevered) financial flows - net of tax - based on the 2024 budget data approved by the company's Board of Directors and on the financial projections of the four-year plan for 2025-2028 developed by its management, updated to January 2024, net of the net financial position. The CAGR 2023-2028 of the revenues envisaged by the plan comes to 21.7%. The cash flows were discounted using an after-tax discount rate (WACC) of 11.9%, including an additional premium with respect to the CAPM to take account of the specific risk. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g rate) of 2.0% was used. The check revealed a loss due to a reduction in the value of the investment of approximately 7 million euro.

As regards Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. (SMN), the recoverable amount of the subsidiary was estimated, with the support of an independent expert, using the present value of expected future cash flows. The analytical projections of (unlevered) future cash flows, net of tax, are based on the 2024 budget approved by the company's Board and on the financial and business plan projections for the period 2025-2028 prepared by its management in January 2024, net of the net financial position. The CAGR 2023-2028 of the revenue envisaged by the plan is equal to 23.1%, compared with a growth rate of 21.3% in 2023, 55.4% in 2022 and 33.3% in 2021. The cash flows were discounted using a post-tax discount rate (WACC) of 13.1%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) to take into account the specific risk. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g) of 2.0% was used from 2029 onwards. The test did not identify any evidence of impairment losses on the investment.

At the same long-term growth rate (g), an increase in the discount rate of 220 basis points (+2.2%), using the value in use configuration, would lead to a recoverable amount in line with the carrying amount. Furthermore, by reducing the EBITDA margin of each year included in the plan by 16.2%, with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge. Lastly, a further sensitivity analysis verified that a 20.8% decrease in future (unlevered) cash flows (net of taxes) would result in a recoverable value in line with the carrying amount of the investment.

Capitelli F.Ili S.r.l. was tested for impairment in accordance with IAS 36. In particular, the recoverable amount of the investment was estimated with the help of an independent expert using the fair value configuration on the basis of the EV/EBITDA multiple applied to the 2024 EBITDA. The test did not identify any evidence of impairment losses on the investment. The estimate of the fair value carried out on the basis of the EV/EBITDA multiple applied to the



2024 EBITDA (not adjusted) would result in a recoverable amount higher than the carrying amount of the investment. Furthermore, the sensitivity analysis carried out indicates that even in the event of significant changes (-15%) in the reference EBITDA used, there would be no evidence of impairment. A 45% reduction in the multiple EBITDA would result in a recoverable amount in line with the carrying amount of the investment.

With reference to the investment in Casa della Salute S.r.l., the recoverable amount was estimated using the present value of expected future cash flows. The analytical projections of (unlevered) future cash flows, net of tax, are based on the financial and business plan projections for the period 2024-2029, updated by its management in January 2024, net of the net financial position. The cash flows were discounted using a post-tax discount rate (WACC) of 11.8%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) to take into account the specific risk. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g) of 2.0% was used from 2030 onwards. The test did not identify any evidence of impairment losses on the investment. The sensitivity analysis showed that an 8.5% decrease in (unlevered) future cash flows, net of tax, or a decrease of 40 basis points (+0.4%) in the discount rate would lead to a recoverable amount in line with the carrying amount of the investment. A further sensitivity analysis was carried out based on a version of the CDS plan that assumes the current scope of the clinics to be like-for-like. In this case as well, the test did not identify any evidence of impairment losses on the investment.

With regard to the investment in Callmewine S.r.l., the recoverable amount was determined on the basis of the value implicit in the last capital transaction carried out. The test identified an impairment loss of approximately 7 million euro on the investment.

With regard to the associate Tecnica Group S.p.A., the recoverable amount was determined in the fair value configuration on the basis of the multiple EV/EBITDA (applied to the company's average EBITDA 2021 and 2022). In particular, reference was made to the EV/EBITDA multiple implicit in the option to repurchase the investment held by the controlling shareholder, after verifying that this multiple was lower than the current market multiples referring to a sample of comparable listed companies. Since the fair value of the investment estimated on the basis of this multiple is significantly higher than the carrying amount of the investment, there is no evidence of impairment loss of the investment. The sensitivity analysis carried out indicates that even in the event of significant changes (-20%) in the EBITDA or reference multiple used, there would be no evidence of impairment.

An impairment test was also carried out for the associate ISEO Serrature S.p.A. based on an estimate of the fair value of the investment. The latter was determined by applying the market multiples method (specifically, the average multiple EV/EBITDA 2023-2024 was used). An adequate discount was taken into account with respect to the reference rate which consisted of the average of market multiples recorded for a sample of reference listed companies. Its measurement was defined in relation to facts and circumstances concerning the specific situation of the associate considered and the effective level of comparability in terms of size, profitability and risk of the listed companies that make up the sample. There is no impairment loss for the associate Iseo. The sensitivity analysis carried out indicates that even in the event of significant changes (-15%) in the reference EBITDA used, there would be no evidence of impairment. A decrease in the multiple EBITDA of 17.5% would determine a recoverable value in line with the carrying amount of the investment.

With regard to the investment in the associate Società Editrice Sud S.p.A. (S.E.S.), an impairment test was carried out based on its estimated fair value. The latter was determined by applying the market multiples method. Since there are no updates to the accounting data, nor any forward-looking indications formalised in a budget or business plan, the fair value of the investment was estimated on the basis of the EV/Sales 2022 multiple obtained from a sample of listed companies in the same sector. Since these companies have sizes and business profiles that are sometimes significantly different, an appropriate discount was used to determine the fair value of the investment compared with the value implicit in a straightforward application of the average multiple for the sample. The estimate of the fair value of the investment carried out according to the criteria described above did not show any impairment loss.

In conclusion, the analyses carried out on the main investments of the Company revealed impairment losses with regard to the investments in Sidi Sport S.r.l. (7.7 million euro) and Callmewine S.r.l. (7.3 million euro).

## 5) OTHER EQUITY INVESTMENTS

The caption, classified in the non-current assets reflects equity investments designated at FVTOCI as allowed by IFRS 9.

(in thousands of euro)	
<b>At December 31, 2022</b>	<b>144,173</b>
Disposals	(26,737)
Reclassification of CCC HOLDINGS EUROPE S.p.A (Class B1 from associates)	7,517
Change in fair value	23,805
<b>At December 31, 2023</b>	<b>148,758</b>

During the year, the investment in CCC Holdings Europe S.p.A. decreased to 8.43% at December 31, 2023, and was therefore reclassified to Other equity investments.

With reference to this investment, the recoverable amount was determined by applying the market multiple method (specifically the EV/EBITDA 2023 method). An adequate discount was taken into account with respect to the reference rate which consisted of the market multiples recorded for a sample of reference listed companies. Its measurement was defined in relation to facts and circumstances concerning the specific situation of the subsidiary considered and the effective level of comparability in terms of size, profitability and risk of the listed companies that make up the sample. The test did not show any evidence of impairment losses on the investment. The sensitivity analysis indicates that a 4.3% decrease in EBITDA or the multiple used would result in a recoverable value in line with the carrying amount of the investment.

The decreases are related to the sale of the investments in Unicredit S.p.A., Heidelberg Materials AG, Ariston Holding NV and Can Fite Biopharma, which took place in 2023. The positive change in the fair value of other equity investments was due to the better performance of financial markets. With regard to Bene Assicurazioni S.p.A. Società Benefit, its fair value is substantially aligned with its carrying amount.

Please refer to annex "A" for other movements. Other equity investments measured at FVTOCI at December 31, 2023 were as follows:

(in thousands of euro)	Number of shares	December 31, 2023
<b>Equity investments in listed companies:</b>		
Ariston Holding N.V.	975,000	5,903
Cairo Communication S.p.A.	189,198	342
Heidelberg Materials AG	650,000	16,593
Piaggio S.p.A.	169,699	505
Vontobel Holding AG	115,238	6,783
Can Fite Biopharma	20	
<b>Total</b>		<b>30,126</b>
<b>Equity investments in non-listed companies</b>		
Cartiere Burgo	46,153,846	1
CCC HOLDINGS EUROPE S.p.A.	1,503,000	7,517
Compagnia Fiduciaria Nazionale S.p.A.	20,001	744
Fin. Priv. S.r.l.	2,857	23,288
Immobiliare Astra S.p.A.	12,012	28
KKR Teemo Co-Invest	1	20,740
New Flour S.p.A.	27,667	9,253
Sesaab S.p.A.	700,000	800
Archimede S.p.A.	172,414	14,472
Bene Assicurazioni S.p.A. - Società Benefit	4,199,000	41,051
035 Investimenti S.p.A.	1,114,550	738
<b>Total</b>		<b>118,632</b>
<b>Total equity investments</b>		<b>148,758</b>

The analysis of movements in equity investments is shown in annex "A".

## 6) DEFERRED TAX ASSETS

Deferred tax assets amount to 4,008 thousand euro (3,776 thousand euro at December 31, 2022) and consist of the deferred tax assets calculated on temporary differences of the company Italmobiliare and the subsidiaries included in the National Tax Consolidation.

## 7) OTHER NON-CURRENT ASSETS

The balance on this caption was as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Receivables due from subsidiaries and other Group companies	16,000	16,000	
Bonds and Private equity funds	241,578	215,168	26,410
Other assets	2,681	2,630	51
Guarantee deposits	5	5	
Receivables on tax consolidation due from subsidiaries	13,906	2,489	11,417
<b>Total</b>	<b>274,170</b>	<b>236,292</b>	<b>37,878</b>

The increase in "Receivables on tax consolidation due from subsidiaries" is mainly due to the incomes achieved in 2023 by the Group companies included in the National Tax Consolidation.

The increase in "Bonds and Private equity funds" is mainly due to the positive fair value performance and new investments made, partially offset by the exchange rate effect and repayments. Details of "Bonds and mutual funds" are provided in annex "D".

## Current assets

## 8) TRADE RECEIVABLES

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Customers	107	101	6
Associates	99	178	(79)
Subsidiaries	315	256	59
<b>Total</b>	<b>521</b>	<b>535</b>	<b>(14)</b>

The receivables refer to Italian entities.

## 9) OTHER CURRENT ASSETS INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

This item "Other current assets including derivative financial instruments" is made up as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Receivables from social security institutions	91	88	3
Receivables from subsidiaries	6,500	12,500	(6,000)
Receivables from tax authorities for VAT	17		17
Sundry other current receivables	647	160	487
Options on securities		259	(259)
Prepaid expenses – other	173	603	(430)
<b>Total</b>	<b>7,428</b>	<b>13,611</b>	<b>(6,182)</b>

The decrease relates to the partial collection of the receivable due from the subsidiary Sirap Gema as a result of the company's share capital reduction, which took place in 2022. During the year, a total of 8.0 million euro was collected. Furthermore, during 2023, Sirap Gema carried out an additional reduction of share capital amounting to 2.0 million euro.

## 10) TAX ASSETS

Tax assets totalled 17,907 thousand euro (33,383 thousand euro at December 31, 2022). The change was due to a net negative tax charge relating to 2023 of the companies included in the tax consolidation (compared with a positive amount in 2022), which was offset against the tax credit at December 31, 2022, leaving a net credit as the balance.

## 11) EQUITY INVESTMENTS, BONDS AND CURRENT FINANCIAL RECEIVABLES

This caption is broken down as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Bonds and mutual funds held for trading (FVTPL)	145,004	107,934	37,070
Listed shares held for trading (FVTPL)	16,679	16,490	189
Other financial assets	2,133	6,311	(4,178)
Current financial receivables from subsidiaries	7,660	860	6,800
Accrued finance income	1,478	456	1,022
<b>Total</b>	<b>172,954</b>	<b>132,051</b>	<b>40,903</b>

Details of "Bonds and mutual funds held for trading" are provided in annex "D", while details of "Listed shares held for trading" are provided in annex "C".

## 12) CASH AND CASH EQUIVALENTS

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Cash and cheques in hand	2	1	1
Bank and postal accounts	18,194	22,499	(4,305)
<b>Net amount</b>	<b>18,196</b>	<b>22,500</b>	<b>(4,304)</b>

Short-term deposits were on demand deposits; accrued interests at the respective short-term rates. The fair value of cash and cash equivalents corresponds to their carrying amount.

The Company has escrow accounts of 0.9 million euro at December 31, 2023.

For more information on the change of the caption, please refer to the analysis provided in the cash flow statement.

## 13) ASSETS CLASSIFIED AS HELD FOR SALE

The investment in AGN Energia and the amounts due from it, for a total of 60,388 thousand euro, were presented in this caption.

Note that the sale of the investment in AGN Energia was completed on February 28, 2024. Italmobiliare held a 32.02% stake in AGN Energia and realized 100 million euro from selling it, approximately 20% more than the latest valuation of its NAV, with a gain of around 40 million euro and a cash-on-cash return of 1.8x.

## EQUITY AND LIABILITIES

### Share capital, reserves and retained earnings

#### 14) SHARE CAPITAL

At December 31, 2023, the Parent Company's fully paid-up share capital amounted to 100,166,937 euro represented by 42,500,000 no-par ordinary shares.

Number of shares	December 31, 2023	December 31, 2022	Change
Ordinary shares	42,500,000	42,500,000	
<b>Total</b>	<b>42,500,000</b>	<b>42,500,000</b>	

#### 15) SHARE PREMIUM AND OTHER RESERVES

At December 31, 2023 other reserves were positive for 29,339 thousand euro, showing an overall increase of 30,967 thousand euro compared with December 31, 2022, fully related to the changes of the OCI reserve.

#### 16) TREASURY SHARES

At December 31, 2023, the cost of treasury shares purchased totalled 5,166 thousand euro (5,166 thousand euro at December 31, 2022) and was recorded as a decrease in equity.

Treasury shares were as follows.

	No. ordinary shares	Carrying amount in euro (in thousands of euro)
<b>December 31, 2022</b>	<b>217,070</b>	<b>5,166</b>
Exercise of stock options		
<b>December 31, 2023</b>	<b>217,070</b>	<b>5,166</b>

#### Dividends paid

Ordinary dividends declared and paid in 2023 and 2022 are detailed in the table below:

	2023 (euro per share)	2022 (euro per share)	December 31, 2023 (in thousands of euro)	December 31, 2022 (in thousands of euro)
Ordinary shares	0.700	1.400	29,598	59,196
<b>Total dividends</b>			<b>29,598</b>	<b>59,196</b>

#### 17) RETAINED EARNINGS

The overall positive change, which amounted to 22,687 thousand euro, mainly relates to the result for the year 2023 for 51,577 thousand euro and the recycle of 692 thousand euro related to investments measured at FVTOCI, offset by the negative change of 29,598 thousand euro for the payment of dividends.

## Non-current liabilities

### 18) EMPLOYEE BENEFITS

This caption includes post-employment benefits in accordance with IAS 19 (the Company has less than 50 employees) and liabilities relating to future commitments, in the form of bonuses or incentives, to be paid to employees.

Movements on the caption are detailed below:

(in thousands of euro)	Post-employment benefits	Seniority bonus	Total
<b>At December 31, 2022</b>	<b>530</b>	<b>195</b>	<b>725</b>
Utilization of year	(38)		(38)
Provision for year	30	48	78
Actuarial gains/losses	1		1
<b>At December 31, 2023</b>	<b>523</b>	<b>243</b>	<b>766</b>

Costs for the year included:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Current costs of services	(50)	(54)	4
Finance costs	(25)	(9)	(16)
<b>Total</b>	<b>(75)</b>	<b>(63)</b>	<b>(12)</b>

The assumptions used to determine liabilities arising from long-term benefits are set out below:

	Post-employment benefits	Other employee benefits
Discount rate	4.20%	1.30%
Future wage and salary increases	2.82%	2.77%
Inflation	2.50%	n/a

n/a not applicable

The discount rate was determined with reference to market yields on high-quality corporate bonds, using the market yields on government bonds and the Eurozone Mercer Yield curve at December 31, 2023.

Inflation describes the implied inflation in the Eurozone for the duration of the company at December 31, 2023.

### 19) FINANCIAL LIABILITIES

Financial liabilities are shown below by category, broken down by current and non-current liabilities:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Bank loans and overdrafts	36		36
Current financial liabilities	3,155	18,230	(15,075)
Current lease liabilities	145	70	75
Non-current lease liabilities	415	123	292
Options on securities	243	506	(263)
<b>Total financial liabilities</b>	<b>3,994</b>	<b>18,929</b>	<b>(14,935)</b>

Financial liabilities mainly include amounts due to subsidiaries for ordinary transactions on current account.

The following is a reconciliation of the changes in financial liabilities deriving from financing activities with the financial statement schedules, due exclusively to monetary movements involved in repaying old loans or taking out new loans.

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Non-current financial liabilities	415	123	292
Loans and borrowings	36		36
Current financial liabilities	3,300	18,301	(15,001)
<b>Total financial liabilities</b>	<b>3,751</b>	<b>18,424</b>	<b>(14,673)</b>

Current financial liabilities include the balances of the intragroup current accounts and the lease liabilities deriving from the application of IFRS 16. Furthermore, the item "Options on securities" is included in the category of "Other current liabilities".

Information on available credit lines is included in the section IFRS 7 (there are no covenants to comply with on existing loans).

## 20) TAX LIABILITIES AND PROVISIONS

The provisions at December 31, 2023 amounted to 16,110 thousand euro and mainly included provisions for risks from the sale of equity investments.

(in thousands of euro)	Opening amount	Increases	Decreases	Closing amount
Provisions	15,700	410		16,110

As explained in previous financial reports, following the completion of various M&A transactions in recent years, the Company - as the seller - is subject to compensation claims, notified by the respective purchasing parties, for alleged violations of the declarations and guarantees given by the seller and/or non-fulfilment of obligations placed on it by the related contractual documentation. In this regard, no events took place during the period that might entail substantial changes in the risk provisions already made.

Tax liabilities amounted to 4,489 thousand euro at December 31, 2023 (5,129 thousand euro at December 31, 2022). Movements on the caption are detailed below:

(in thousands of euro)	Opening amount	Increases	Decreases	Closing amount
Tax liabilities	5,129	381	1,021	4,489

The difference compared with 2022 is a result of the Company accepting the "fiscal peace" facilitation offered under the 2023 Budget Law to settle disputes about CFCs for the years 2012-2016: against utilisation of this facility of 1,021 thousand euro, the Company recorded a net change of 0.2 thousand euro.

Furthermore, it should be noted that current tax payables at December 31, 2023 come to zero (3,603 thousand euro at December 31, 2022). The value at December 31, 2023 fell to zero as a result of offsetting the 2023 liability against the 2022 tax credit and the advances paid.

### Tax disputes

The 2nd level Tax Court of Justice of Lombardy with sentence no. 1237 of April 5, 2023 upheld the appeals presented by the Company against the assessment notices relating to CFCs for the years 2010 and 2011, thus completely overturning the 1st level sentences which saw Italmobiliare as the losing party. For such dispute, the Company accounted for a provision in the financial statements.

On June 8, 2023, the revocation sentence concerning the "Ansaldo dispute" was published. With this sentence, while not overturning the previous ruling, the Court ordered the case to be referred to the 2nd level Tax Court of Justice of Lombardy, just for the penalties, allowing the Company to start a discussion with the Tax Office to obtain at least a reduction in the penalties charged. As of today, the Company has already paid the entire amount due.

On September 30, 2023 Italmobiliare accepted the "fiscal peace" facilitation offered under the 2023 Budget Law to settle disputes about CFCs for the years 2012-2016, which were definitively closed.

## 21) OTHER NON-CURRENT LIABILITIES

The increase of 3,991 thousand euro is mainly due to LTI liabilities for the three-year period 2023-2025, which will be paid in April 2025.

Please note that the Long-Term Incentive Plan of the Company envisages the assignment of a specific number of rights to receive "Phantom Stocks" linked to a predefined level of Net Asset Value per share and ESG performance, at the end of a three-year vesting period (2023-2025). The plan envisages a threshold, target and maximum performance level in relation to the underlying goal. Failure to reach at least the threshold level will mean that the right to receive the bonus is lost.

The fair value of the LTI plan was measured at December 31, 2023 and amounted to 3,988 thousand euro considering the target net asset value per share and the satisfaction of the ESG performance as evaluated by the main specialised rating agencies (CDP, Sustainalytics, S&P). Overall, the "phantom stock grant 2023-2025 plan" foresees the grant of 565,973 rights to 19 beneficiaries.

## 22) DEFERRED TAX LIABILITIES

Total deferred tax liabilities amounted to 424 thousand euro (174 thousand euro at December 31, 2022), divided as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Current and deferred taxes on shares at FVTOCI	420	131	289
Current and deferred taxes on taxable temporary differences	4	43	(39)
<b>Total</b>	<b>424</b>	<b>174</b>	<b>250</b>

## Current liabilities

### 23) TRADE PAYABLES

This caption is made up as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Due to suppliers	1,232	1,397	(165)
Due to Group companies	565	1,258	(693)
<b>Total</b>	<b>1,797</b>	<b>2,655</b>	<b>(858)</b>

### 24) OTHER CURRENT LIABILITIES

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Payables to employees	5,271	14,368	(9,097)
Due to social security bodies	1,355	1,335	20
Due to the tax authorities	375	346	29
Accrued expenses and deferred income	59	61	(2)
Other liabilities	1,777	2,998	(1,221)
Payables on tax consolidation due to subsidiaries for IRES advances	7,587	7,495	92
Options on securities	244	506	(262)
<b>Total</b>	<b>16,668</b>	<b>27,109</b>	<b>(10,441)</b>

The change in "Payables to employees" is caused by payment of the liability for LTI and MBO, which was paid during 2023, and the provision for the Value creation sharing incentive, which will be paid during 2024.



## COMMITMENTS

(in thousands of euro)	December 31, 2023	December 31, 2022
Collateral given		0
Deposits, guarantees, sureties, commitments and other	114,872	151,299
<b>Total</b>	<b>114,872</b>	<b>151,299</b>

Commitments include, for 91,429 thousand euro (115,488 thousand euro at December 31, 2022), the residual commitment for the subscription of private equity funds.

# INCOME STATEMENT

## 25) REVENUE AND INCOME

Revenue from sales and services and income totalled 120,419 thousand euro, broken down as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
Dividends	46,287	116,931	(70,644)	-60.4%
Gains on disposals and fair value increases on equity investments and securities	45,291	300	44,991	n.s.
Other finance income	27,818	18,704	9,114	48.7%
Services provided	1,023	1,114	(91)	-8.2%
<b>Total</b>	<b>120,419</b>	<b>137,049</b>	<b>(16,630)</b>	<b>-12.1%</b>

n.s. not significant

The breakdown of the various items was as follows:

Revenue from dividends:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
<b>Subsidiaries</b>				
Caffè Borbone S.r.l.	18,000	30,000	(12,000)	-40%
Capitelli S.r.l.	1,200	4,000	(2,800)	-70%
Italgel S.p.A.	4,000	8,000	(4,000)	-50%
FT2 S.r.l.	7,802		7,802	n.s.
Sirap Gema S.p.A.	4,000	60,000	(56,000)	-93%
<b>Total</b>	<b>35,002</b>	<b>102,000</b>	<b>(66,998)</b>	<b>-66%</b>
<b>Associates</b>				
AGN Energia S.p.A.	1,278	2,730	(1,452)	-53%
Iseo Serrature S.p.A.	1,975	3,931	(1,956)	-50%
Tecnica Group S.p.A.	4,000	3,200	800	25%
<b>Total</b>	<b>7,253</b>	<b>9,861</b>	<b>(2,608)</b>	<b>-26%</b>
<b>Other companies</b>				
Ariston Holding NV	127	137	(10)	-7%
Banco BPM	31	29	2	7%
BNP Paribas	46	48	(2)	-4%
Cairo Communication S.p.A.	26	34	(8)	-22%
Cartiere Burgo	343	181	162	90%
Enel S.p.A.	42	40	2	5%
ENI S.p.A.	227	248	(21)	-8%
Fin.Priv. S.r.l.	1,668	1,470	198	13%
Heidelberg Materials AG	793	1,560	(767)	-49%
Intesa SanPaolo S.p.A.	84	62	22	36%
Kuerig Inc	30	31	(1)	-3%
MFE-MEDIAFORUROPE A	17	66	(49)	-74%
MFE-MEDIAFORUROPE B	25	66	(42)	-63%
OVS	21	15	6	39%
Piaggio S.p.A.	38	25	13	53%
SHELL PLC	81	72	9	13%
STMICROELECTRON NV	2	2		
Total Energies	57	79	(22)	-27%
Vontobel S.A.	351	341	10	3%
Others	22	563	(541)	-96%
<b>Total</b>	<b>4,031</b>	<b>5,069</b>	<b>(1,038)</b>	<b>-20%</b>
<b>Grand total</b>	<b>46,287</b>	<b>116,931</b>	<b>(70,643)</b>	<b>-60%</b>

n.s. not significant

Gains on disposals and fair value increases on equity investments and securities:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
DoorDash INC	85	16	69	>100
Kuerig Inc	0	283	(283)	100
Datadog ING	123		123	n.s.
ENI S.p.A.	17		17	n.s.
IAG	15		15	n.s.
Intesa SanPaolo S.p.A.	17		17	n.s.
Mediobanca S.p.A.	57		57	n.s.
MFE-MEDIAFORUROPE A	91		91	n.s.
MFE-MEDIAFORUROPE B	88		88	n.s.
Florence InvestCo S.r.l.	44,709		44,709	n.s.
Others	90	1	89	>100
<b>Total</b>	<b>45,291</b>	<b>300</b>	<b>44,991</b>	<b>&gt;100</b>
<b>Grand total</b>	<b>45,291</b>	<b>300</b>	<b>44,991</b>	<b>&gt;100</b>

n.s. not significant

It should be noted that in October, Florence InvestCo S.r.l., in which Italmobiliare held a 13.98% stake, was sold to Permira. Italmobiliare was part of the shareholding structure of the Florence Group from the start. It was created with the aim of aggregating Italian industrial excellence in the sector of luxury textile manufacturing on behalf of third parties. On completion of the sale, Italmobiliare received 78.2 million euro versus an investment of 30.7 million euro, giving a capital gain of 44.7 million euro (bonuses to be paid for the sale of the investments).

Other finance income:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
Interest and finance income from subsidiaries	703	221	482	>100%
Interest and finance income from associates		989	(989)	-100.0%
Interest and finance income from others	365		365	n.s.
Interest income on bonds and securities	1,528	1,019	509	50.0%
Bank interest income	362	1	361	n.s.
Options on securities	1,757	2,673	(916)	-34.3%
Income from currency trading	45	347	(302)	-87.0%
Income from currency valuation	168	7,300	(7,132)	-97.7%
Income from futures	366	1,595	(1,229)	-77.1%
Positive change in fair value of Funds	22,524	4,559	17,965	>100%
<b>Total</b>	<b>27,818</b>	<b>18,704</b>	<b>9,114</b>	<b>48.7%</b>

n.s. not significant

It should be noted that the item "Interest and finance income from others" refers to interest receivable from the company Archimede, which in the previous financial year was included in the item "Interest and finance income from associates" for 345 thousand euro.

The positive change in the fair value of funds for 17,965 thousand euro was influenced by positive market performance and is mainly due to BDT (+9,901 thousand euro), Clessidra (+5,326 thousand euro) and Expedition (594 thousand euro). "Income from currency valuation" decreased due to the negative impact for the year of exchange-rate differences relating to investment and private equity funds.

Revenue from services provided amounted to 1,023 thousand euro (1,114 thousand euro in 2022).

## 26) OTHER REVENUE AND INCOME

Other revenue and income amounted to 893 thousand euro (810 thousand euro at December 31, 2022) and included rents and recharges of condominium expenses for 580 thousand euro and other income for 313 thousand euro.

## 27) RAW MATERIALS AND SUPPLIES

Expense for raw materials and supplies amounted to 324 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
Materials and machinery	15	28	(13)	-46.4%
Purchases of other materials	207	210	(3)	-1.4%
Electricity and gas	102	73	29	39.7%
<b>Total</b>	<b>324</b>	<b>311</b>	<b>13</b>	<b>4.2%</b>

## 28) SERVICES

Services amounted to 7,432 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
Legal expenses, consultancy and fees for the board of statutory auditors	5,590	6,618	(1,028)	-15.5%
Rents and leases	56	57	(1)	-1.8%
Insurance	688	672	16	2.4%
Residential building rent and expenses	12	22	(10)	-45.5%
Repairs and maintenance	152	95	57	60.0%
Membership fees	257	241	16	6.6%
Communication and entertainment	359	448	(89)	-19.9%
Post and telephone	41	102	(61)	-59.8%
Cleaning	100	86	14	16.3%
Other expenses and services	177	164	13	7.9%
<b>Total</b>	<b>7,432</b>	<b>8,505</b>	<b>(1,073)</b>	<b>-12.6%</b>

n.s. not significant

## 29) PERSONNEL EXPENSES

Personnel expenses totalled 16,896 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
Wages and salaries	12,084	11,895	189	1.6%
Social contributions	3,121	3,069	52	1.7%
Pension fund contributions	78	48	30	62.5%
Directors' fees	1,218	1,048	170	16.2%
Miscellaneous costs	395	144	251	174.3%
<b>Total</b>	<b>16,896</b>	<b>16,204</b>	<b>692</b>	<b>4.3%</b>

The number of employees is shown below:

(headcount)	December 31, 2023	December 31, 2022
Employees (headcount) at the end of the year	45	47
Average number of employees	44	44

### 30) OTHER OPERATING INCOME (EXPENSES)

Other operating expenses net of other operating income amounted to 28,959 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
<b>Finance income and costs</b>				
Bank and loan interest expense	286	160	126	78.8%
Bonds and securities	3,739	165	3,574	n.s.
Currency trading	20	79	(59)	-74.7%
Exchange-rate valuation differences	180	30	150	>100%
Options on securities	3,345	3,205	140	4.4%
Other charges	40	52	(12)	-23.1%
<b>Total</b>	<b>7,610</b>	<b>3,691</b>	<b>3,919</b>	<b>&gt;100%</b>
Sale of securities		31	(31)	-100.0%
Sale of mutual funds		3,834	(3,834)	-100.0%
Sale of bonds		56	(56)	-100.0%
Losses on P&G	35	240	(205)	-85.4%
Write-down of trading investments	113	3,823	(3,710)	-97.0%
Write-down of mutual funds	10,278	24,576	(14,298)	-58.2%
Write-down of bonds	35	1,169	(1,134)	-97.0%
Write-down of put/call options	1	549	(548)	-99.8%
<b>Total</b>	<b>10,462</b>	<b>34,278</b>	<b>(23,816)</b>	<b>-69.5%</b>
Condominium expenses on own properties	169	147	22	15.0%
Other operating expenses	1,071	1,290	(219)	-17.0%
Non-deductible VAT	1,669	1,663	6	0.4%
IMU (municipal tax)	214	207	7	3.4%
Registration tax	7	8	(1)	-12.5%
Other tax	74	56	18	32.1%
Out-of-period expenses	8,075	989	7,086	>100%
Capital gain on vehicles	(2)	(68)	66	-97.1%
Other income and expenses	(1,400)	(300)	(1,100)	>100%
Fondazione Cav. Lav. Carlo Pesenti	600	600		
<b>Total</b>	<b>10,477</b>	<b>4,592</b>	<b>5,885</b>	<b>128.2%</b>
<b>Use/accruals of provisions for risks</b>				
Release of risk provisions		(21)	21	100.0%
Accrual of provision for risks	410		410	n.s.
<b>Total</b>	<b>410</b>	<b>(21)</b>	<b>431</b>	<b>n.s.</b>
<b>Total other operating income/expenses</b>	<b>28,959</b>	<b>42,540</b>	<b>(13,581)</b>	<b>-31.9%</b>

n.s. not significant

The decrease in finance costs is mainly due to a positive performance in bonds and securities as well as to the positive performance of the fair value of options and trading securities.

Furthermore, it should be noted that the item "Out-of-period expenses" and "Other income and expenses" at December 31, 2023 mainly included net accruals related to the payment of LTI (Long-Term Incentives) and MBO (Management by Objectives) for 6.4 million euro.

The item "Write-down of mutual funds" mainly refers to Iconiq (4,583 thousand euro) CCP3 (1,887 thousand euro) and Isomer (1,698 thousand euro).

### 31) AMORTISATION AND DEPRECIATION

The overall amount of 845 thousand euro (706 thousand euro at December 31, 2022) reflects the amortisation of property, plant and equipment and investment properties for 845 thousand euro (700 thousand euro at December 31, 2022) and the amortisation of intangible assets for 0 thousand euro (6 thousand euro at December 31, 2022).

## 32) FINANCE INCOME AND COSTS

Net finance costs amounted to 57 thousand euro. The amount is composed as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
Financial services	53	103	(50)	-48.5%
Other financial income (expenses)	4	(22)	26	-118.2%
<b>Total</b>	<b>57</b>	<b>81</b>	<b>(24)</b>	<b>-29.6%</b>

## 33) IMPAIRMENT OF FINANCIAL ASSETS

During the year, write-downs were made for 19,178 thousand euro, mainly related to the subsidiaries FT3 S.r.l. (7.3 million euro), SIDI Sport S.r.l. (7.7 million euro) and Sirap Gema (3.9 million euro) after impairment tests carried out during the year.

## 34) INCOME TAX

This caption reflects a positive effect for the year of 3,956 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change	Change %
Current tax	3,945	9,242	(5,297)	-57.3%
Deferred tax assets/liabilities on temporary differences	271	(872)	1,143	>100%
Irrecoverable withholding tax on dividends	(163)	(615)	452	-73.5%
Reimbursement of prior-year tax		4,971	(4,971)	-100.0%
Prior-year tax		(605)	605	-100.0%
Other	(96)		(96)	n.s.
<b>Total</b>	<b>3,956</b>	<b>12,121</b>	<b>(8,165)</b>	<b>-67.4%</b>

n.s. not significant

The change in this item (8.2 million euro) is mainly due to the Parent Company's status as a holding company, which has as its main component dividends and gains on disposals subject to the participation exemption (PEX) regime, which lead to a tax loss, showing a decrease of approximately 20 million euro compared to December 31, 2022.

## 35) STATEMENT OF CASH FLOWS

Cash flows relating to management of financial assets (including equity investments in subsidiaries and associates) are presented in section B "Cash flows from investing activities", with the exception of the reversal of finance income/costs, which are shown in section A "Cash flows from operations". The "Reversal of net finance income/costs" of 111,793 thousand euro includes dividends (note 25), other finance income (note 32) and write-downs of financial assets (note 30).

The item "PPE and Investment Property" (6,484 thousand euro) refers to investments in PPE (233 thousand euro net of changes in IFRS 16 right-of-use assets and PPE in progress) and investment property (6,229 thousand euro).

Investments in financial assets (64,735 thousand euro) are due to acquisitions of subsidiaries and associates for 33,642 thousand euro (see Annex A), other companies and investment funds for 31,092 thousand euro (see Annex D).

The item "Proceeds from disposal of non-current assets" (128,153 thousand euro) is mainly due to sales of investments in subsidiaries and associates for 87,288 thousand euro (see Annex A), including the gain of 44,709 thousand euro realised following the sale of Florence InvestCo, investments in other companies for 26,736 thousand euro and bonds and mutual funds for 5,906 thousand euro (see Annex D).

## IFRS 7

### Net financial position

At December 31, 2023, the Company had a positive net financial position of 204,258 thousand euro, showing an increase of 52,773 thousand euro from December 31, 2022.

The breakdown of the Net Financial Position is set out below:

(in thousands of euro)	December 31, 2023	December 31, 2022	Change
Cash and cash equivalents	18,195	22,500	(4,305)
Financial receivables due from Group companies	24,349	16,860	7,489
Government securities and bonds - non-current	2,209	1,815	394
Mutual funds	97,080	90,556	6,524
P&G bonds	47,925	17,378	30,547
Receivables for extended payment terms of companies sold	1,025	3,835	(2,810)
Receivable for Bea (Casa della Salute) escrow	1,105	2,210	(1,105)
Investments held for trading	16,679	16,490	189
Put/call options on equities		259	(259)
Derivatives on initial margin requirements	2	266	(264)
Prepayments and accrued income	788	456	332
<b>Total financial assets</b>	<b>209,357</b>	<b>172,625</b>	<b>36,732</b>
Bank loans and borrowings	(36)		(36)
Payable for Bea (Casa della Salute) escrow	(1,105)	(2,210)	1,105
Financial payables vs subsidiaries	(3,155)	(18,230)	15,075
IFRS 16 short-term portion	(145)	(72)	
IFRS 16 long-term portion	(415)	(123)	(292)
Put/call options on equities	(243)	(506)	263
<b>Total financial liabilities</b>	<b>(5,099)</b>	<b>(21,141)</b>	<b>16,115</b>
<b>Net financial position</b>	<b>204,258</b>	<b>151,484</b>	<b>52,847</b>

## COMPARISON BETWEEN FAIR VALUE AND CARRYING AMOUNT AND HIERARCHY

The tables below provide a breakdown of the carrying amount and the fair value of financial assets and financial liabilities at 12/31/2023 and 12/31/2022.

(in thousands of euro)	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
<b>Equity investments</b>		<b>148,758</b>			<b>148,758</b>	<b>30,126</b>	<b>23,288</b>	<b>95,344</b>	<b>148,758</b>
<b>Trade receivables and other non-current assets</b>	<b>257,578</b>		<b>526</b>		<b>258,104</b>		<b>2,209</b>	<b>239,369</b>	<b>241,578</b>
Financial assets held to maturity									
Financial assets at FVTPL in NFP	2,209				2,209		2,209		2,209
Financial assets at FVTPL not in NFP	239,369				239,369			239,369	239,369
Non-current receivables	16,000				16,000				
Guarantee deposits			5		5				
<b>Trade receivables</b>			<b>521</b>		<b>521</b>				
<b>Current assets including derivative financial instruments</b>			<b>2,681</b>		<b>2,681</b>				
Derivatives									
Other amounts due			2,681		2,681				
<b>Equity investments, bonds and current financial receivables</b>	<b>131,939</b>		<b>59,208</b>		<b>191,147</b>	<b>74,177</b>	<b>87,506</b>		<b>161,683</b>
Equity investments FVTPL in NFP	16,679				16,679	16,679			16,679
Financial assets at FVTPL in NFP	115,260				115,260	27,754	87,506		115,260
Financial receivables and accruals			41,012		41,012	29,744			29,744
<b>Cash and cash equivalents</b>			<b>18,196</b>		<b>18,196</b>				
<b>Total</b>	<b>389,517</b>	<b>148,758</b>	<b>81,132</b>		<b>600,690</b>	<b>104,303</b>	<b>113,003</b>	<b>334,713</b>	<b>552,019</b>
<b>Financial liabilities</b>									
<b>Non-current financial liabilities</b>			<b>415</b>		<b>415</b>		<b>415</b>		<b>415</b>
Finance lease payables			415		415		415		415
<b>Other non-current payables and liabilities</b>									
Other non-current payables									
<b>Bank loans and overdrafts</b>									
<b>Current financial liabilities</b>			<b>6,237</b>		<b>6,237</b>		<b>4,440</b>		<b>4,440</b>
Finance lease payables			144		144		144		144
Other loans and borrowings			4,296		4,296		4,296		4,296
<b>Trade payables</b>			<b>1,797</b>		<b>1,797</b>				
<b>Other liabilities</b>		<b>244</b>	<b>1</b>		<b>245</b>		<b>244</b>		<b>244</b>
Derivatives		244			244		244		244
Other payables, accruals and deferrals									
<b>Total</b>		<b>244</b>	<b>8,450</b>		<b>6,897</b>		<b>5,099</b>		<b>5,099</b>



Carrying amount						Fair value			
(in thousands of euro)	FVTPL	FVTOCI	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Equity investments		144,173			144,173	54,655	18,793	70,725	144,173
Trade receivables and other non-current assets	233,167		5		233,172		1,815	213,352	215,167
Financial assets held to maturity									
Financial assets at FVTPL in NFP	1,815				1,815		1,815		1,815
Financial assets at FVTPL not in NFP	213,352				213,352			213,352	213,352
Non-current receivables	18,000				18,000				
Guarantee deposits			5		5				
Trade receivables			535		535				
Current assets including derivative financial instruments	259		634		893		259		259
Derivatives	259				259		259		259
Other amounts due			634		634				
Equity investments, bonds and current financial receivables	124,424		7,627		132,051	42,774	81,650		124,424
Equity investments FVTPL in NFP	16,490				16,490	16,490			16,490
Financial assets at FVTPL in NFP	107,934				107,934	26,284	81,650		107,934
Financial receivables and accruals			7,627		7,627				
Cash and cash equivalents			22,500		22,500				
Total	357,850	144,173	31,301		533,324	97,429	102,517	284,077	484,023
Financial liabilities									
Non-current financial liabilities			123		123		123		123
Finance lease payables			123		123		123		123
Other non-current payables and liabilities									
Other non-current payables									
Bank loans and overdrafts									
Current financial liabilities			20,510		20,510		20,510		20,510
Finance lease payables			70		70		70		70
Other loans and borrowings			20,440		20,440		20,440		20,440
Trade payables			2,655		2,655				
Other liabilities	506		1		507		506		506
Derivatives	506				506		506		506
Other payables, accruals and deferrals			1		1				
Total	506		23,289		23,795		21,139		21,139

In determining and documenting the fair value of financial instruments, the following hierarchy based on different measurement methods was used:

- level 1: financial instruments with prices quoted on active markets;
- level 2: prices quoted on active markets for similar financial instruments, or fair value determined with other measurement methods where all significant inputs are based on observable market data;
- level 3: fair value determined with measurement methods where no significant input is based on observable market data.

The change in level 3 is set out in the table below:

(in thousands of euro)	Receivables and other non-current assets	Non-current equity investments	Total
<b>Balance at December 31, 2022</b>	<b>213,352</b>	<b>70,725</b>	<b>284,077</b>
Changes arising from acquisitions	31,092		<b>31,092</b>
Gains and losses in profit or loss	4,331		<b>4,331</b>
Gains and losses in equity		17,102	<b>17,102</b>
Sales/reductions in capital	(5,905)		<b>(5,905)</b>
Other changes	(3,501)	7,517	<b>4,016</b>
<b>Total changes</b>	<b>26,017</b>	<b>24,619</b>	<b>50,636</b>
<b>Balance at December 31, 2023</b>	<b>239,369</b>	<b>95,344</b>	<b>334,713</b>

## Risk management policies

### OBJECTIVES

For Italmobiliare S.p.A., exposure to financial risk is an opportunity to generate profits within the constraints established for the purposes of careful and prudent management of financial resources.

### FINANCIAL INSTRUMENTS

Group guidelines define the types of financial instruments allowed, maximum amounts, counterparties and methods of approval.

Derivatives may be used both as risk management instruments and as instruments relating to market positioning.

### Credit risk

Italmobiliare S.p.A. is exposed to credit risk with respect to issuers of financial instruments and counterparties on financial transactions.

The guidelines establish minimum rating levels for individual investments (where applicable), for type of instrument, for rating class and maximum exposure in relation to individual counterparties.

A monitoring and reporting system has also been established for senior management.

Italmobiliare S.p.A. has no significant exposure to trade credit risks.

The table below illustrates the level of credit risk exposure for each instrument (bonds, deposits, other financial assets) and with respect to the counterparties to derivatives.

	Fair value (in millions of euro)	Rating Medio	Residual average life (in years) (*)
Bonds at FVTPL	40.2	Baa1	15.1
Bonds at amortised cost		n/a	n/a
Deposits	18.2	n/a	n/a
Other financial assets	243.0	n/a	n/a
Derivatives on shares	(0.2)	n/a	< 1
Cash and cash equivalents	18.2	n/a	n/a

n/a not applicable

Assuming a parallel shift of +100 bps in the credit curve of CDS, the estimated total change in financial instruments would be -0.6 million euro, reflected entirely in the income statement.

Deposits are subject to counterparty risk, but a shift of +100 bps in the curve would not have an impact on the amount thereof.

Other financial assets and derivatives are excluded from the sensitivity analysis since their fair value does not depend on the creditworthiness of the counterparty.

## Liquidity risk

Italmobiliare S.p.A. risk management policy is designed to optimize financial resources through effective management (in terms of maturities, costs and liquidity) of the Company's assets and liabilities.

The Net Financial Position ("NFP") at December 31, 2023 reflected a strong positive position: a regular report is prepared up analysing the NFP trend in relation to the segment's requirements.

The table below sets out debt by maturity (residual life) compared with financial assets and undrawn lines of credit:

(in millions of euro)	Maturity				Total
	< 1 year	1 - 2 years	2 - 5 years	Beyond	
Total financial liabilities	(3.6)		(1.5)		(5.1)
Total financial assets	74.8		11.1	123.5	209.4
<b>Net financial position</b>	<b>71.2</b>		<b>9.6</b>	<b>123.5</b>	<b>204.3</b>
Undrawn committed lines of credit	85.5				85.5

Short-term draw-downs of committed lines of credit are reclassified based on the expiry date of the related facility.

## Market risks

### INTEREST RATE RISK

Fluctuations in interest rates affect the fair value of financial assets and liabilities and the level of net finance costs.

Regular reports are prepared up analysing the NFP and detailing asset and liability management.

The following table shows the composition of the Net Financial Position of Italmobiliare S.p.A. at December 31, 2023 and its exposure to interest rate risk; reference should be made to the specific note for a detailed analysis of the net financial position.

(in millions of euro)	
<b>Balance at December 31, 2023</b>	
Fixed-rate financial liabilities	0.5
Fixed-rate financial assets	(30.8)
<b>Fixed-rate NFP at inception</b>	<b>(30.3)</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
<b>Fixed-rate NFP after hedging</b>	<b>(30.3)</b>
Floating-rate financial liabilities	3.2
Floating-rate financial assets	(19.8)
<b>Floating-rate NFP at inception</b>	<b>(16.6)</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
<b>Floating-rate NFP after hedging</b>	<b>(16.6)</b>
Assets not exposed to interest-rate risk	(158.8)
Liabilities not exposed to interest-rate risk	1.4
<b>Total NFP</b>	<b>(204.3)</b>

Floating-rate assets include amounts due from Group companies and floating-rate bonds; fixed-rate liabilities include lease liabilities.

A sensitivity analysis was performed to determine the change in the fair value of the total net financial position caused by an instantaneous shift of 100 bps in forward interest rates (assuming a parallel shift in the curve). Modified Duration was used as the sensitivity criterion.

The analysis found an overall estimate of -1.3 million euro, with an effect exclusively on the income statement.

On demand and time deposits, an instantaneous shift in the curve would not generate an automatic effect on the income statement.

Symmetrical results would be generated by an instantaneous parallel downward shift in the rate curve.

## CURRENCY RISK

Overall exposure to the currency risk is limited. Currency positions are limited and used with the objective of de-correlating the risk of traditional financial assets in the liquidity management portfolio.

## OTHER PRICE RISK

Italmobiliare is particularly exposed to the risk of fluctuations in the prices of listed equities carried at fair value.

Since Italmobiliare is a holding company, exposure to equity risk is inherent to its core business. In some cases, for limited amounts, the Policies set out procedures and approvals for the use of derivatives to reduce this risk.

At December 31, 2023, listed financial assets exposed to price risk amounted to 46.8 million euro, of which 30.1 million euro measured at FVTOCI and 16.7 million euro measured at FVTPL.

A hypothetical reduction of 5% in share prices would have a negative impact of 2.3 million euro on the assets' fair value, of which 1.5 million euro on equity and 0.8 million euro on the income statement.

(in millions of euro)	Fair Value	Share price delta	Impact on income statement	Impact on equity
Shares at FVTPL	16,7	-5%	(0,8)	
Shares at FVTOCI	30,1	-5%		(1.5)

## Other risks

### CYBER SECURITY

Cyber security risk is one of the risks subject to periodic evaluation and continuous monitoring by the entire Group and at individual company level. Specific activities such as audits, training sessions and the definition of a security governance framework valid for the entire Group were also planned and carried out during 2023.

This involved carrying out a specific follow-up to verify the extent to which Group companies had implemented the organisational, procedural and technological measures to mitigate this type of risk. It also involved increasing the number of companies covered by an insurance policy. Work continues on strengthening or adopting organisational, procedural and technological measures to mitigate this type of risk.

### CLIMATE CHANGE

In 2023, under the coordination of the Internal Audit Department, which is entrusted with risk management, and with the support of the Sustainability Department, the process of refining the ESG risk assessment continued, with particular attention to climate risk. In particular, the involvement of management of the Portfolio Companies was even more structured, with workshops and round tables dedicated to the subject.

The assessment adopts a precautionary approach, preferring to overestimate the risks in order to activate improvement processes that go well beyond mitigation. In fact, updating the risk assessment contributes to fuelling and refining the mitigation actions reflected in the budget or strategic planning and in the annual ESG Plans of the Holding and Portfolio Companies, transforming the risks, often intrinsic to the business segments, into opportunities and potential for value creation.

The Group's sustainable approach represents in itself a strategy for anticipating and mitigating risks. Strategic vision and global references inspire governance processes and are integrated into them. Management systems built on internationally recognised schemes constitute valid operational references. The solidity and effectiveness of the governance system adopted and the performances achieved are recognised by certifications of our management systems and ESG ratings.

Our Code of Ethics, Sustainability Policies and Responsible Investment Policy contain explicit references and commitments to the fight against climate change. In line with this system of governance, in March 2023 Italmobiliare formalised its membership of the Science Based Targets initiative (SBTi), taking a firm commitment to set short and long-term emission reduction objectives in line with the net-zero scenario. In October 2023, we sent our short-term reduction objectives to the SBTi team of experts for scientific validation. Long-term targets (net-zero in 2050) will be sent as soon as guidelines are available. Following the Parent Company's commitment, the Portfolio Companies are also joining the SBTi.

Based on this rationale, Italmobiliare excludes investments in high-carbon sectors and subjects potential targets to due diligence processes including climate risk assessment, alignment with the Taxonomy and the SBTi. The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The Control and Risk Committee supervises the risk assessment process, which is then reviewed and approved by the Board of Directors. The Chief Sustainability Officer also takes part in the discussion on climate risks. The Internal Audit Department, which is entrusted with risk management, supported by the Sustainability Department, updates the assessment of exposure to climate risks annually and verifies its consistency every six months.

Over the years, the assessment has been refined, assisting and involving Portfolio Companies in identifying risks and opportunities linked to the various scenarios that are adopted. The transition risks are identified with respect to the scenario chosen as a strategic point of reference, i.e. "Net Zero 2050", defined by the Network for Greening the Financial System (NGFS), consistent with the SBTi commitment. From the same scenario, Italmobiliare has adopted the shadow price curve as an effective point of reference for quantifying in financial terms the evolution of political pressure, market preferences, available technologies and abatement costs.

Physical risks are identified with respect to the "Current Policies" scenario defined by the NGFS.

Extreme climatic events and the extent to which they become chronic can impact assets with intrinsic characteristics of vulnerability, such as outdoor activities, those performed in sensitive geographical areas or dependent on single production structures. Overall, the Group's direct assets are not particularly exposed to physical risks. In any case, all Portfolio Companies, supported by budgets and strategic planning, adopt and update mitigation and adaptation measures at all locations. For some specific sectors, such as those that depend on agricultural or livestock commodities, the impacts may be more significant in the supply chain. The Portfolio Companies involved carefully monitor upstream operators, differentiating and creating alternatives in supplies and engaging them in mitigation initiatives.

Exposure to transition risks depends on the capacity for vision and governance of a complex series of critical factors, including:

- carbon intensity and the value of the carbon footprint;
- the adoption of decarbonisation strategies aligned with the commitment to the Science Based Targets initiative (SBTi);
- belonging to value chains that are already, or expected to become, heavily regulated in climate matters, or in which significant technological developments can be expected;
- the use of energy and energy-intensive raw materials;
- the size of logistics and distribution in sensitive B2B or B2C markets;
- growing expectations regarding transparency and performance on the part of authorities, institutions, investors, business partners and stakeholders in general.

The direct or indirect assets of the Group are exposed in different ways. In any case, supported by budgets and strategic planning, the Holding Company and all of the Portfolio Companies have already activated a process of decarbonisation. Among the initiatives already consolidated, the exclusive use of renewable electricity, which for new companies entering the portfolio is achieved within the first year.

The Non-Financial Report contains details on the main risks that have been identified and, above all, the numerous mitigation measures that have been adopted, refined or integrated, on the Group's carbon footprint including category 15 "investments" and on SBTi progress.

Looking just at Italmobiliare S.p.A., the items that physical and/or transition risks could have the greatest impact on are equity investments and other financial assets. With regard to equity investments, such risks are factored into the business plans used for the impairment test, or into the related sensitivities. With regard to other financial assets, physical and/or transition risks are factored into their fair value measurement. For further details, see the relevant section.

## OTHER INFORMATION

### Audit fees

The table below sets out details of the fees paid in 2023 to the independent auditors, pursuant to art. 149-duodecies, paragraph. 1 of CONSOB Resolution no. 11971 of May 14, 1999:

Services provided (in thousands of euro)	DELOITTE & TOUCHE S.p.A.	Other companies in the DELOITTE network	Total
Audit services	275		275
Review of non-financial disclosure	44		44
Non-audit services	66		66
<b>Total</b>	<b>385</b>		<b>385</b>

### Grants from the Public Administration

Following the approval of the annual Competition Law no. 124/2018 aimed at greater transparency about government grants, during the year the Company did not receive any government grant.

## Transactions with related parties

The figures at December 31, 2023 for transactions with related parties are set out in the following table:

### Receivables and payables with related parties

(euro)					
Description	Company	Amount	% impact on carrying amount	Carrying amounts	Reference
Trade receivables					
Subsidiaries	Caffè Borbone S.r.l.	12,500			
	Callmewine S.r.l.	19,362			
	Capitelli F.lli S.r.l.	3,750			
	Casa della Salute S.p.A.	17,044			
	Clessidra Private Equity SGR S.p.A.	58,545			
	Clessidra Capital Credit SGR S.p.A.	31,626			
	Clessidra Holding S.p.A.	13,950			
	Clessidra Factoring S.p.A.	1,952			
	Franco Tosi Ventures S.r.l.	2,815			
	FT2 S.r.l.	12,500			
	FT3 S.r.l.	5,697			
	Gres Hub S.r.l.	67,123			
	Italgen S.p.A.	13,439			
	Italmobiliare Servizi S.r.l.	20,000			
	ITM BACCO S.r.l.	2,843			
	Officina Profumo-Farmaceutica di Santa Maria Novella	7,500			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	7,500			
	Sidi Sport S.r.l.	8,859			
	Sirap Gema S.p.A.	7,500			
Trade receivables					
Associates	AGN Energia S.p.A.	30,000			
	Farmagorà Holding S.p.A.	1,000			
	Iseo Serrature S.p.A.	60,000			
	Tecnica Group S.p.A.	37,500			
<b>Total trade receivables</b>		<b>443,005</b>	<b>85.02%</b>	<b>521,069</b>	<b>Note 8</b>
Other amounts due					
Subsidiaries	Casa della Salute S.p.A.	10,000,000			
<b>Total other non-current assets</b>		<b>10,000,000</b>	<b>3.65%</b>	<b>274,169,524</b>	<b>Note 7</b>
Receivables for tax consolidation					
Subsidiaries	Caffè Borbone S.r.l.	11,759,789			
	Capitelli F.lli S.r.l.	75,765			
	CDS Medical S.r.l.	173,586			
	Clessidra Factoring S.p.A.	148,255			
	Italgen S.p.A.	581,416			
	Officina Profumo-Farmaceutica di Santa Maria Novella	1,151,365			
	Rovale S.r.l.	1,401			
	Solar Rooftop S.r.l.	13,950			
	Other related parties	53,245			
<b>Total other current assets including derivatives</b>		<b>13,958,772</b>	<b>n.s.</b>	<b>7,428,178</b>	<b>Note 9</b>
Current account receivables					
Subsidiaries	Franco Tosi Ventures S.r.l.	29,424			
	FT3 S.r.l.	71,251			
	Gres Hub S.r.l.	7,340,476			
	Italgen S.p.A.	191,425			
	ITM BACCO S.r.l.	27,253			
Prepayments and accrued income					
Subsidiaries	Casa della Salute S.r.l.	689,380			
<b>Total current financial receivables</b>		<b>8,349,209</b>	<b>4.83%</b>	<b>172,953,962</b>	<b>Note 11</b>



(euro)					
Description	Company	Amount	% impact on carrying amounts	Carrying amounts	Reference
Current account payables					
Subsidiaries	FT2 S.r.l.	(135,937)			
	Italmobiliare Servizi S.r.l.	(2,166,383)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(853,072)			
<b>Total current financial liabilities</b>		<b>(3,155,392)</b>	<b>17.24%</b>	<b>(18,301,394)</b>	<b>Note 19</b>
Trade payables					
Subsidiaries	Caffè Borbone S.r.l.	(1,359)			
	Callmewine S.r.l.	(1,652)			
	FT2 S.r.l.	(1,815)			
	Italgen S.p.A.	(11,666)			
	Italmobiliare Servizi S.r.l.	(531,424)			
	Officina Profumo-Farmaceutica di Santa Maria Novella	(3,330)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(10,416)			
	Sidi Sport S.r.l.	(459)			
<b>Total trade payables</b>		<b>(562,121)</b>	<b>31.28%</b>	<b>(1,796,804)</b>	<b>Note 23</b>
Other payables tax consolidation					
Associates	Callmewine S.r.l.	(860,154)			
	Casa della Salute S.p.A.	(2,360,347)			
	Casa della Salute Sardegna S.r.l.	(20,664)			
	Clessidra Capital Credit SGR S.p.A.	(696,989)			
	Clessidra Private Equity SGR S.p.A.	(138,917)			
	Clessidra Holding S.p.A.	(810,850)			
	Franco Tosi Ventures S.r.l.	(3,203)			
	FT2 S.r.l.	(76,964)			
	FT3 S.r.l.	(12,346)			
	Gres Art S.r.l. - Società Benefit	(159,760)			
	Gres Hub S.r.l.	(88,579)			
	Idrodezzo S.r.l.	(36,575)			
	Idroenergy S.r.l.	(205,613)			
	Italmobiliare Servizi S.r.l.	(104,153)			
	ITM BACCO S.r.l.	(8,206)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(68,989)			
	Sidi Sport S.r.l.	(1,065,221)			
	Sirap Gema S.p.A.	(860,524)			
	Solar Derthona S.r.l.	(8,914)			
Other liabilities					
Subsidiaries	Italmobiliare Servizi S.r.l.	(30,135)			
<b>Total other non-current liabilities</b>		<b>(7,617,103)</b>	<b>n.s.</b>	<b>(4,084,594)</b>	<b>Note 21</b>
<b>Total other current liabilities</b>		<b>0</b>	<b>0.00%</b>	<b>(16,668,055)</b>	<b>Note 24</b>
<b>COMMITMENTS WITH RELATED PARTIES</b>					
Letters of patronage to					
subsidiaries	Caffè Borbone S.r.l.	4,000,000			
	Clessidra Holding S.p.A.	5,500,000			
<b>Total commitments</b>		<b>9,500,000</b>			

## Revenue and expenses with related parties

(euro)					
Description	Company	Amount	% impact on carrying amounts	Carrying amounts	Reference
Dividends					
Subsidiaries	Caffè Borbone S.r.l.	18,000,000			
	Capitelli F.lli S.r.l.	1,200,000			
	FT2 S.r.l.	7,801,786			
	Italgen S.p.A.	4,000,000			
	Sirap Gema S.p.A.	4,000,000			
Dividends					
Associates	AGN Energia S.p.A.	1,278,314			
	Iseo Serrature S.p.A.	1,975,049			
	Tecnica Group S.p.A.	4,000,000			
<b>Total dividends</b>		<b>42,255,149</b>	<b>91.29%</b>	<b>46,287,005</b>	<b>Note 25</b>
Current account and financial interest income and other income					
Subsidiaries	Casa della Salute S.r.l.	562,982			
	Franco Tosi Ventures S.r.l.	929			
	FT3 S.r.l.	2,157			
	Gres Hub S.r.l.	127,571			
	Italgen S.p.A.	7,957			
	ITM BACCO S.r.l.	1,026			
<b>Total interest income</b>		<b>702,622</b>	<b>0.96%</b>	<b>73,109,167</b>	<b>Note 25</b>
Recovery of cost of services					
Subsidiaries	Caffè Borbone S.r.l.	180,372			
	Callmewine S.r.l.	25,000			
	Capitelli F.lli S.r.l.	35,000			
	Casa della Salute S.p.A.	25,000			
	Clessidra Private Equity SGR S.p.A.	89,145			
	Clessidra Capital Credit SGR S.p.A.	61,200			
	Clessidra Holding S.p.A.	22,900			
	Credit Mobilier de Monaco	6,000			
	Franco Tosi Ventures S.r.l.	10,000			
	FT2 S.r.l.	50,000			
	FT3 S.r.l.	20,000			
	Gres Hub S.r.l.	10,000			
	Italgen S.p.A.	58,682			
	Italmobiliare Servizi S.r.l.	40,000			
	ITM BACCO S.r.l.	10,000			
	Officina Profumo-Farmaceutica di Santa Maria Novella	81,583			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	30,000			
	Sidi Sport S.r.l.	61,359			
	Sirap Gema S.p.A.	30,000			
Associates	AGN Energia S.p.A.	30,000			
	Farmagorà Holding S.p.A.	1,000			
	Iseo Serrature S.p.A.	60,000			
	Tecnica Group S.p.A.	60,000			
	Other related parties	19,275			
<b>Total services</b>		<b>1,016,516</b>	<b>99.41%</b>	<b>1,022,516</b>	<b>Note 25</b>
<b>Total revenue</b>		<b>43,974,287</b>	<b>36.52%</b>	<b>120,418,688</b>	<b>Note 25</b>

(euro)					
Description	Company	Amount	% impact on carrying amounts	Carrying amounts	Reference
Other revenue and income					
Subsidiaries	Caffè Borbone S.r.l.	110,943			
	Callmewine S.r.l.	8,232			
	Capitelli F.lli S.r.l.	3,338			
	Casa della Salute S.p.A.	13,759			
	Clessidra Private Equity SGR S.p.A.	2,271			
	Clessidra Capital Credit SGR S.p.A.	1,284			
	Clessidra Factoring S.p.A.	2,666			
	Clessidra Holding S.p.A.	8,646			
	Gres Hub S.r.l.	2,572			
	Italgen S.p.A.	39,806			
	Italmobiliare Servizi S.r.l.	136,556			
	Officina Profumo-Farmaceutica di Santa Maria Novella	20,039			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	146			
	Sidi Sport S.r.l.	13,701			
<b>Total other operating revenue and income</b>		<b>363,959</b>	<b>40.76%</b>	<b>892,957</b>	<b>Note 26</b>
Services					
Subsidiaries	Italmobiliare Servizi S.r.l.	(2,345,352)			
	Italgen S.p.A.	(47,370)			
	Other related parties	(128,232)			
<b>Total services</b>		<b>(2,520,954)</b>	<b>33.92%</b>	<b>(7,432,081)</b>	<b>Note 28</b>
Employee benefit expense	Other related parties	(268,103)			
<b>Total employee benefits expenses</b>		<b>(268,103)</b>	<b>1.59%</b>	<b>(16,896,282)</b>	<b>Note 29</b>
Current account and financial interest expense					
Subsidiaries	FT2 S.r.l.	(168,924)			
	Italmobiliare Servizi S.r.l.	(80,495)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(36,606)			
Other (income) expense					
Subsidiaries	Caffè Borbone S.r.l.	(3,966)			
	Callmewine S.r.l.	(4,279)			
	Italmobiliare Servizi S.r.l.	(74,950)			
	Officina Profumo-Farmaceutica di Santa Maria Novella	(90,947)			
	Sidi Sport S.r.l.	(459)			
Other related parties	(disbursement to Fondazione Cav. Lav. Carlo Pesenti)	(600,000)			
<b>Total other operating income/expenses</b>		<b>(1,060,626)</b>	<b>3.66%</b>	<b>(28,959,038)</b>	<b>Note 30</b>
Interest expense on trade payables					
Subsidiaries	Italmobiliare Servizi S.r.l.	(1,435)			
<b>Total finance income/costs</b>		<b>(1,435)</b>	<b>0.01%</b>	<b>(19,235,032)</b>	<b>Note 32-33</b>

n.s. not significant

### Impact of transactions with related parties on cash flows

(in thousands of euro)	Cash flows	
	Amount	%
Cash flow from operating activities with related parties	(27,640)	n.s.
Total A) - from statement of cash flows	<b>17,932</b>	
Cash flow from investing activities with related parties	(147,758)	n.s.
Total B) - from statement of cash flows	<b>(22,036)</b>	
Cash flow from financing activities with related parties	(15,074)	34.0%
Total C) - from statement of cash flows	<b>(44,272)</b>	
<b>Change in cash and cash equivalents with related parties</b>	<b>(190,472)</b>	
<b>Change in cash and cash equivalents from statement of cash flows (A+B+C)</b>	<b>(4,304)</b>	

n.s. not significant

### Fees paid to Directors and the Chief Operating Officer

The table below sets out the amounts accrued during the financial year for the directors, the Chief Operating Officer and the Financial Reporting Officer (key management personnel) for positions held:

(euro)	2023	2022
Short-term benefits: fees and remuneration	7,217,945	6,882,369
Post-employment benefits		
Other long-term benefits	4,748,121	3,275,670
Share-based payments (stock options)		0
<b>Total</b>	<b>11,966,066</b>	<b>10,158,039</b>

## Outlook and events after the reporting date

In 2023, the global economy recorded a change in real GDP (estimated +3%) in line with growth potential, with a second quarter of the year, however, characterised by a general slowdown in the economy, especially in the manufacturing sector and in Europe.

Although the expansionary phase remains below the long-term trend, the start of the new year has highlighted an acceleration of the cycle, driven above all by services. After sixteen months of contraction, the manufacturing sector has stabilised with an increase in the ratio between new orders and inventory to the highest level seen in the last twenty-four months, which suggests a further strengthening. The Eurozone remains in contraction, but the indicators (including employment) point to a gradual recovery, including industry, burdened by the repercussions of the energy crisis and the decline in world trade. Faced with moderate expansion in China, grappling with the deflationary effect of reduced leverage in the real estate sector, the United States has seen an increase in pace, particularly in services.

The average inflation rate in advanced economies fell to 4.6% in 2023, from 7.3%, pushed down by the dynamics of goods and energy prices, while the decline in service prices continues with greater stickiness, bolstered by the increase in wages. Unemployment in the main economies remains at all-time lows, despite the monetary tightening started two years ago.

The current year's prospects for the main economies, including the Eurozone, should benefit from a foreseeable increase in real incomes, which should generate more demand for consumer goods: wage growth, despite having reached its peak and slowing down, still stands above the sequential trend of inflation. With the exception of impromptu monthly data, inflation should fall even more with the main contribution coming from services other factors, including energy, remaining generally stable. Global price dynamics are also contained by China, a global deflationary factor. Tensions in the Suez Canal may have an impact on value chains (delivery times, tariffs) but they currently appear to be under control. Financial and credit conditions should also generate a positive impulse, with the central banks of the main countries expected to lower their interest rates over the coming months. Fiscal policy remains expansionary, although the boost to growth is neutral or negative compared with 2023. Investments benefit from topics related to infrastructure spending, reallocation of value chains and investment in technology. In the Eurozone, the lower investments in the first half of the year resulting from the delayed effects of the monetary tightening should be partially offset by the higher spending foreseen by the national programmes relating to the NextGeneration EU post-covid recovery plan.

The probability of a global recession remains low, but one could be triggered by various endogenous and exogenous factors. Deglobalisation, high debt and demographic effects reduce the growth potential of the Chinese economy. In particular, debt reduction in the real estate sector is having an impact on the country's overall demand, triggering off a deflationary trend. This vicious circle can only be interrupted through economic policy interventions, especially fiscal policy to support consumption. If they proved to be insufficient, the effects would be global (China's weight in terms of global GDP comes to 19.5%), with significant repercussions in Asia, Europe and Latin America. The issue of the sustainability of public debt, on the other hand, involves the main advanced economies, exposed to the relative trend of interest expenditure compared with the nominal growth rate (in Italy, but not only). Moreover, central banks face a symmetrical risk between inflation and recession: an excessive time lag between the fall in inflation and "delays" in the interest rate cut (leading to a further increase in real interest rates) would be reflected in a higher impact of monetary tightening, while a premature or "aggressive" reduction in rates could "unmoor" inflation expectations. Lastly, the scenario is exposed to various potential exogenous shocks: the escalation of conflicts and geopolitical tensions, the possible repercussions of a year full of elections (in USA/Europe in particular). The effects would be immediately reflected on certain variables and factors, such as raw materials, the crisis of value chains, the volatility of financial markets and a consequent deterioration in financial/credit conditions.

Italmobiliare's portfolio once again confirmed the characteristics of resilience that it had shown previously, thanks to proactive risk management, the complete integration of sustainability into its development strategies and the management reactivity on the part of the Holding and Portfolio Companies. Even though results differed between the various Portfolio Companies, some of which were heavily penalised by adverse market trends, overall at an aggregate level, they showed slightly better results in terms of both revenue and EBITDA, which is reflected in the decidedly positive performance of the NAV per share.

In a scenario which for 2024 remains characterised by macroeconomic uncertainties and geopolitical tensions of extraordinary importance, the challenge will be to further consolidate the resilience of the portfolio as a whole and support the investee companies in maintaining or recovering growth trajectories, in terms of both volumes and margins, with a view to creating sustainable value.

Realising the value of the stake in AGN Energia at the end of February 2024, as well as the previous sale of the interest in the Florence Group during 2023, both achieved excellent returns on investment. This confirms Italmobiliare's ability to create value by proactively supporting the transformation and growth phase of the investee companies, as well as its strategic flexibility in seizing opportunities to rotate the portfolio if the process of accompanying the business has been completed and market conditions suggest that it is the right time to sell.

In addition to the continuous search for management efficiency and integration of strategic skills that are consistent with the increasingly high level of challenges facing Italian SMEs, in 2024 the focus will continue to be on encouraging the main portfolio companies to grow through targeted M&A and add-ons, and initiatives involving organic development and international expansion.

The progressive development or acquisition of synergetic assets characterises the strategy of Casa Della Salute and Italgel to consolidate their presence in two highly strategic sectors such as healthcare, increasingly affected by a need for high quality and accessible services, territorial capillarity and innovation technology, and the renewable energy sector, at the heart of the transition towards a low-carbon economy and diversification of energy sources.

M&A and development transactions aimed at building the direct presence in key markets are also accompanying the international expansion of Officina Profumo-Farmaceutica di Santa Maria Novella, especially in areas of high potential such as Asia and the USA, together with the continuous development of new products that are able to intercept the requests of an increasingly wide audience in the wake of a centuries-old tradition of excellence that is unique in the world.

Caffè Borbone, which continues its path of consolidation among the leaders of the single-serve coffee sector in Italy, has undertaken a strong process of growth abroad with the aim of proposing its products with an excellent quality/price ratio in selected European markets and in the United States.

Among the other main Portfolio Companies, Capitelli will continue to promote brand awareness, enhancing the extraordinary quality of its products, while Sidi, whose year was affected by the strong global slowdown in the bicycle sector, by a significant strengthening of the management team and by the progressive optimisation of the distribution and supplier network, aims to recover volumes and margins in the high-end segment which has always characterised its positioning in technical footwear for motorbikes and bicycles, also thanks to the launch of new product categories.

At the same time, Italmobiliare will continue its proactive role as a strategic partner in the growth plans of minority investments such as Tecnica Group, Iseo and Bene Assicurazioni.

On the alternative investment fund front, in addition to the active monitoring of a varied portfolio spread across a wide variety of asset classes, Italmobiliare's leading role continues in the development of the Clessidra Group's multi-asset platform, with projects for further evolution, growth and diversification in all of its areas of activity that are already consolidated: Private Equity, Credit/Debt and Factoring.

**Milan, March 7, 2024**

**For the Board of Directors  
The Chief Executive Officer  
(Carlo Pesenti)**

# Proposal for approval of the financial statements and allocation of the profit for the year

## 2023 Annual Report

1. Financial statements for the year ended December 31, 2023.
2. Proposal for the distribution of the dividend and of an additional extraordinary dividend, also out of retained earnings.

Dear Shareholders,

We submit for your approval the financial statements for the year ended December 31, 2023, which closed with a profit of Euro 51,577,083. Reference is made to the annual report and the draft financial statements contained in it for all information in this regard, specifying that it will be published by the legal deadline.

The profit for the year and the Company's financial situation enable us to propose the distribution of a dividend of Euro 0.80 per share, gross of the withholdings required by law, and of an extraordinary dividend of Euro 2.20 per share, gross of the withholdings required by law.

We would like to propose that the dividend and the extraordinary dividend be paid on May 8, 2024 (going ex-coupon on May 6, 2024 and with a record date of May 7, 2024) in one tranche.

Taking into account the 217,070 treasury shares held at the date of this report, whose right to earnings is attributed proportionately to the other shares in accordance with art. 2357-ter of the Italian Civil Code, the distribution will come out of the profit for the year for Euro 51,577,083 and out of retained earnings for Euro 75,271,707.

Note that this amount could differ if there is a change in the number of treasury shares in the Company's portfolio on the record date.

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With reference to point 1, we therefore invite you to pass the following resolution:

"The Shareholders' Meeting of Italmobiliare S.p.A.,

having noted the report of the Board of Directors on operations and the report of the Board of Statutory Auditors, and after having examined the financial statements at December 31, 2023,

resolves

to approve the report of the Board of Directors on operations and the 2023 financial statements, consisting of the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes, which show a profit of Euro 51,577,083 as presented by the Board of Directors in its entirety, in the individual postings and with the proposed allocations."

With reference to point 2, we therefore invite you to pass the following resolution:

"The Shareholders' Meeting of Italmobiliare S.p.A.,

- having examined the 2023 financial statements;
- considering that the legal reserve has reached one fifth of the share capital and consequently no further provisions need be made pursuant to article 2430 of the Italian Civil Code and article 30 of the Company's By-laws,

resolves

1. to distribute a gross dividend of Euro 0.80 and a gross extraordinary dividend of Euro 2.20 per share to each of the shares with rights, therefore excluding the treasury shares held in the Company's portfolio on the record date, using the whole profit for the year equal to Euro 51,577,083 and the retained earnings for the amount of Euro 75,271,707.
2. to establish that the dividend and the extraordinary dividend will be paid on May 8, 2024 with a coupon date of May 6, 2024 and a record date of May 7, 2024 in one tranche;
3. to authorise the Chairman and the Chief Executive Officer pro tempore, separately, if the number of treasury shares in portfolio changes before the record date, to increase the amount to be taken from retained earnings by the amount of the dividend pertaining to any shares purchased or to reduce it for the amount of the dividend pertaining to any treasury shares sold".

Milan, March 7, 2024

***For the Board of Directors***  
**The Chief Executive Officer**  
**(Carlo Pesenti)**





# ANNEXES

## Annex A - Statement of changes in the accounts of investments in subsidiaries, associates and other companies at December 31, 2023

(euro)						
Shares and quotas	Balance on 1/1/2023		Increases		Decreases	
Subsidiaries	Quantity	Amounts	Quantity	Amounts	Quantity	Amounts
Casa della Salute S.p.A.	2,121,886	30,946,270	1,285,285	16,942,014	(4)	
Caffè Borbone S.r.l.	600,000	143,568,361				
Capitelli F.lli S.r.l.	1	14,232,033				
Clessidra Holding S.p.A.	10,000,000	32,701,118				
Credit Mobilier de Monaco	34,970	5,740,223				
Franco Tosi Ventures S.r.l.	1	657,523		100,000	(4)	
FT2 S.r.l.	1	201,775,333				8,000,000 (5)
FT3 S.r.l.	1	17,835,591				
FT4 S.r.l.	1	53,510,000		4,000	(3)	53,514,000 (6)
Italgen S.p.A.	20,000,000	20,131,526				
Italmobiliare Servizi S.r.l.	1	11,460,610				
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	1,300,000	1,558,523				
Société d'Etudes de Participations et de Courtages S.A.	85,985	1				
Sirap Gema S.p.A.	15,000,000	8,350,035				2,000,000 (5)
ITM BACCO S.r.l.	60,000	11,572,613				
Sidi Sport S.r.l.	1			68,514,000	(1-6)	
<b>Total subsidiaries</b>		<b>554,039,760</b>		<b>85,560,014</b>		<b>63,514,000</b>
<b>Associates</b>						
AGN Energia S.p.A.*	3,933,276	60,358,345				
CCC HOLDINGS EUROPE S.p.A.	1,503,000	7,516,864			1,503,000	7,516,864,00 (7)
Dokimè S.r.l.	20,627	1,980,074				
Florence InvestCo S.r.l.	1	30,845,816				
Farmagorà Holding S.p.A.	12,771,472	13,937,193	1,387,927	1,596,116	(4)	
Iseo Serrature S.p.A.	1,917,523	42,652,902				
Società Editrice Sud S.p.A.	31,560	7,499,085				
Tecnica Group S.p.A.	15,413,534	43,376,254				
Capitalized costs for ongoing investments		4,000				4,000
<b>Total associates</b>		<b>208,170,533</b>		<b>1,596,116</b>		<b>7,520,864</b>
<b>Other companies</b>						
Archimede S.p.A.	172,414	9,000,013				
Bene Assicurazioni S.p.A.	4,199,000	41,051,032				
Cairo Communication S.p.A.	189,198	281,527				
Can-Fite Biopharma	204	117	20	115	20	115
Cartiere Burgo S.p.A.	46,153,846	1				
CCC HOLDINGS EUROPE S.p.A.			1,503,000	7,516,864	(7)	
Compagnia Fiduciaria Nazionale S.p.A.	20,001	719,781				
Fin.Priv. S.r.l.	2,857	18,793,096				
Heidelberg Materials AG	650,000	34,632,000				
Immobiliare Lido di Classe S.r.l. (under liquidation)	45,991	1				
Immobiliare Astra S.p.A.	12,012	29,447				
New Flour S.p.A.	27,667	6,338,212				
Piaggio S.p.A.	169,699	475,836				
Sesaab S.p.A.	700,000	1,000,000				
UniCredit S.p.A. – ordinary shares	204,331	2,711,881				
Vontobel Holding AG	115,238	7,173,849				
KKR Teemo Co-Invest	1	11,744,327				
035 Investimenti S.p.A.	1,114,550	841,948				
Ariston Holding N.V.	975,000	9,379,500				
<b>Total other companies</b>		<b>144,172,568</b>		<b>7,516,979</b>		<b>115</b>
<b>Total equity investments</b>		<b>906,382,861</b>		<b>94,673,109</b>		<b>71,034,979</b>

Quantity and sale value		Adjustment	Profit (loss) FVTOCI	% held	Balance at 31/12/2023		
Quantity	Amounts	Amounts	Amounts	%	Quantity	Amounts	Subsidiaries
				84.730	3,407,171	47,888,284	Casa della Salute S.p.A.
				60.000	600,000	143,568,360	Caffè Borbone S.r.l.
				80.000	1	14,232,033	Capitelli F.lli S.r.l.
				100.000	10,000,000	32,701,118	Clessidra Holding S.p.A.
				99.910	34,970	5,740,223	Credit Mobilier de Monaco
				100.000	1	757,523	Franco Tosi Ventures S.r.l.
				100.000	1	193,775,333	FT2 S.r.l.
		(7,335,591)	(2)	100.000	1	10,500,000	FT3 S.r.l.
				100.000	1		FT4 S.r.l.
				100.000	20,000,000	20,131,526	Italgen S.p.A.
				100.000	1	11,460,610	Italmobiliare Servizi S.r.l.
				100.000	1,300,000	1,558,523	Punta Ala Promozione e Sviluppo Immobiliare S.r.l.
				99.983	85,985	1	Société d'Etudes de Participations et de Courtages S.A.
		(3,881,350)	(2)	100.000	15,000,000	2,468,685	Sirap Gema S.p.A.
				60.000	60,000	11,572,613	ITM BACCO S.r.l.
		(7,714,000)	(2)		1	60,800,000	Sidi Sport S.r.l.
		<b>(18,930,941)</b>				<b>557,154,832</b>	<b>Total subsidiaries</b>
							<b>Associates</b>
				30.000	3,933,276	60,358,345	AGN Energia S.p.A. (*)
				8.430			CCC HOLDINGS EUROPE S.p.A.
20,627	1,735,987	(247,406)	(2)	3,319	n/a		Dokimè S.r.l.
1	30,845,816				n/a		Florence InvestCo S.r.l.
				24.095	14,159,399	15,533,309	Farmagorà Holding S.p.A.
				39.240	1,917,523	42,652,902	Iseo Serrature S.p.A.
				33.527	31,560	7,499,085	Società Editrice Sud S.p.A.
				40.000	15,413,534	43,376,254	Tecnica Group S.p.A.
							Capitalised costs for ongoing investments
	<b>32,581,803</b>	<b>(247,406)</b>				<b>169,419,895</b>	<b>Total subsidiaries</b>
							<b>Associates</b>
		5,471,766		17.241	172,414	14,471,779	Archimede S.p.A.
					4,199,000	41,051,032	Bene Assicurazioni S.p.A.
		60,543		0.141	189,198	342,070	Cairo Communication S.p.A.
184	2	(75)		0.130	20	40	Can-Fite Biopharma
				11.680	46,153,846	1	Cartiere Burgo S.p.A.
					1,503,000	7,516,864	CCC HOLDINGS EUROPE S.p.A.
		24,496		16.668	20,001	744,277	Compagnia Fiduciaria Nazionale S.p.A.
		4,495,039		14.285	2,857	23,288,135	Fin.Priv. S.r.l.
445,000	30,545,029	5,670,300	6,835,429	0.328	205,000	16,592,700	Heidelberg Materials AG
				18.036	45,991	1	Immobiliare Lido di Classe S.r.l. (under liquidation)
		(269)		1.784	12,012	29,178	Immobiliare Astra S.p.A.
		2,915,199		16.974	27,667	9,253,411	New Flour S.p.A.
		29,528		0.470	169,699	505,364	Piaggio S.p.A.
		(200,000)		7.000	700,000	800,000	Sesaab S.p.A.
204,331	3,984,843		1,272,961	0.009		(1)	UniCredit S.p.A. – ordinary shares
		(391,483)		0.203	115,238	6,782,366	Vontobel Holding AG
		8,995,555			1	20,739,882	KKR Teemo Co-Invest
		(104,078)		11.145	1,114,550	737,870	035 Investimenti S.p.A.
32,734	349,868	(3,161,302)	34,967	0.935	942,266	5,903,297	Ariston Holding N.V.
	<b>34,879,742</b>	<b>23,805,219</b>	<b>8,143,357</b>			<b>148,758,266</b>	<b>Total other companies</b>
	<b>67,461,545</b>	<b>4,626,872</b>	<b>8,143,357</b>			<b>875,332,993</b>	<b>Total equity investments</b>

(1) Payment on account of future capital increase

(2) Impairment

(3) Capitalised commission

(4) Subscription and/or capital increase

(5) Reduction against capital increase

(6) Reverse merger of FT4 S.r.l. into SIDI Sport S.r.l.

(7) Reclassification of CCC Holdings Europe for percentage reduction

(\*) AGN Energia was sold on February 28, 2024 and reclassified to "Assets classified as held for sale".

## Annex B - List of investments in subsidiaries and associates at December 31, 2023 (art. 2427 no. 5 of the Italian Civil Code)

	Head Office	Share capital	Total equity	Profit/ (loss) for the year	% held	Carrying amount
		(in euro)	(in euro)	(in euro)		(in euro)
<b>Subsidiaries</b>						
Casa della Salute S.p.A.	Genova	€ 4,309,164	24,526,234	(4,773,903)	84.730	47,888,285
Caffè Borbone S.r.l.	Caivano	€ 1,000,000	387,362,381	48,010,011	60.000	143,568,360
Capitelli F.lli S.r.l.	Borgonovo Val Tidone	€ 51,480	17,431,422	1,728,292	80.000	14,232,033
Clessidra Holding S.p.A.	Milano	€ 20,600,000	30,842,078	(1,024,028)	100.000	32,701,118
Credit Mobilier de Monaco	Montecarlo	€ 5,810,000	5,872,710	123,099	99.910	5,740,223
Franco Tosi Ventures S.r.l.	Milano	€ 100,000	797,714	(16,731)	100.000	757,523
FT2 S.r.l.	Milano	€ 10,000	193,071,439	69,171	100.000	193,775,333
FT3 S.r.l.	Milano	€ 10,000	10,467,252	(7,288,198)	100.000	10,500,000
SIDI Sport S.r.l.	Milano	€ 500,000	64,432,379	(5,193,744)	100.000	60,800,000
Italgen S.p.A.	Bergamo	€ 20,000,000	33,099,689	3,975,337	100.000	20,131,526
Italmobiliare Servizi S.r.l.	Milano	€ 3,520,000	11,451,049	140,442	100.000	11,460,610
ITM Bacco S.p.A.	Milano	€ 100,000	33,198,225	(12,207)	60.000	11,572,613
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milano	€ 1,300,000	1,358,861	16,253	100.000	1,558,523
Société d'Etudes de Participations et de Courtages S.A.	Montecarlo	€ 1,290,000	240,144	(43,866) (1)	99.980	1
Sirap Gema S.p.A.	Verolanuova	€ 500,000	2,751,423	69,478	100.000	2,468,685
<b>Total subsidiaries</b>						<b>557,154,832</b>
<b>Associates</b>						
AGN Energia S.p.A.*	Volpiano	€ 11,287,783	195,956,043	1,720,251 (1)	32.020	60,358,345
Iseo Serrature S.p.A.	Pisogne	€ 24,429,800	93,557,556	7,355,779 (1)	39.240	42,652,902
Società Editrice Sud S.p.A.	Messina	€ 10,695,505	42,363,869	(1,610,731) (1)	33.530	7,499,085
Farmagorà Holding S.p.A.	Genova	€ 40,120,000	41,433,906	(1,004,340) (1)	24,095	15,533,309
Tecnica Group S.p.A.	Giavera del Montello	€ 38,533,835	122,134,279	23,939,325 (1)	40.000	43,376,255
<b>Total associates</b>						<b>169,419,896</b>

(1) figures at 31/12/2022

(\*) AGN Energia was sold on February 28, 2024 and reclassified to "Assets classified as held for sale".

## Annex C - Statement of changes in the accounts of trading investments that took place on December 31, 2023

Shares and quotas	Balance on 1/01/2023		Increases		Decreases		Adjustment	% held	Balance at 12/31/2023		Profits (losses) on sales
(euro)	Quantity	Amounts	Quantity	Amounts	Quantity	Amounts	Amounts	%	Quantity	Amounts	Amounts
<b>Other companies</b>											
Banco BPM S.p.A.	150,000	500,100			15,000	50,010	195,345	0.01%	135,000	645,435	10,142
BNP Paribas S.A.	13,020	693,315			1,302	69,331	109,446	0.00%	11,718	733,430	14,739
Dassault Systèmes SE	12,600	422,037			1,260	42,204	121,792	0.00%	11,340	501,625	5,582
EDP Renovaveis S.A.	4,739	97,529	63	1,207		4	(9,775)	0.00%	4,802	88,957	
ENI S.p.A.	260,000	3,454,360	15,000	200,622	26,000	345,436	512,106	0.10%	249,000	3,821,652	16,609
Enel S.p.A.	105,000	528,150					178,500	0.00%	105,000	706,650	
EUROAPI S.A.	121	1,676					(983)	0.00%	121	693	
International Consolidated Airlines Group S.A.	326,000	453,303			32,600	45,330	114,573	0.01%	293,400	522,546	15,264
Intesa Sanpaolo S.p.A.	399,799	830,782			39,979	83,076	203,478	0.00%	359,820	951,184	16,731
KONINKLIJKE PHILIPS NV			15,000	290,866			25,409	0.00%	15,000	316,275	
Marr S.p.A.	17,341	197,688			1,734	19,768	1,249	0.02%	15,607	179,169	(12)
Mediobanca Banca di Credito Finanziario S.p.A.	19,600	176,087			19,600	176,087					56,738
MFE-MEDIAFOREUROPE NV CL. B (former Mediaset S.p.A.)	1,329,926	746,753		724,290	1,329,926	1,471,043					78,895
MFE-MEDIAFOREUROPE NV CL. A	1,329,926	480,635		321,640	1,329,926	802,275					79,776
MFE-MEDIAFOREUROPE NV CL. A post-2023 reorganisation			68,000	122,876	68,000	122,876					10,844
MFE-MEDIAFOREUROPE NV CL. B post-2023 reorganisation			98,000	275,135	98,000	275,135					9,049
NESTE OYJ			7,300	251,120			(15,987)	0.00%	7,300	235,133	
OVS S.p.A.	387,380	815,822			38,738	81,582	57,177	0.12%	348,642	791,417	17,447
Shell Plc	76,580	2,027,838			7,658	202,784	228,821	0.00%	68,922	2,053,875	11,366
Sanofi S.A.	2,800	251,552			280	25,155	(202)	0.00%	2,520	226,195	(51)
SAP AG	2,450	236,156			245	23,615	95,013	0.00%	2,205	307,554	3,226
STMICROELECTRONICS NV	10,000	330,050			1,000	33,005	109,845	0.00%	9,000	406,890	12,595
TeamViewer AG	13,300	160,199			1,330	16,020	24,120	0.01%	11,970	168,299	4,457
Telecom Italia S.p.A.	500,000	108,150			50,000	10,815	35,055	0.00%	450,000	132,390	4,485
Total Energies S.A.	21,690	1,272,119			2,169	127,212	57,587	0.00%	19,521	1,202,494	(22)
DATA DOG INC.	5,490	378,319	4,063	451,453	5,490	378,319	(5,148)	0.00%	4,063	446,305	122,632
DOORDASH INC.	17,552	803,383			10,352	473,828	314,796	0.00%	7,200	644,351	85,206
Snowflake Inc.			2,368	305,568			120,886	0.00%	2,368	426,454	
KEURIG DR PEPPER INC.	43,120	1,441,645			4,312	144,164	(127,271)	0.00%	38,808	1,170,210	277
ZOOM VIDEO Communications Inc.	1,300	82,564			1,300	82,564					779
<b>Total other companies</b>		<b>16,490,211</b>		<b>2,944,777</b>		<b>5,101,638</b>	<b>2,345,832</b>			<b>16,679,183</b>	<b>576,754</b>

## Annex D - Statement of changes in bonds and mutual fund units that took place during 2023

(euro)	Balance on 1.01.2023	Increases	Decreases	Adjustment	Balance at 31.12.2023
<b>Bonds and investment funds (non-current)</b>					
Other variable-income securities	1,815,140		77,240	470,970	2,208,870
Other fixed-income securities	0				0
Investment funds	213,352,497	35,121,746	9,934,838	829,295	239,368,700
<b>Total</b>	<b>215,167,637</b>	<b>35,121,746</b>	<b>10,012,078</b>	<b>1,300,265</b>	<b>241,577,570</b>

The item "Investment Funds" of 239,368,700 euro is made up principally of:

Clessidra (quotas "A" and "B") for 43,188,499 euro, BDT Capital Partners Fund II and III for 72,488,284 euro and ICONIQ Strategic Partners IV-B and V for 26,164,630 euro.

(euro)	Balance on 1.01.2023	Increases	Decreases	Adjustment	Balance at 31.12.2023
<b>Bonds and investment funds (non-current)</b>					
Other variable-income securities	5,796,936		262,573	371,618	5,905,981
Other fixed-income securities	0	29,500,200		244,200	29,744,400
Investment funds	102,137,345	18,526,959	15,074,745	3,764,596	109,354,155
<b>Total</b>	<b>107,934,281</b>	<b>48,027,159</b>	<b>15,337,318</b>	<b>4,380,414</b>	<b>145,004,536</b>

The "Other variable-income securities" are mainly ETFs.

The item "Investment Funds" of 109,354,155 euro mainly consists of the Vontobel Fund for 87,505,577 euro. The balance at December 31, 2023 is equal to the market value at December 31, 2023.

## Annex E - Comparison between carrying amounts and market prices at December 31, 2023 of investments in companies with listed shares

(euro)					
Shares	Number of shares	Total carrying amount	Unit carrying amount	Unit market value at December 31, 2023	Total amount at market value at December 31, 2023
<b>Other companies</b>					
Cairo Communication S.p.A.	189,198	342,070	1.8080	1.8080	342,070
Heidelberg Materials AG	205,000	16,952,700	80.9400	80.9400	16,952,700
Can-Fite Biopharma	20	40	1.9910	1.1390	40
Piaggio S.p.A.	169,999	505,364	2.9780	2.9780	505,364
Vontobel Holding AG	115,238	6,782,366	58.8553	58.8553	6,782,366
Ariston Holding N.V.	942,266	5,903,297	6.2650	6.2650	5,903,297
<b>Total</b>		<b>30,485,837</b>			<b>30,485,837</b>
Treasury shares (deducted from equity)					
Italmobiliare Società per Azioni - ordinary shares	217,070	5,141,901	23.6878	27.7500	6,023,693
		5,141,901			6,023,693

## Annex F - Reconciliation between the theoretical tax charge and the actual tax charge recorded in the income statement

(in thousands of euro)		
<b>A) Profit/(loss) before tax</b>		<b>47,621</b>
B) Current rate of corporation tax (IRES)	24.0%	
<b>C) Theoretical IRES (AxB)</b>		<b>(11,429)</b>
D) Permanent differences		
- non-deductible		(6,594)
- non-taxable/exempt		21,968
	tot. D)	<b>15,374</b>
F) Withholdings on foreign dividends	tot. F)	<b>163</b>
G) Deferred tax assets/liabilities arising during the year:		
- deferred tax liabilities on taxable temporary differences not recorded		39
- deferred tax assets on deductible temporary differences not recorded		232
- deferred tax assets on tax loss not recorded		
	tot. G)	<b>271</b>
N) Other changes	tot. N)	<b>(422)</b>
<b>Total</b>	<b>(D+F+G+N)</b>	<b>15,385</b>
<b>O) Actual IRES shown in the income statement</b>		<b>3,956</b>

## Annex G - Analysis of equity items at December 31, 2023

(in thousands of euro)			Summary of uses made in the previous three years		
Nature/description	Amount	Possibility of use	Available portion	to cover losses	for other reasons
<b>Share capital</b>	<b>100,167</b>				
<b>Reserves:</b>					
Share premium	55,607	A,B,C	55,607		
Reserve for stock options	0	-			
Non-distributable OCI reserve	29,339	-	0		
<b>Total reserves</b>	<b>84,946</b>	-	<b>55,607</b>		
<b>Treasury shares at cost</b>	<b>(5,166)</b>	-			<b>(129,491)</b>
<b>Retained earnings:</b>					
Revaluation reserves	0	A,B,C	0	0	
Reserve for capital grants	0	A,B,C	0	0	
Merger surplus	159,938	A,B,C	159,938		(3,212)
Reserve as per art. 55 DPR 597/1973 and 917/86	0	A,B,C	0	0	
Reserve as per art. 54 DPR 597/1973 and 917/86	0	A,B,C	0	0	
Reserve as per Law 72/83	165	A,B,C	165	0	
Reserve as per art. 34 Law 576/75	60,087	A,B,C	60,087	0	
Legal reserve	20,033	B	0		
Extraordinary reserve		A,B,C	0		
Distributable retained earnings	837,678	A,B,C	837,678		(126,554)
Non-distributable retained earnings	32,914		0		
Reserve from net exchange gains	0	A,B,C	0		
Reserve as per art. 7 of Legislative Decree 38/2005	1,058	A,B,C	1,058		3
Profit for the year	51,577		51,577		
<b>Total retained earnings</b>	<b>1,163,450</b>		<b>1,110,503</b>	<b>0</b>	<b>(259,254)</b>
<b>Total</b>	<b>1,248,396</b>		<b>1,166,110</b>		
<b>Non-distributable portion - art. 2426 no. 5 Civil Code</b>					
<b>Residual distributable portion</b>	<b>1,248,396</b>		<b>1,166,110</b>		

Legend A: for increase in capital  
B: to cover losses  
C: for distribution to shareholders



## ITALMOBILIARE

INVESTMENT HOLDING

### Certification pursuant to art. 154-bis paragraph 5 of the Italian Consolidated Law on Finance (CLF) regarding the separate financial statements pursuant to art. 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions

1. The undersigned Carlo Pesenti, Chief Executive Officer, and Mauro Torri, Manager in charge of financial reporting of Italmobiliare S.p.A., hereby certify, also in consideration of art. 154-bis, paragraphs 3 and 4, of legislative decree no. 58 of February 24, 1998:
  - the adequacy in relation to the characteristics of the company and
  - the actual application
 of the administrative and accounting procedures adopted for the preparation of the **separate financial statements** during the period from January 1, 2023 to December 31, 2023.
2. The assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of the separate financial statements as at and for the year ended December 31, 2022 is based on a model identified by Italmobiliare in accordance with the CoSO framework (illustrated in the *CoSO Report*) and also takes into account the document "*Internal Control over Financial Reporting – Guidance for Smaller Public Companies*", both issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represent a generally accepted international framework.
3. It is also declared that:
  - 3.1 the separate financial statements as at and for the year ended December 31, 2023:
    - a) have been prepared in compliance with the applicable International Financial Reporting Standards recognized by the European Community pursuant to European Parliament and Council Regulation no. 1606/2002 of July 19, 2002;
    - b) correspond to the contents of the accounting books and accounting entries;
    - c) are suitable to provide a true and fair view of the financial position, results of operations and cash flows of the issuer;
  - 3.2 the Director's report includes a reliable analysis of the performance and results of operations, as well as of the situation of Italmobiliare S.p.A. in its capacity as an issuer, together with a description of the main risks and uncertainties to which it is exposed.

March 7, 2024

Chief Executive Officer

Manager in charge of financial reporting

Carlo Pesenti

Mauro Torri

**Report of the Board of Statutory Auditors to the Shareholders' Meeting**  
**pursuant to art. 153 of Legislative Decree 58/1998 and of art. 2429, paragraph 2,**  
**of the Italian Civil Code**

**2023**

Milan, March 14, 2024

Shareholders,

We, the Board of Statutory Auditors, pursuant to art. 153 of Legislative Decree. 58/1998 ("CLF") and art. 2429, paragraph 2, of the Italian Civil Code, are called upon to report to the Shareholders' Meeting convened for the approval of the financial statements on our activities during the year, as well as on any omissions and any reprehensible facts that may be found. We can also make proposals regarding the financial statements and their approval, as well as any other matters within our sphere of competence. The Board of Statutory Auditors also reports on the activities it is required to carry out in its role as the Internal Control and Auditing Committee.

During the year, we carried out our supervisory tasks as required by the law, taking into account the guidelines of the standards of conduct recommended by the National Councils of Chartered Accountants and Accounting Experts, as well as by CONSOB and the Corporate Governance Code for Listed Companies.

\* \* \*

***Appointment and meetings of the Board of Statutory Auditors***

The Board of Statutory Auditors in its current composition was elected by the Shareholders' Meeting held on April 27, 2023.

The Board of Statutory Auditors met 18 times in 2023, 6 of which in joint session with the Control and Risk Committee.

During 2023, the entire Board of Statutory Auditors or, in any case, some of us also took part in the only Shareholders' Meeting held, all meetings of the Board of Directors (which met 9 times), the Control and Risk Committee (6 times), the Committee for Sustainability and Social Responsibility (3 times), and the Remuneration and Nominations Committee (4 times), as well as the 3 induction sessions organised by the Company. From the start of 2024 and up to the date of this report, we have all taken part in all meetings of the Corporate Bodies mentioned above.

***Significant events during the year***

In 2023, the investment and consolidation of the shareholding structure continued. The most significant events that took place during 2023 were as follows:

- in October, Florence InvestCo S.r.l., in which Italmobiliare held a 13.98% stake, was sold to an investment fund. Following the sale, the Company received 78.2 million euro versus an investment of 30.7 million euro;
  - during the year, the Company partially divested its shares held in the listed company Heidelberg Materials AG for 30.4 million euro.
  - during the year, the Company made additional investments in investees totalling 31.9 million euro.
- Among the significant events after the reporting date, it is worth mentioning that on February 28, the sale of the 32.02% stake in AGN Energia S.p.A. was completed, for a consideration of 100 million euro, with a capital gain of around 40 million euro.

For further details of significant events that took place in the year ended December 31, 2023, please

refer to the *Directors' Report on Group operations* which, to the best of our knowledge, summarises all of the key events involving the Italmobiliare Group in 2023 and up to the date of approval of the draft financial statements.

***Intragroup transactions or transactions with related parties and atypical or unusual operations***

Pursuant to art. 2391-*bis* of the Italian Civil Code and the *Regulation on transactions with related parties* approved by Consob resolution 17221 of March 12, 2010, the Company has prepared and adopted a "Related-Party Transactions Procedure" ("RPT Procedure") and established a "Related-Party Transactions Committee" ("RPT Committee").

The current RPT Procedure was approved by the Board of Directors on April 21, 2021, coming into force on July 1, 2021. The Procedure is available on the Company's website at [www.italmobiliare.it](http://www.italmobiliare.it).

During 2023, the RPT Committee never met, as there were no transactions that would have required examination and, if necessary, the issuance of an opinion by the Committee itself. The Board of Statutory Auditors has no evidence of transactions that should have been brought to the attention of the RPT Committee. In 2023, to the best of our knowledge, intragroup transactions essentially consisted of reciprocal administrative, legal, organisational, leasing and financial services, on which we receive quarterly information from the Financial Reporting Officer. No anomalies emerged from our analysis of the information made available to us.

Detailed information on related-party transactions is contained (i) in the *Directors' report on Group operations*, (ii) in the *Notes to the consolidated financial statements at December 31, 2023*, (iii) in the *Directors' report on operations* and (iv) in the *Notes to the separate financial statements at December 31, 2023*.

Atypical or unusual transactions as defined by the CONSOB Communication no. DEM/6064293 of July 28, 2006 "*are those transactions which, due to their importance or materiality, nature of the counterparties, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of the financial year), could give rise to doubts regarding the correctness or completeness of the information in the financial statements, conflict of interest, protection of company assets or the protection of minority shareholders*".

Within the sphere of the control activity that we carried out, no atypical or unusual transactions arose during the year.

***Supervisory activity pursuant to Legislative Decree 39/2010***

The activities that we performed in our role as the "Internal Control and Auditing Committee", pursuant to Legislative Decree no. 39/2010, in relation to 2023 and the results that emerged, are as follows.

***(a) Information provided to the Board of Directors and Additional Report***

The Board of Directors is required to inform the Company's Board of Directors about the outcome of the independent audit and to send the *Additional Report* referred to in Article 11 of the European Regulation, accompanied by any observations.

In order to fulfil this obligation, the Board of Statutory Auditors maintained a regular exchange of information with the independent auditors Deloitte & Touche S.p.A. ("Deloitte"), acquiring information on the progress and outcome of the audit.

It will be our responsibility to transmit the *Additional Report* received from Deloitte pursuant to art. 11 of the European Regulation to the Board of Directors, together with any observations that might be useful or necessary to allow the Board of Directors to improve its financial reporting.

*(b) Monitoring the financial reporting process and the presentation of recommendations or proposals aimed at guaranteeing its integrity*

We verified that there were adequate rules and processes governing the process of "formation" and "dissemination" of financial information at meetings with Financial Reporting Officer and with the Head of Internal Audit (which audits the financial reporting process), obtaining an adequate description of the financial reporting process, the Company's administrative and accounting procedures and the process of reporting by subsidiaries, also pursuant to Article 114 of the CLF and the guidelines prepared by CONSOB. We also confirmed with the Head of Internal Audit the control activities carried out in coordination with the Financial Reporting Officer, focused on the obligations pursuant to art. 154-bis, CLF.

During the year, the Company continued to maintain and update the procedures that it had adopted. No real need for action emerged from this review of the processes used in the formation and dissemination of financial information.

Our work did not reveal any shortcomings or facts to be submitted to the Shareholders' Meeting, nor do we have any proposals or recommendations to make regarding the integrity of the financial reporting process.

*(c) Monitoring of the effectiveness of the internal control, internal audit and risk management systems*

We took part in all 6 meetings of the Control and Risk Committee, organised jointly between the two committees. At these meetings, we maintained an exchange of information with the Committee on the activities carried out by both bodies.

We met periodically with the Head of Internal Audit, also as part of meetings of the Control and Risk Committee, obtaining updates on the audit plan and consequently, on the audits performed and their results.

We received and examined the Audit Plan for the period 2023-2025, particularly focusing on the plan for the 2023 financial year, judging it to be adequate and consistent with the 2023-2025 three-year plan.

We also regularly received from the Head of Internal Audit the reports prepared at the end of each specific control carried out by the department.

Also, at meetings with the Head of Internal Audit and from the reports prepared by the department, we were kept up-to-date on the results of the checks carried out at the subsidiaries of Italmobiliare.

At meetings with the Head of Internal Audit and examining the documentation produced by the department, we assessed the functioning of the Company's internal control system and its adequacy, compliance with the law, with company procedures and processes, as well as implementation of the improvements recommended by the department.

For the subsidiaries excluded from the Company's audit plan, as they have their own Internal Audit Departments, the Company's Head of Internal Audit and the Control and Risk Committee examined and assessed the reports received from the subsidiaries' control functions. This led to the conclusion that their internal control and risk management systems were adequate.

Also during 2024 and up to the date of preparation of this Report, we continued to oversee the adequacy of the Company's Internal Audit Department (especially as regards available resources) in



consideration of the evolution of the Italmobiliare Group. Based on the information from the Head of Internal Audit and the Control and Risk Committee, it emerged that the powers, resources and means made available by the Company's Board of Directors were substantially adequate and suitable during the reference period of this Report. They are also adequate in relation to the 2024 Audit Plan, thanks to the strengthening of in-house business skills and the ongoing support from external providers.

In light of the results of this activity, the information received through participation in the Control and Risk Committee (during its meetings, joint meetings and the Committee's Annual Report), from meetings with Internal Audit and from what is presented in their Annual Reports, our overall assessment of the internal control system and of the Internal Audit Department is that they are adequate, also in terms of their effectiveness.

The *Risk Management* Function is the responsibility of the Company's Head of Internal Audit. Considering the size and operational characteristics of the Company, we deem the concentration in a single person of the responsibilities of *Risk Management and Internal Audit* to be efficient and effective, without prejudice to the need to continuously monitor the adequacy - in both quantitative and qualitative terms - of the resources available to this "single function".

In conclusion, our opinion on the adequacy of the monitoring of operational risks at Group level is that it is adequate.

*(d) Monitoring of the independent audit of the separate and consolidated financial statements*

We have had regular meetings with the independent auditors for a periodic exchange of information. At meetings with Deloitte, we were kept up-to-date on the most significant key aspects of the audit, which pertained to both the separate and consolidated financial statements. This included evaluative issues, particularly concerning the determination of fair value of financial assets and impairment of intangible assets.

We also shared with the independent auditors the key accounting issues indicated by Deloitte, including valuations of the investments and financial assets held by Company, the scope of consolidation and the accounting standards applicable in this area, in addition to the above matters. Like every year, we also discussed the limited litigation involving the Company and the Group with the independent auditors.

We are not aware of any controls carried out by CONSOB pursuant to art. 26, para. 6, of Regulation (EU) 537/2014.

*(e) Verification and monitoring of the auditors' independence, particularly with regard to the provision of non-audit services*

We have supervised the independence of the auditors, taking note of the internal authorisation procedure adopted by Deloitte as part of the monitoring system for the acceptance of assignments for the performance of non-audit services (NAS) by companies belonging to the Deloitte & Touche network to companies of the Italmobiliare Group. The procedure makes it possible to supervise in advance the acceptance of assignments that could jeopardise Deloitte's independence and it was deemed adequate with respect to the market standards that we are aware of.

We examined Deloitte's requests for authorisation to provide NAS and authorised the services, pursuant to art. 5 (4) of the European Regulation. In particular, in 2023, at Deloitte's request, we issued

27 authorisations for the possible acceptance of assignments for NAS pursuant to art. 19 paragraph 1 letter e) of Legislative Decree 39/2010 and art. 5(4) of the European Regulation, as they are considered compatible with the independence requirements of the Auditors.

We also received from the Auditors their annual confirmation of independence pursuant to art. 6 (2) (a) of the European Regulation and paragraph 17 of the International Auditing Standard (ISA Italia 260). In particular, in the exchanges of information and communications with us, Deloitte confirmed that, based on the information obtained and the checks carried out, taking into account the regulatory and professional standards governing the audit activity, the ethical standards referred to in arts. 9 and 9-bis of Legislative Decree 39/2010, no situations were found that might compromise the independence of the Auditors pursuant to art. 10 and 17 of Legislative Decree 39/2010 and art. 4 and 5 of the European Regulation. Deloitte also confirmed that they had not come across any relationships with the Company or other profiles that could reasonably compromise their independence.

During the year ended December 31, 2023, Deloitte and the companies belonging to the same network earned fees for a total of 930 thousand euro from the Italmobiliare Group (excluding expenses), broken down as follows: 795 thousand euro for auditing activities, 66 thousand euro for activities that involved issuing an attestation and 69 thousand euro for other services.

Purely for information purposes, it is worth noting that the proportion of NAS fees in the period is lower than the maximum threshold established by art. 4 of the European Regulation.

It is also worth noting that between January 1, 2024 and the date of preparation of this report, Deloitte hasn't submitted any authorisation requests to us for the provision of NAS.

Accordingly, in our opinion, the fact that companies of the Deloitte & Touche network have carried out NAS assignments for the Italmobiliare Group does not prejudice the Auditors' independence.

#### ***Separate and consolidated financial statements***

As regards the separate and consolidated financial statements at December 31, 2023, it is understood that the duties regarding the external audit and, therefore, the opinion on the separate and consolidated financial statements are attributed exclusively to the Independent Auditors, Deloitte. Having said this, we would point out that:

- we monitored compliance by the Board of Directors with the procedural rules relating to the preparation of the separate and consolidated financial statements as well as their general layout, their overall compliance with the law as regards form and structure and we have no observations to make in this regard;
- the separate and consolidated financial statements at December 31, 2023 were prepared on the basis of the international accounting standards IAS/IFRS issued by the International Accounting Standards Board (IASB) and approved by the European Union, as explained in the notes;
- there is correspondence between the separate and consolidated financial statements at December 31, 2023, on the one hand, and the facts and information of which we became aware by participating in meetings of the Board of Directors and in carrying out our control activities, on the other hand;
- we supervised the impairment tests carried out by the Company, with the support of external professionals, and subject to verification by the Independent Auditors;
- the provisions of art. 154-ter, Legislative Decree 58/98 and, in particular, paragraphs 1-bis and 1-ter have been complied with;

As indicated above, we met periodically with the Independent Auditors in order to maintain a continuous exchange of information on the control activities carried out by them, on the one hand, and by ourselves, on the other. No critical issues worthy of note emerged during these meetings.

We have examined the Reports prepared by Deloitte on the separate and consolidated financial statements at December 31, 2023 and have taken note:

- of the opinions on the separate and consolidated financial statements at December 31, 2023, from which it emerges that they comply with the rules governing their preparation and give a true and fair view of the assets and liabilities and results of the Company and of the Group;
- the opinions of consistency and conformity of the Directors' report on operations and the Directors' report on Group operations with the separate and consolidated financial statements, respectively, as well as the information contained in the Report on Corporate Governance and the Ownership Structure, limited to those referred to in art. 123-bis, para. 1 c), d), f), l) and m) and para. 2 b), of Legislative Decree 58/98;
- the opinions of conformity of the separate and consolidated financial statements with the provisions of Delegated Regulation (EU) 2019/815, with reference to the European Single Electronic Format (ESEF);
- with reference to the consolidated financial statements, following the conformity assessment, the auditor specified that certain information contained in the explanatory notes to the consolidated financial statements when extracted from the XHTML format into an XBRL instance, due to certain technical limitations, may not be reproduced identically to the corresponding information viewable in the consolidated financial statements in XHTML format.

We have also examined the attestations issued by the Chief Executive Officer and the Financial Reporting Officer pursuant to art. 154-*bis*, paragraph 5, Legislative Decree 58/98 with regard to the separate and consolidated financial statements, acknowledging the completeness of their contents.

#### ***Director's report on operations and on Group operations***

We have checked the contents of the Directors' report on operations. The report summarises the main risks and uncertainties and discusses the outlook for the Company and for the Group.

After reviewing the report, we found that, to the best of our knowledge, it was complete with respect to current legal provisions, as well as the clarity of the information contained in it.

#### ***Non-Financial Information***

The *Non-Financial Information* pursuant to Legislative Decree 254/2016 ("NFI") was prepared in compliance with the *Reporting Standards* defined by the *Global Reporting Initiative* (GRI), according to the "*in accordance - Core*" option.

We have monitored the drafting of the NFI, verifying, also through interactions with the Independent Auditors, not only the mere fulfilment of obligations imposed by the law, but also - and above all - the suitability of the information flows to ensure that the systems and methods of data collection, processing and consolidation for the preparation of the NFI guaranteed completeness, accuracy, truthfulness and verifiability of the entire data flow. We attended meetings of the Sustainability and Social Responsibility Committee, to which the Board of Directors assigned specific tasks related to sustainability issues. We took part in the Committee's proceedings and in meetings when the NFI was analysed, taking note of the attention paid to the process of drawing up the NFI and of the favourable



opinion formulated by the Committee for the approval of the NFI by the Board of Directors, which took place by a resolution dated March 7, 2024. The Board of Statutory Auditors also met with the Sustainability Manager in a specific meeting, to monitor the Company's preparation of the necessary data collection, verification and validation measures made necessary by the entry into force of the new regulations, which will impact the financial statements for the current fiscal year.

The Company, which adheres to the United Nations *Global Compact*, has made commitments to achieve some of the UN's *Sustainable Development Goals*.

We have read the report prepared by the Independent Auditors on the Consolidated Non-Financial Report, on which Deloitte was asked to carry out a limited assurance engagement, following which it acknowledged that no matters had come to their attention to suggest that the report had not been drawn up, in all significant aspects, in compliance with the law and the *GRI Sustainability Reporting Standards* established in 2016 by the *Global Reporting Initiative*. In the same report, Deloitte also specified that the conclusions expressed regarding the Consolidated Non-Financial Report do not extend to the information required by Article 8 of the Taxonomy Regulation (EU) 2020/852.

We noted that, as a result of the activities performed, no elements of non-compliance of the consolidated non-financial report with the regulatory provisions governing its preparation and publication came to our attention.

#### ***Further activities of the Board of Statutory Auditors***

As required by art. 2403 of the Italian Civil Code and art. 149 of the CLF, we supervised compliance with the law and the By-laws and compliance with the principles of correct administration, in particular as regards the adequacy of the Company's organisational, administrative and accounting structure. As regards the organisational structure of the Company, we were able to ascertain that the Company required the Directors to carry out the periodic self-assessment process regarding the composition, role and functioning of the Board of Directors and of the internal Board Committees. This self-assessment by the Company was also extended to the Board of Statutory Auditors (so we carried out our own self-assessment). The outcome of the self-assessment, explained anonymously to the Directors and Statutory Auditors at the meeting of the Board of Directors on February 19, 2024, confirmed general satisfaction with regard to procedural and operational aspects, the frequency and duration of the meetings, the role of the Chairman and relations with the Directors, as well as the contribution and efficiency of the Committees.

Again with regard to the organisational structure, no elements emerged from our activity that cast doubt on the substantial correspondence between the decision-making structure of the Company and the powers assigned, the substantial compliance with the lines of hierarchical dependence and the corporate training process and implementation of the decisions, as well as that of financial reporting, the definition and functioning of the control system in practice.

Pursuant to art. 2405 of the Italian Civil Code, as indicated above, we attended all meetings of the Board of Directors, where we obtained periodic information on the results of operations and on their outlook. We were also kept up-to-date on the more important economic and financial transactions carried out by the Company, making sure that the resolutions adopted were not manifestly imprudent, risky, in potential conflict of interest, in contrast with the shareholders' resolutions or such as to compromise the Company's financial equilibrium. The Board of Statutory Auditors attended the Shareholders' Meeting that was held on April 27, 2023.

We received and examined the *Report on Corporate Governance and the Ownership Structure* for 2023, which explains in full the Company's adhesion to the Corporate Governance Code for Listed Companies.



With regard to the Corporate Bodies, we would point out that:

- at the date of this report, the Board of Directors appointed on April 27, 2023 is made up of 12 Directors, 6 of whom meet both the independence requirements of the CLF and the Corporate Governance Code, while 2 meet the requirements of the CLF. During 2023, the Board of Directors held 9 meetings;
- the Control and Risk Committee is made up of 3 Directors, 2 of whom meet the independence requirements of the Corporate Governance Code. In 2023, the Control and Risk Committee met 6 times;
- the Remuneration and Nominations Committee is made up of 3 Directors, all of whom meet the independence requirements of the Corporate Governance Code. During 2023, the Remuneration and Nominations Committee met 4 times;
- the RPT Committee is made up of 3 Directors, all of whom meet the independence requirements of the Corporate Governance Code. The RPT Committee never met during 2023;
- the Committee for Sustainability and Social Responsibility is made up of 5 Directors, 3 of whom meet the independence requirements of the Corporate Governance Code. In 2023, the Committee for Sustainability and Social Responsibility met 3 times.

Please refer to Report on Corporate Governance and the Ownership Structure for 2023, for more details on the issues dealt with at the meetings and the work performed by the committees.

By attending meetings of the various Corporate Bodies, as foreseen by the Corporate Governance Code, we were able to ascertain that the Board of Directors has carried out the various functions attributed to it; we were also able to ascertain that each of the Committees functioned properly.

As far as we are aware, each Company body or function has fulfilled the disclosure requirements provided for by the law, particularly with regard to information that is regulated, privileged or required by the supervisory authorities (attestations, communications and compliance with formats and content envisaged by CONSOB in particular).

As part of our checks and to maintain a constant exchange of information, we periodically met:

- the Independent Auditors, ensuring a continuous exchange of information with them in relation to the audit activities carried out;
- the Control and Risk Committee, with which we also organised joint meetings on issues that fall within the sphere of competence of the two bodies;
- the Head of Internal Audit, receiving information about the results of their activities;
- the Head of Risk Management, receiving information about the results of their activities;
- the members of the Supervisory Body, established pursuant to Legislative Decree 231 on June 8, 2001, receiving information on the results of their supervisory activity, subsequently confirmed in the Reports of the Supervisory Body to the Board of Directors. The Reports show that no anomalies or reprehensible facts have been found and that the Supervisory Body has not received any reports from internal or external sources regarding alleged violations of the Organisation and Management Model or related procedures;
- Financial Reporting Officer;
- the Legal Department of the Company.

During our supervisory activity described above, no omissions, reprehensible facts or irregularities emerged such as to require reporting to the competent external control and supervisory bodies or to be mentioned in this report.

During the year, we did not receive any reports pursuant to art. 2408 of the Italian Civil Code, nor have we received any complaints.

We have issued our favourable opinion, pursuant to art. 2389, paragraph 3, of the Italian Civil Code, on the assessments discussed and proposed by the Remuneration and Nominations Committee, and the subsequent decision of the Board of Directors', with reference to the MBO plan applied to the Chief Executive Officer and some senior managers.

The Board has not been called upon to issue any further opinion pursuant to current legislation.

\* \* \*

Considering the above and our sphere of competence, also in light of the report prepared by the Independent Auditors and their opinion on the financial statements, we are not aware of any impediments to the approval of the financial statements at December 31, 2023 prepared by the Board of Directors and we have no objections to their proposals to the Shareholders' Meeting.

For the Board of Statutory Auditors

Pierluigi De Biasi

# Deloitte.

Deloitte & Touche S.p.A.  
Via Tortona, 25  
20144 Milano  
Italia

Tel: +39 02 83322111  
Fax: +39 02 83322112  
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT  
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010  
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of  
Italmobiliare S.p.A.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the separate financial statements of Italmobiliare S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2023, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

### 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA/IT 03049560166

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**Measurement of financial assets with fair value levels 2 and 3**
**Description of the key audit matter**

The separate financial statements at December 31, 2023 include financial assets measured at fair value categorized into hierarchy levels 2 and 3 amounting to Euro 447,7 million, equal to 74,5% of total financial assets and 32,2% of total assets.

For the above financial assets, a listed price on an active market is not available and therefore the related measurement is based on complex valuation techniques that require a significant level of judgement.

We considered the measurement of financial assets with fair value levels 2 and 3 a key audit matter of the separate financial statements at December 31, 2023 considering: i) it entails a significant level of judgement by the Directors, ii) the complexity of the relevant valuation techniques and of the significant inputs and iii) the significance of the amounts.

Note 5) "Other equity investments", 7) "Other non-current assets" and 11) "Equity investments, bonds and current financial receivables" of the separate financial statements include the disclosures on the measurement of financial assets.

**Audit procedures performed**

Our audit procedures, among others, included:

- understanding of the relevant controls implemented for the acquisition, disposal and measurement of financial assets;
- assessing the appropriateness of the accounting rules adopted by the Company in accordance with the requirements of IFRS 9 and IFRS 13;
- testing, on a sample basis, the appropriate categorization of financial assets into the fair value levels;
- testing, on a sample basis, the reasonableness and the accuracy of the valuation techniques, the significant inputs and their actual application provided by the Directors for measurement purposes of fair value levels 2 and 3;
- assessing the appropriateness of the disclosures provided in the notes about financial assets and their fair value levels and their compliance with the related accounting principles.

**Recoverability of equity investments in subsidiaries and associates**
**Description of the key audit matter**

The separate financial statements at December 31, 2023 include equity investments in subsidiaries and associates amounting to Euro 557,2 million and Euro 109,1 million respectively; both categories are measured at cost.

In presence of impairment indicators, Directors perform an assessment (impairment test), supported also by an independent advisor expert, in order to determine whether the investments are recognised in the separate financial statements for an amount higher than their recoverable amount. This assessment is performed at each reporting date for investments which give rise to a goodwill in the consolidated financial statements.

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For Sidi Sport S.r.l. and FT3 S.r.l. (the vehicle that holds 70% of Callmewine S.r.l.), their recoverable amount, respectively Euro 60,8 million and Euro 10,5 million, was lower than their carrying value, respectively Euro 68,5 million and Euro 17,8 million, requiring the recognition of an impairment loss of Euro 7,7 million for Sidi Sport S.r.l. and Euro 7,3 million for FT3 S.r.l..

For the other equity investments in subsidiaries and associates, where an impairment test was carried out, their recoverable amount, estimated as either value in use or fair value, based on the market multiples method, resulted higher than their carrying amount and consequently no adjustment was made to the relevant values.

Impairment testing is complex and the Directors determined the recoverable amount based on assumptions including, among others: the expected cash flows and/or the expected ebitda for the following year, the determination of an appropriate discount rate (WACC) and an estimate of the long-term growth rate (g-rate). Such assumptions are influenced by future expectations about the conditions for their respective markets.

Given the judgement required in the estimates of expected cash flows and expected ebitda, and of the key assumptions of the impairment test model used by the Directors for the calculation of the subsidiaries and associates' recoverable amount, we considered the recoverability of the equity investments in subsidiaries and associates a key audit matter of the separate financial statements.

Note 4) "Equity investments in subsidiaries and associates" of the separate financial statements include the disclosure on the recoverability of the equity investments in subsidiaries and associates.

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**Audit procedures performed**

We have preliminary assessed the process used by the Directors to determine the recoverable amount of the equity investments in subsidiaries and associates analyzing the methods and assumptions used for the development of the impairment test.

Our audit procedures, which also involved our own valuation specialists, included:

- understanding of the relevant controls implemented by the Company on the impairment test process of the equity investments in subsidiaries and associates;
- analyzing the reasonableness of the main assumptions used for developing the expected cash flows (including the effects of the macroeconomic scenario and potential impacts coming from the climate change) and ebitda, together with the collection of the other relevant information provided by the Directors;





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- evaluating the competences, capabilities and objectivity of the external advisor involved by the Directors for the preparation of the impairment test;
- analyzing the differences between budgeted targets and actual results in order to understand the nature of the deviations, also considering, the changes of the macroeconomic scenario, and the reliability of the budgeting process;
- analyzing the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate) in the value in use determination and of the market multiples in the fair value determination;
- assessing the mathematical accuracy of the model used to determine the recoverable amount of the equity investments in subsidiaries and associates;
- comparing the recoverable amount of the equity investments in subsidiaries and associates with their carrying amount;
- assessing the sensitivity analysis performed by Management;
- assessing the appropriateness of the disclosures reported in the notes and its compliance with IAS 36.

#### **Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements**

The Directors are responsible for the preparation of the separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 International Standards on Auditing (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 separate financial statements.

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As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate the related threats or the related safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

### Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Italmobiliare S.p.A. has appointed us on April 17, 2019 as auditors of the Company for the years from December 31, 2019 to December 31, 2027.



We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

##### **Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815**

The Directors of Italmobiliare S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the “Delegated Regulation”) to the financial statements, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

##### **Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98**

The Directors of Italmobiliare S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Italmobiliare S.p.A. as at December 31, 2023, including their consistency with the related separate financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the separate financial statements of Italmobiliare S.p.A. as at December 31, 2023 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and information contained in the report on corporate governance and ownership structure are consistent with the separate financial statements of Italmobiliare S.p.A. as at December 31, 2023 and are prepared in accordance with the law.



**Deloitte.**

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With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Massimiliano Semprini**  
Partner

Milan, Italy  
March 13, 2024

*As disclosed by the Directors on page **A3**, the accompanying financial statements of Italmobiliare S.p.A. is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's 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.*







# Sustainability Report 2023







# Sustainability Report 2023

COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

ITALMOBILIARE  
Società per Azioni  
Registered office: Via Borgonuovo, 20 20121 Milan - Italy  
Share capital Euro 100,166,937 fully paid  
Milan Companies Register

**Translation from the Italian original version which remains the definitive one.**



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**ITALMOBILIARE**  
INVESTMENT HOLDING

# ITALMOBILIARE GROUP

# STRATEGIC PROFILE

## ITALMOBILIARE INVESTMENT HOLDING

Italmobiliare Investment Holding, founded in 1946 and listed on the Milan Stock Exchange since 1980, is one of the leading Italian investment holding companies. Controlled by Efiparind (Pesenti family), it owns and manages a diversified portfolio of equity and other investments with a strategic vision based on a financial and industrial history that goes back more than 150 years.

Italmobiliare Investment Holding plays an active and continuous role in the process of portfolio growth and enhancement by combining development, internationalisation and innovation with an effective governance and risk management model, and full ESG integration at all stages of investing.

<b>1946</b>	Italcementi, founded in 1864, transferred to the new company Italmobiliare all of its investments that were not to do with the building materials sector.
<b>1950s - 60s</b>	Diversification of investments into insurance (RAS), banking (Finter Bank, Banca Provinciale Lombarda, Credito Commerciale and 8 banking institutions that later became Istituto Bancario Italiano) and public transport (SAB Autoservizi). Purchase of a stake in Franco Tosi, an industrial company in the electromechanical sector.
<b>1970s - 80s</b>	Acquisition of a minority interest in Bastogi, which joined the one held in Falck. In 1979, Italmobiliare became the holding company for the entire Group when it acquired a majority of the ordinary shares in Italcementi. In 1980, Italmobiliare was admitted for trading on the Milan Stock Exchange. The investments in RAS and Banca Provinciale Lombarda were sold and a minority shareholding was acquired in Poligrafici Editoriale.
<b>1990s</b>	Italcementi went international and rose to be a world leader in the construction materials sector through the acquisition of Ciments Français, the largest international acquisition carried out by an Italian group up to that point. Franco Tosi sold its industrial activity to the ABB Group, reinvesting the proceeds in the food packaging sector (Sirap) and in the water and gas sector (Crea). It was then merged with Italmobiliare after the favourable outcome of a takeover bid. Entry into the capital of Credito Italiano
<b>2000s - 2015s</b>	Portfolio diversification into RCS and Mediobanca. Sale of SAB Autoservizi and of the shareholding in Poligrafici Editoriale. In 2014, Italmobiliare participated pro-quota in the recapitalisation and simplification of the Italcementi Group, maintaining a controlling interest of 45%. In September 2015, Finter Bank was sold to the Swiss group Vontobel, acquiring a minority interest in it.
<b>2016</b>	After acquiring direct control of Italgel and BravoSolution, the equity investment in Italcementi was sold to HeidelbergCement, acquiring a minority interest in it. Conversion of the Italmobiliare savings shares. Clessidra SGR, the main Italian private equity operator, was bought and Italmobiliare became anchor investor of the CCP3 fund.
<b>2017</b>	Purchase of a 40% interest in Tecnica Group, leader in outdoor footwear and ski equipment with historical brands such as Tecnica, Nordica, Moon Boot, Lowa, Blizzard and Rollerblade. Entry into the Jaggaer group, operating in the eProcurement sector, by contributing BravoSolution.

2018	Purchase of a 60% stake in Caffè Borbone, one of the leading Italian coffee producers in the compatible pods and capsules sector.
	Purchase of a 39% shareholding in Iseo Serrature, leader in the production and design of locking and access control systems.
	Private equity investments increased, including the BDT Capital Partners funds.
2019	Purchase of a 30% shareholding in Autogas-AGN Energia, a national leader in the distribution of LPG gas for domestic, commercial and industrial use.
	Purchase of an 80% shareholding in Capitelli, active in the production and marketing of cooked ham and other high-quality products.
	Italmobiliare joins in the STAR segment of the Italian Stock Exchange in September. The investment in Jaggaer was sold to Cinven
2020	Purchase of an 80% interest in Officina Profumo-Farmaceutica di Santa Maria Novella, a historic manufacturer of high-end perfumes and cosmetics.
	Purchase of a 92.5% interest in Casa della Salute, a network of specialist outpatient clinics.
	Purchase of a 60% stake in Callmewine, an eCommerce platform for the sale of wines. The Italmobiliare Group joined the United Nations Global Compact Network, the largest strategic corporate citizenship initiative in the world.
2021	Exit from the food plastic packaging sector by disposing Sirap Group's assets.
	Co-investor with Clessidra SGR in the Botter wine group.
	Investment in Farmagorà, chain of pharmacies closely linked to the local area. Anchor investor of the Clessidra Capital Partners 4 fund. Increased stake in Officina Profumo Farmaceutica di Santa Maria Novella to 100%.
2022	Purchase of a 19.99% interest in Bene Assicurazioni, an innovative technology company in the Italian non-life insurance market.
	Purchase of 100% of Sidi Sport, an iconic Italian brand specialising in the production and sale of cycling and motorcycling footwear.
2023	Sale of Florence Group.
	Adhesion to the Science Based Targets Initiative (SBTi), committing to set emission reduction targets in line with the Net-Zero scenario.

## Focus 2023: STAYING ON COURSE

*In its long history as an investment holding company in the industrial and financial fields, Italmobiliare was one of the forerunners in Italy to have an innovative approach to sustainability. Already in the 1990s it had structured ambitious sustainability programmes in the main industrial holdings, fully integrated into the strategic development priorities and coordinated by dedicated functions. Thanks to this experience, a constant commitment to best practices has matured, from principles to policies, from processes to products, from local and global initiatives to reporting tools.*

*This is the legacy that Italmobiliare has brought and continues to bring with its experience, competence, and passion to its way of operating, contributing to the global challenges and, at the same time, protecting and strengthening the financial performance, for the benefit of shareholders and all other stakeholders.*

*But it is no time to dwell on the past. At the current pace of change, most of the Sustainable Development Goals are off track in respect of the 2030 Agenda. Global shocks such as pandemics, overt or creeping conflicts, financial constraints and extreme weather events have dramatically slowed or reversed progress towards the SDGs. Around the world, many people have been pushed into extreme poverty and hunger, suffered disruptions in education or lost access to basic health services. Added to this are the indecisions of the institutional world which, although increasingly dirigiste in matters of sustainability, shows fluctuating attitudes in the way of pursuing policies and producing regulations.*

*In this context, many stakeholders - including companies that had adopted sustainable strategies voluntarily - have retreated to wait-and-see positions. This collective suspension is decidedly at odds with the growing understanding of the business risks and opportunities that a sustainability business model offers, creating tension between urgency and inaction.*

*Italmobiliare wants to overcome this dilemma, drawing on its history to strongly reconfirm its commitment to sustainability, renewed through awareness of the challenges that have become more arduous or of the new challenges that have arisen. It is also the expression of a sense of responsibility that Italmobiliare shares with all the companies in the portfolio, which bring know-how and sectoral excellence to the Group, and which deserve to be accompanied and supported in the present and towards the future.*

*Beyond any uncertainty, the lines of action are clear: solid governance, built on the highest global references, including the UN Global Compact, and extended to the entire value chain; a decarbonisation strategy guided by the methodological approach of the Science Based Targets initiative, to which, after the Holding, all the Portfolio Companies have joined; a culture of health, safety and well-being understood as an ethical and business efficiency model; people development plans aimed at professional growth, inclusion and gender equality.*

*Let's stay on course!*



## PORTFOLIO COMPANIES

Italmobiliare actively manages a portfolio of investments in a growing number of subsidiaries or associated companies, capitalizing on its transformative capacity deriving from entrepreneurial experience at a national and international level. The investment horizon is medium-long term and focused on the creation of value. The sustainable strategy of the Portfolio Companies is detailed in this report. The scope of consolidation is described in the section Reporting.

Company % held	Investment date	Description	Notes
<b>Italgen</b> 100%	Jul 2016	Italgen operates in Italy as a producer and distributor of electricity from renewable sources.	Registered office in Villa di Serio (BG). 28 hydroelectric plants in Lombardy, Piedmont and Veneto. 4 photovoltaic plants (Marche, Lombardy, Puglia). 300 kilometres of transmission lines. Investments in two wind plants in Bulgaria.
<b>Clessidra</b> 100%	Sep 2016	Clessidra Holding S.p.A. is the parent company of the Clessidra Group, one of the main financial operators active in alternative investments (private equity and private credit) and in factoring, by means of three specialised companies, each with its own operating autonomy.	Registered office in Milan. Clessidra Group's Companies: ▪ Clessidra Private Equity (Clessidra Capital Partners 3 and Clessidra Capital Partners 4 funds). ▪ Clessidra Capital Credit (Clessidra Restructuring Fund, Clessidra Parallel Fund and Clessidra Private Debt Fund). ▪ Clessidra Factoring.
<b>Tecnica Group</b> 40%	Nov 2017	Tecnica Group is a leading manufacturer of outdoor footwear and ski equipment with the brands: Tecnica (ski boots and footwear), Nordica (skis and boots), Moon Boot (footwear), Lowa (trekking shoes), Blizzard (skis) and Rollerblade (in-line skates).	Registered office in Gaiavara del Montello (TV). Production sites in Austria, Germany, Italy, Slovakia, Ukraine and Hungary.
<b>Caffè Borbone</b> 60%	May 2018	Caffè Borbone is one of the leading coffee producers specialising in compatible capsules and pods, with a strong distribution network throughout Italy and international commercial presence.	Registered office and production site in Caivano (NA). Caffè Borbone America Corp. (USA).
<b>Iseo</b> 39.25%	Oct 2018	Iseo is a leader in the design, production and sale of mechanical and electronic locks, solutions for security and access management.	Registered office in Pisogne (BS). Production sites in Italy, Romania, France, Germany, Spain and South Africa.
<b>AGN ENERGIA</b> 32.02%	Jan 2019	AGN Energia is leader in the LPG market, operating throughout the Italy in the domestic, agricultural, industrial and automotive sectors. The commercial offer includes also supply of natural gas and renewable electricity, technical gases, production from renewable sources, solutions for energy efficiency and electric mobility.	Registered office in Genoa. 44 offices throughout the country.
<b>Capitelli</b> 80%	Dec 2019	Capitelli operates in the production and sale of cooked and smoked cured meat characterised by a careful choice of meats of selected origin, and an original craft manufacturing process, which make them refined and niche products positioned among the Italian food excellences.	Registered office and production site in Borgonovo Val Tidone (PC).
<b>Officina Profumo-Farmaceutica di Santa Maria Novella</b> 95%	Jan 2020	Officina Profumo-Farmaceutica di Santa Maria Novella is an unicum in the panorama of cosmetics and fragrances. It is considered the oldest historical pharmacy in Europe, and in 2021 it celebrated 800 years of uninterrupted activity in the same place.	Registered office in Florence. Over 300 owned shops and corners in different countries of the world.
<b>Casa della Salute</b> 84,73%	Dec 2020	Casa della Salute is a network of specialist diagnostic, dental, physiotherapy clinics. Its aim is to help protect the right to health and to ensure rapid access to high-quality healthcare.	Registered office in Genoa. 26 outpatient clinics between Liguria and Piedmont.
<b>Callmewine</b> 60%	Dec 2020	Callmewine is an e-commerce platform that specialises in the sale of wine, where it ranks as one of the market leaders in Italy.	Registered office in Milan. Online business with deliveries mostly throughout Italian territory.
<b>Bene Assicurazioni</b> 19.99%	Apr 2022	Bene Assicurazioni is an insurance technology company specialized in the non-life insurance retail market with a focus on the motor segment.	Registered office in Milan.
<b>SIDI Sport</b> 100%	Oct 2022	SIDI Sport specialises in the production and sale of cycling and motorcycling footwear. Its products, which are used by the most important professional and amateur athletes all over the world, are synonymous with excellence, quality, tradition, craftsmanship and design.	Registered office in Maser (TV).h Production sites in Maser and Bucharest (Romania)

## PRIVATE EQUITY AND ALTERNATIVE INVESTMENT FUNDS

Investing in funds allows to take advantage of growth opportunities in geographical areas or business sectors not directly covered by Italmobiliare and potentially to allow its shareholdings to develop and diversify. For new investments, preference is for at least "SFDR Article 8" funds, that promote environmental or social characteristics and verify that the investees respect good governance practices or funds managed by asset management companies adopting ESG policies based on exclusion criteria at least.

In 2023, with reference to the NAV, 54% of investments are represented by products of companies that are signatories to the UN PRI and adopt an ESG Policy. 38% is represented by products at "SFDR Article 8" at least.

Asset Manager	Invested Fund	Commitment year	UN PRI	ESG Policy	SFDR Regulation		
					Art. 6	Art. 8	Art. 9
<b>Clessidra Private Equity</b>	<b>Clessidra Capital Partners 3</b>	2015	✓	✓		✓	
BDT	BDT Capital Partners Fund II	2016					
Isomer Capital	Isomer	2018	✓	✓	✓		
Iconiq Capital	Iconiq Strategic Partners IV	2018					
Connect Ventures	Connect Ventures 3	2018					
BDT	BDT Capital Partners Fund III	2019					
<b>Clessidra Capital Partners</b>	<b>Clessidra Restructuring Fund</b>	2019	✓	✓	✓		
Iconiq Capital	Iconiq Strategic Partners V	2020					
Lindsay Goldberg	LG Lindsay Goldberg 5	2020	✓	✓			
Lauxera Capital Partners	Lauxera Capital Partners	2020	✓	✓	✓		
<b>Clessidra Private Equity</b>	<b>Clessidra Capital Partners 4</b>	2021	✓	✓		✓	
Isomer Capital	Isomer Opp.	2021	✓	✓	✓		
Expedition Growth Capital	Expedition Growth	2021					
8-bit Capital	8-bit	2021					
Isomer Capital	Isomer II	2022	✓	✓	✓		
Connect Ventures	Connect Ventures 4	2022					
<b>Clessidra Capital Partners</b>	<b>Clessidra Private Debt Fund</b>	2022	✓	✓		✓	
Lakestar	Lakestar Early IV	2022	✓	✓	✓		
Lakestar	Lakestar Growth II	2022	✓	✓	✓		
La Famiglia	La Famiglia	2022		✓	✓		
JAB Holding Company	JAB Consumer V	2022	✓	✓	✓		
Visionaries Club	Visionaries Seed	2022		✓	✓		
Visionaries Club	Visionaries Growth	2022		✓	✓		
<b>Clessidra Capital Partners</b>	<b>Clessidra Parallel Fund</b>	2023	✓	✓		✓	
Fondo Italiano d'Investimento	FOF Impact Investing	2023	✓	✓			✓

## INVESTMENTS AND CO-INVESTMENTS

The portfolio of investments in various sectors is focused on listed and unlisted companies that offer attractive growth prospects or constant returns on the investment.

In the industrial sector, HeidelbergCement, one of the world leaders in cement and building materials, adheres to the UN Global Compact and adopts a clear sustainable strategy. Its main focus is the fight against climate change, supported by the commitment taken with the Science Based Target initiative (SBTi).

In the financial sector, it is worth mentioning the investments in Mediobanca and Vontobel, a Swiss private bank that specialises in asset management for private and institutional customers. It has been a pioneer of sustainable investments ever since the 1990s with numerous international awards. It is also a signatory of the UN Principles for Responsible Investment and a member of the Swiss Sustainable Finance association.

## CASH, CASH EQUIVALENTS AND OTHER ASSETS

Liquidity under management and financial assets constitute a reserve of cash and cash equivalents, allocated to instruments with a conservative risk profile, available to the Company for possible new investment opportunities. At the end of 2023, this reserve represented approximately 9% of the entire NAV. In addition to this activity, there is the management of the real estate assets owned by the Company, including its head office building in Milan.

## Highlights

	Governance and supply chain	Climate strategy	Health, safety and well-being	Gender and human capital development
<i>The foundation for Holding and Portfolio</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Analytical monitoring of carbon footprint and SBTi objectives	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles (WEPs) and inclusive growth of competences.
<i>Status 2023</i>	100%	-29% CO <sub>2</sub> Scope 1-2 vs 2021	+6 Injuries vs 2021-22	89%
	It's the percentage of entities, including Holding and Portfolio Companies, that have adopted a Code of Ethics, Sustainability Policies, and Model 231	Holding and Portfolio Companies have taken the first significant steps towards the ongoing validation of the SBTi	This figure, although not positive, adds further impetus to the efforts towards achieving zero accidents.	It's the percentage of entities, among Holding and Portfolio Companies, that have employed the WEPs Gender Gap Analysis Tool and commenced monitoring of the Gender Pay Gap.
	89%	Zero CO <sub>2</sub> Scope 2, from 2022	75%	40.000+ Training hours
	It's the percentage of entities, among Holding and Portfolio Companies, that have employed an ESG questionnaire for supplier prequalification.	From 2022, Holding and Portfolio Companies exclusively use renewable electricity	It's the percentage of entities, within Holding and Portfolio Companies, that have embraced voluntary initiatives to promote people's well-being.	81% voluntary training aimed at enhancing skills growth.
<i>Next challenges</i>	100%	100%	100%	100%
	Portfolio Companies	Pathway to Net Zero	Portfolio Companies	Portfolio Companies
	adopting ESG prequalification models for all suppliers.	Portfolio Companies with validated SBTi objectives.	with a full culture of safety as an ethical and business efficiency model.	adopting a people development plan aimed at growth, inclusion and gender equality.

### ESG Ratings



**ESG Rating**  
Total score resulted at 82° percentile in the reference industry.

Scored 100% for the quality of social and environment reporting

**ESG Risk Rating**  
"Negligible risk", combination of "Low Exposure" and "Strong Management".

#1 among comparable companies by level of capitalization.

**CDP Climate Change**  
Rating "C - Awareness" for the management of climate change challenge.

Rating "B - Management" for Supplier Engagement

**ESG Score**  
75/100







Among the best-ranked companies in the sector.

**ESG Ranking**  
93/100

Among the very first ranked companies in the sector.



## Strategic objectives

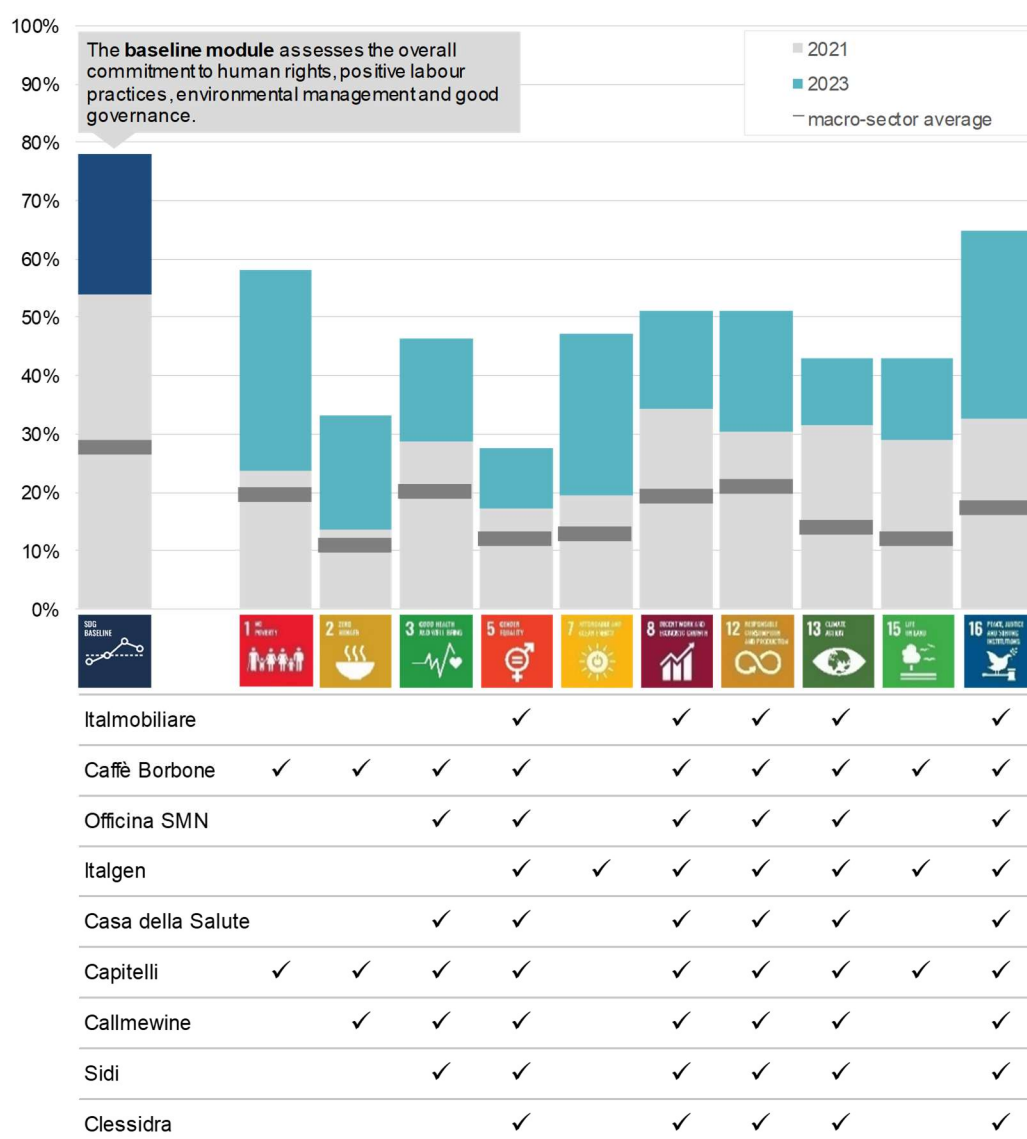
		Target 2025	2019	2020	2021	2022	2023
	<b>Objective: GENDER EQUALITY</b>	Supported by adherence to the Women Empowerment Principles, the goal is to create conditions of inclusiveness and social culture that nurture a pathway aimed at achieving gender equality, starting from management positions.					
Women in managerial positions	%	> 40%	19%	22%	33%	31%	35%
Gender pay gap unadjusted *	%	reduction	--	--	--	-47%	-63%
* In 2023, the variable compensation of the 3-year Long Term Incentive plan for the management of the Holding was paid.							
	<b>Objective: DECENT WORK</b>	Every accident at work is unacceptable, therefore the only acceptable goal is Zero Accidents. Only the creation of a culture of safety, well beyond the legal obligations, allows to record progresses.					
Injury frequency rate (> 24h) **	# / million worked hours	0	6,0	4,8	4,3	3,3	4,8
Hours of training	hours / person	> 40	5,0	5,0	28,9	33,0	27,6
** 2021 e 2022 data have been updated due to reclassification of some accidental events.							
	<b>Objective: RESPONSIBLE PRODUCTION</b>	Renewable or recycled materials out of the total materials used support the transition to a regenerative economy.					
Responsible resources: raw materials	%	> 80%	30%	46%	90%	90%	91%
Responsible resources: packaging	%	> 60%	58%	64%	58%	58%	80%
	<b>Objective: NET-ZERO</b>	The Group is committed to setting short- and long-term emission reduction targets in line with the science-based net-zero scenario according to SBTi. Details on the proposed SBTi objectives and their progress at page F25.					
Carbon intensity: scope 1	tCO2e / million Euros revenues	reduction	19	17	15	13	13
Carbon intensity: scope 2		0	69	62	8	0	0
Carbon intensity: scope 3 subsidiary companies		reduction	--	593	640	610	542
Carbon intensity: scope 3 affiliate companies and other investments ***			--	2.281	3.479	4.038	2.877
*** Without the contribution of AGN Energia, affiliated company sold on 28 February 2024, the 2023 carbon intensity falls to 2,282 tCO2e/M€.							
	<b>Objective: BUSINESS INTEGRITY</b>	Organization and Control Model 231. For new investments, adoption is expected no later than the second year of active management.					
Companies with Model 231 ****	%	100%	100%	83%	88%	100%	100%
**** Formalised anti-offenses instrument							
	<b>Objective: SUSTAINABLE PARTNERSHIP</b>	Code of Ethics explicitly oriented toward sustainability; Evolved Sustainability Policies; Supplier Charter with ESG pre-qualification. For all new investments, implementation is planned within the first year of active management.					
Companies with Code of Ethics		100%	60%	67%	100%	100%	100%
Companies with Sustainability Policies	%	100%	40%	33%	100%	100%	100%
Companies with Supplier Charter		100%	--	--	--	81%	100%

## Contribution to SDGs

Italmobiliare Investment Holding intends to be an inspiration, an example and a reference for all those who want to identify, accelerate and enhance their long-term transformation potential and actively contribute to global challenges, creating sustainable, innovative and therefore more competitive and resilient businesses.

By joining the **United Nations Global Compact**, the Italmobiliare Group confirms its commitment - both formal and substantial - to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of protecting the environment and actively involved in every aspect of business integrity. To this end, Italmobiliare shares, supports and applies the fundamental **Ten Principles** of the Global Compact in its sphere of influence and actively contributes to the achievement of the **Sustainable Development Goals (SDGs)**.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the **SDGs**, allowing effective self-assessment of the progress achieved. Six SDGs are set as common targets for the Holding which promotes their implementation also within the Portfolio Companies, in addition to specific SDGs related to the specific business sectors. The following graph represents the weighted contribution of the Holding and Portfolio Companies, highlighting the improvement since 2021.

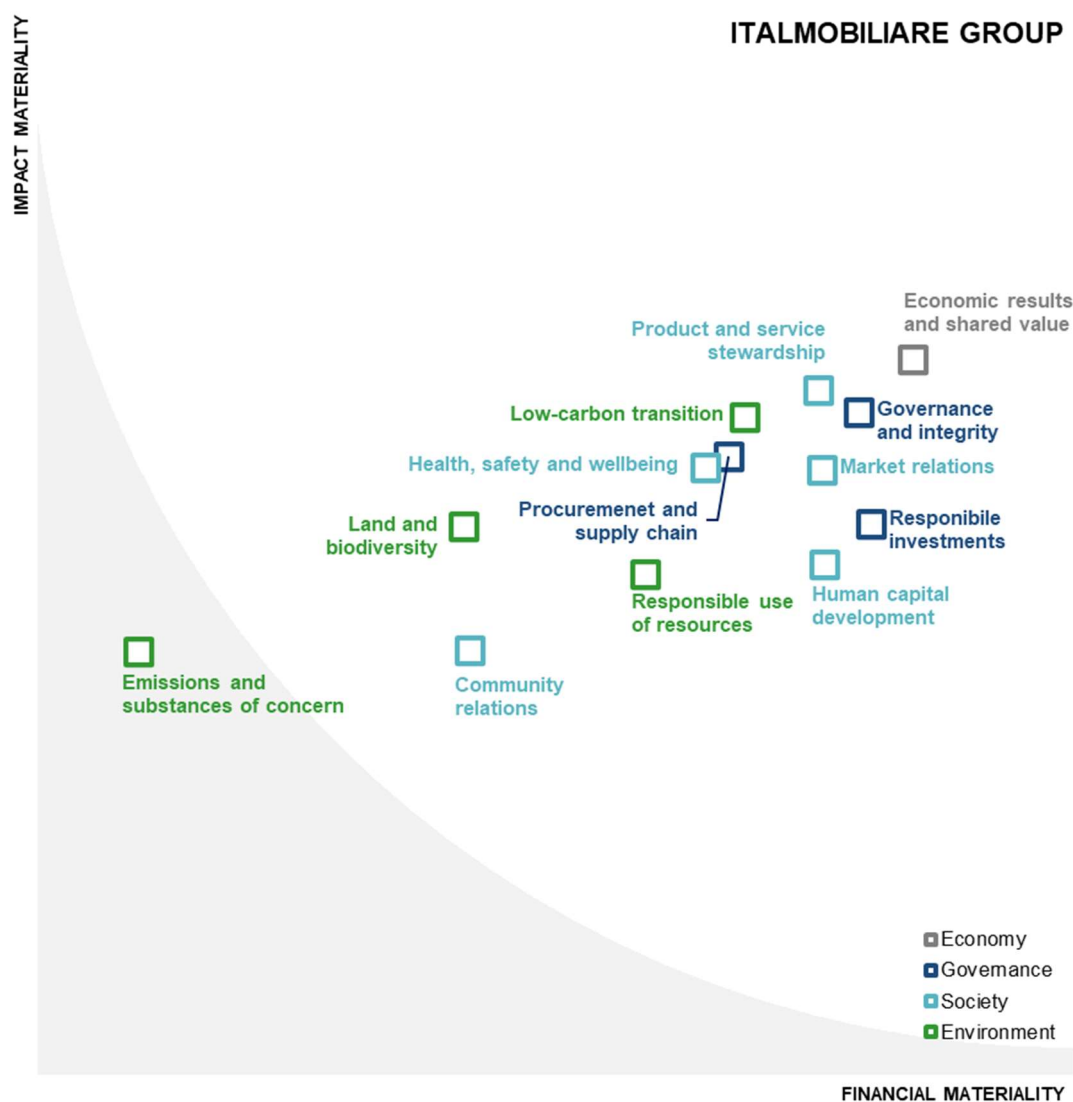


## Materiality

In defining the strategy and related action plans, the **materiality analysis** is an effective tool to identify the governance, economic, social and environmental issues that are relevant for the Group matching the financial relevance for the business with the relevance of the impact on the environment, the society and governance. Details on the methodology on page F148.

Identifying, understanding, measuring and managing all the success levers and potential impacts, positive or negative, of the business in the best possible way means valorising all the capitals that the Group has to manage responsibly. **Financial and manufactured capital** includes financial and operating instruments used in obtaining the result. **Human capital** brings together the individual skills and experience of everyone in the Group. **Intellectual capital** is fuelled by innovation and by technological and managerial know-how. **Social and relational capital** represents the importance of stakeholders, communities, supply chains, customers, market, institutions in generating social consensus. **Natural capital** defines the set of natural assets, intended as providers of environmental resources and services for economic production and social well-being.

SDGs and materiality are the reference for the action plans adopted by the holding and all the portfolio companies, coordinated and monitored with the support of the Sustainability Department, discussed in the Sustainability and Social Responsibility Committee and included in the variable remuneration of the management.



## Economic result and shared value

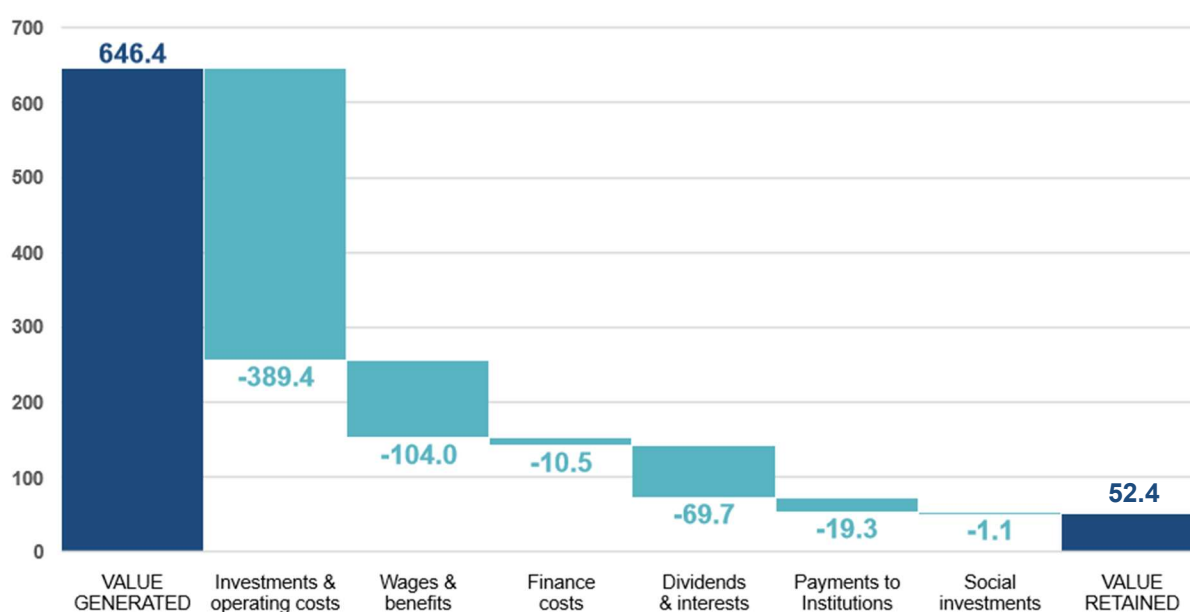
The Italmobiliare Group manages the flow of investments and disposals in order to guarantee its sustainable success through the creation of shared value in the long term. Information on the creation and distribution of economic value provides an effective indication of how the Group has created wealth for the main categories of stakeholders.

		2021	2022	2023	
<b>Economic value generated</b>		<b>568.7</b>	<b>518.9</b>	<b>646.4</b>	
Revenue and income	millions euro	492.3	483.6	585.8	
Public financing receives *		0.6	0.6	1.5	
Other		75.9	34.6	59.2	
<b>Economic value retained</b>	millions euro	<b>105.0</b>	<b>23.8</b>	<b>52.4</b>	Amortisation and depreciation, retained earnings and provisions for new investments
<b>Economic value distributed</b>		<b>463.7</b>	<b>495.1</b>	<b>594.0</b>	<b>Stakeholders who benefit</b>
Investments and operating costs	millions euro	255.7	352.9	389.4	Suppliers of goods and services
Salaries and staff benefits		72.1	84.5	104.0	Personnel
Dividends and interests **		84.0	45.0	69.7	Shareholders and Minorities
Payments to the State and Institutions		48.8	8.0	19.3	State and Public Administration
Finance costs		2.2	3.6	10.5	Capital providers
Social investments		0.9	1.1	1.1	Communities

\* In 2023, public financing refers to tax relief, tax credit, subsidies and financial incentives received by Group companies in Italy.

\*\* The 2023 figure includes the dividend that the Board of Directors of Italmobiliare S.p.A. will propose to the Shareholders' Meeting, in particular, 51.6 M€ which will be paid out of the 2023 profit. An additional amount, equal to 75.3 M€, will be paid out of the profit reserve from previous years.

### Economic value distributed to the stakeholder in 2023 (million euro)



## Governance

### GOVERNANCE AND INTEGRITY

The annual **Report on Corporate Governance and the Ownership Structure** details the corporate governance system, the composition and operations of the Board of Directors, the Board of Statutory Auditors and the four Board Committees (Remuneration and Nominations, Transactions with Related Parties, Control and Risk, Sustainability and Social Responsibility).

The **Board of Directors** defines the strategic guidelines of the Company and the Group and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the Company, as all matters not expressly reserved for the Shareholders' Meeting by law and the By-laws fall under its remit. The **Committee for Sustainability and Social Responsibility**, set up in 2020 and chaired by the Chief Executive Officer, has a duty to provide the Board of Directors with advice and proposals in order to implement a development strategy focused on sustainability, consistent with Italmobiliare's mission in all its components: governance, economic, social and environmental (ESG). The **Sustainability Department reports to the Chief Executive Officer** and covers also secretarial and management functions for the Committee for Sustainability and Social Responsibility. The composition and management of the governance bodies ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. Women participation in the Board of Directors is at 42% (5 directors out of 12). In addition to what is reported in the Report on Remuneration in theme of transparency and balancing of the remuneration of top management figures, the ratio between the total remuneration of the CEO and the median of Italmobiliare employees in 2023 is equal to 114 (318 for the Group), increasing compared to 2022 due to the variable compensation of the three-year Long Term Incentive plan for the management of the Holding.

The Portfolio Companies have governance systems that are consistent with the Group's approach. The presence on the Boards of Directors of members representing the Parent Company, together with independent directors, creates continuity of vision towards sustainable success.

The [Code of Ethics](#) explicitly recalls the Ten Principles of the United Nations Global Compact, which is internationally recognised as an advanced point of reference, also in terms of corporate governance. Through a sustainable approach aimed at creating shared value for the society and for the environment, the Italmobiliare Group intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand. Further guidance is provided by the various policies adopted and periodically updated, particularly the [Sustainability Policies](#), which commit, among other things, to enforce and ensure transparent governance and integrity, implementing appropriate models and effective organisational procedures. All the Portfolio Companies have aligned their Codes of Ethics and Sustainability Policies during their first year of active ownership.

Italmobiliare has adopted an **Organisation, Management and Control Model**, regulated by law but voluntary. It is designed to limit the risk of committing certain types of crimes, mainly in terms of corruption, bribery, fraud against the State, corporate offences, fencing, unintentional serious injuries or fatalities due to non-compliance with safety norms, serious environmental crimes, terrorism or violations against the individual, market abuse, tax offences, trafficking in illicit influences. In 2022, crimes related to non-cash payments and against cultural heritage assets were integrated. Additional crimes introduced by the law are systematically incorporate. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition, the control functions that supervise compliance with regulations have been identified. They have the support of the Legal and Corporate Affairs and Internal Audit departments of the holding company. Compliance risks are identified and evaluated at least once a year as part of the risk assessment process. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action. The Model adopted by the Parent Company acts as a point of reference for the systematic adoption of consistent approaches by the Portfolio Companies.

The Group's approach to **tax** is grounded on the principle of legality and rigorously compliant with the legislation in force in Italy and in the other countries in which it operates. Also thanks to the Model 231, no significant aspect in this area has been registered. Considering the Group's geography, 99% of taxes is paid to Italian institutions.

## RISK MANAGEMENT

The **Internal Control and Risk Management System (ICRMS)** adopted by Italmobiliare has risk management bodies, systems and processes aligned with international best practices. These allow constant monitoring and effective management of risks of an economic-financial, social and environmental nature at Group level and conscious decision-making on the matter. It consists of rules, procedures and organisational structures to allow the identification, measurement, management and monitoring of the main risks to which the Company and its subsidiaries are exposed.

The Board of Directors, with the opinion of the **Control and Risk Committee**, defines the Guidelines and assesses their adequacy and effectiveness at least once a year. These Guidelines are sent to the subsidiaries so that they can take them into account when defining and maintaining their own ICRMS, without prejudice to each other's autonomy and independence. In 2023, under the coordination of the Internal Audit Department, which is entrusted with risk management, and with the support of the Sustainability Department, the process of refining the ESG risk assessment continued, with particular attention to climate risks, assessed since 2021 according to the definitions of the Task Force on Climate-related Financial Disclosures (TCFD). In particular, the involvement of the management of the Portfolio Companies was even more structured, with dedicated workshops and sessions.

The following table shows the transversal themes that most widely emerged in the assessments carried out with individual controlled companies, highlighting the potential risks and the areas that present the main opportunities. This exercise is extended also to the affiliate companies. The assessment adopts a **precautionary approach**, preferring to overestimate the risks in order to activate improvement processes in any case.

### Main risks

	Italmobiliare	Caffè Borbone	Officina SMN	Italgen	Casa della Salute	Capitelli	Callmewine	SIDI Sport	Clessidra
<b>ECONOMY</b>									
Macroeconomic context	medium				low to high				
Financial risks	high				low to medium-high				
Sectorial context, competitiveness, and technology	medium				low to high				
<b>GOVERNANCE</b>									
Strategy and business	high				medium to medium-high				
ESG integration in business strategy and implementation of action plans	medium				low to high				
Suppliers and business partner	low				low to medium				
Availability and cost-effectiveness of supplies and raw materials, energy and logistics	--				low to high				
Evolution of regulatory framework (elements not included in climate risk)	low				low to high				
IT infrastructure and cyber risk	low				low to medium-high				
<b>SOCIETY</b>									
Organisational structure, internal processes and competences	low				low to medium-high				
Occupational health and safety	low				low to medium				
Quality of products and services in line with expectations of the Group and customers	--				low to medium				
Marketing and commercial processes	--				low to medium-high				
<b>ENVIRONMENT</b>									
Climate risk (rating)	medium-low				low to high				

The at least half-yearly update of the risk assessment contributes to fuelling and refining the mitigation actions reflected in the budget or strategic planning and the annual ESG Plans of Holding and Portfolio Companies, transforming risks, often intrinsic to business segments, into opportunities and the creation of value.

The Group's sustainable approach is in itself a strategy of risk anticipation and mitigation. The strategic vision and global references inspire governance processes and integrate into them. Management systems built on internationally recognized schemes constitute valid operational references. The solidity and effectiveness of the governance adopted, and the performances achieved are recognized by management systems certifications and ESG ratings.

O = ongoing		Italmobiliare	Caffè Borbone	Officina SMN	Italgen	Casa della Salute	Capitelli	Callmewine	SIDI Sport	Clessidra
Strategic vision	UN Global Compact	✓	✓	✓	✓	✓	✓	✓	✓	✓
	UN Principles for Responsible Investment									✓
	Women's Empowerment Principles	✓	O	O	✓	O	O	O	O	O
	Science Based Targets initiative	✓	✓	✓	✓	✓	✓	✓	✓	O
Governance	Code of Ethics	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability Policies	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Model 231	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Whistleblowing	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Responsible Investment Policy	✓								✓
	Supplier Charter	✓	✓	✓	✓	✓	✓	✓	✓	
Management systems	ISO 9001 - quality		✓		✓	✓				
	ISO 14001 - environment		✓		✓					
	ISO 45001 - health and safety		✓							
	IFS / BRC - food safety		✓				✓			
Rating	AGCM - Legality Rating		✓		✓	✓				
	B Corp - benefit company				O	O				
	S&P Global	✓								
	CDP	✓								
	Sustainalytics	✓								
	UN PRI									✓
	Ecovadis		✓		✓					
	Others (e.g., Cerved, Cribis)				✓					

Confirming the overall effectiveness of the integrity and compliance safeguards adopted by Italmobiliare and its subsidiaries, in 2023 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illegal behaviour or conduct contrary to the Code of Ethics.



## CLIMATE RISKS

The qualitative and quantitative information provided in this section are informed according to **TCFD Recommendations** and the **IFRS S2 Climate-related Disclosures**, already using some elements included in the new **European Sustainability Reporting Standards, ESRS E1** in particular.

### Governance

As explicitly described in the **Code of Ethics**, "Italmobiliare promotes environmental policies and actions at all Group companies, adapting them on the basis of sector specificities aimed at actively contributing to global challenges, such as climate change, biodiversity conservation and the preservation of non-renewable resources".

The **Sustainability Policies** commit Italmobiliare to "pursue energy efficiency and climate protection along the entire value chain, defining actions in line with the global strategy of the Paris Agreement" and to "tackle pro-actively the challenge of climate change, with the purpose of an overall reduction of greenhouse gas emissions over the entire life cycle, implementing measures aimed at energy saving, the efficiency of plants and the supply and distribution chain and designing products and services that contribute to the global goal of the Paris Agreement".

The **Responsible Investment Policy** identifies SDG 13, "Take urgent action to combat climate change and its impacts, fostering the low-carbon transition and implementing monitoring, mitigation and adaptation activities for resilient value chains", among the Sustainable Development Goals chosen by Italmobiliare as levers for the creation of value. Additionally, sector exclusions include "Companies that derive revenue from exploration, extraction, distribution (including transportation, storage and trade) or refining of hard coal, lignite, unconventional oil (e.g. shale oil, tar sand) and unconventional gas (e.g. shale gas) are admitted to investment only for minor trading activities and targeting exclusively companies that formally and through publicly accessible sources demonstrate that they have significant initiatives underway for decarbonisation, mitigation, offsetting or sequestration of greenhouse gas emissions; in other words, they are making a significant contribution towards adapting to climate change. Particular attention is given to mining activities in the Arctic environment. The same criterion applies to energy-intensive companies that derive more than 20% of their energy needs from coal or petroleum derivatives."

In line with the above, in March 2023 Italmobiliare formalized its membership of the **Science Based Targets initiative (SBTi)**, committing to set short and long-term emission reduction objectives in line with the net-zero scenario. In October 2023, it sent its short-term reduction objectives to the SBTi team of experts for scientific validation. Long-term targets (net-zero 2050) will be sent as soon as guidelines are made available. Following the commitment of the parent company, the Portfolio Companies also join SBTi.

On these rationales, Italmobiliare excludes investments in high-carbon sectors and subjects potential targets to due diligence processes including climate risk assessment, alignment with the Taxonomy and SBTi.

The ultimate responsibility for ESG governance and in particular for climate-related risks and opportunities lies with the **Board of Directors**. Within the operations of the Board of Directors, the **Sustainability and Social Responsibility Committee** helps to supervise full ESG integration into business processes. The Sustainability and Social Responsibility Committee is. The Committee is animated by the **Sustainability Department** and also sees the presence of the Equity Investments Director. Together, they are responsible for aligning the Portfolio Companies' strategy with the Group's ESG objectives.

ESG performance is at the first point of the agenda of each meeting of the Board of Directors, at Holding or Portfolio Company level, with at least verification of the progress of the annual ESG Plans for all Portfolio Companies and aggregation at level of Group. All ESG plans include specific climate-related actions. CEOs and first-line managers of Holding and Portfolio Companies have 20% of their variable remuneration tied to the implementation of annual ESG plans.

The **Control and Risk Committee** supervises the risk assessment process and informs its review and approval by the Board of Directors. The Chief Sustainability Officer also participates in the discussion on climate risks.

The **Internal Audit Department**, which is entrusted with risk management, supported by the Sustainability Department, annually updates the assessment of exposure to climate risks and verifies its consistency every six months.



## Strategy and risk management

Consistent with its role as an active shareholder, since 2021 Italmobiliare applies the definitions of Guidelines of the Task Force on Climate Related Financial Disclosures (TCFD) for the assessment of climate risks. Over the years, the assessment has been refined, assisting and involving Portfolio Companies in identifying risks and opportunities linked to the scenarios adopted. The transition risks are identified with respect to the scenario chosen as a strategic reference, i.e. "Net Zero 2050", defined by the Network for Greening the Financial System (NGFS). Physical risks are identified with respect to the "Current Policies" scenario defined by NGFS.

The choice of the strategic scenario "Net Zero 2050" is consistent with the SBTi commitment. Furthermore, Italmobiliare has adopted the relevant **shadow price** curve from the scenario as an effective reference for monetizing the evolution of political pressure, market preferences, available technologies and abatement costs. The shadow price allows numerous applications linked both to the quantification of the financial impacts of climate risks, in particular transition risks, and to budget or strategic planning, such as the optimization of the supply chain or logistics and informed decision-making processes on the most relevant investments.

The assessment of climate risks is systematically included in the annual *risk assessment* carried out by the Holding and all the Portfolio Companies with the coordination of the Internal Audit Department, which is entrusted with risk management, and the support of the Sustainability Department and the Finance Department. The assessment extends to the entire value chain and considers the different geographies involved with a **time horizon of at least 10 years**. The assessment adopts a **precautionary approach**, preferring to overestimate the risks triggering improvement processes that go well beyond mitigation. Results are submitted to the Control and Risk Committee and approved by the Board of Directors.

Extreme climatic events and their chronicity may impact assets with intrinsic characteristics of vulnerability such as outdoor activities, in sensitive geographies or dependent on single production structures. The Group's overall exposure to potential **physical risks** of direct assets is little.

In any case, all Portfolio Companies, supported by budgets and strategic planning, adopt and update mitigation and adaptation measures at all locations.

For some specific sectors, such as those that depend on agricultural or livestock *commodities*, the impacts may be more significant in the supply chain. Portfolio Companies involved carefully monitor upstream operators, differentiating and creating alternatives in supplies and engaging them in mitigation initiatives.

Exposure to **transition risks** depends on the capacity for vision and governance of a complex series of critical factors, including:

- carbon intensity and the value of the carbon footprint;
- the adoption of decarbonisation strategies aligned with the commitment to the Science Based Targets initiative (SBTi);
- belonging to value chains that are heavily regulated in climate matters or are expected to be so, or;
- in which significant technological developments can be expected;
- the use of energy and *energy-intensive* raw materials;
- the dimension of logistics and distribution in sensitive B2B or B2C markets;
- the growing expectations regarding transparency and performance of authorities, institutions, investors, business partners and *stakeholders* in general.

The direct or indirect assets of the Group are exposed in a differentiated way. The overall liability, i.e. the financial dimension of the distance from the "Net Zero 2050" scenario, is estimated by combining carbon footprint, *climate risk rating* and *shadow price*.

Supported by budgets and strategic planning that integrate the "Net Zero 2050" strategic scenario and the SBTi commitment, the Holding and all the Portfolio Companies have already activated the decarbonisation path. Among the already consolidated initiatives, the exclusive use of renewable electricity with consequent elimination of Scope 2 emissions which, even for new companies entering the portfolio, is achieved within the first year.

The following tables show the most relevant physical and transition risks identified and an abstract of the various mitigation initiatives already in place.

## Major physical risks identified and mitigation measures

	Description	Implemented mitigations and opportunities
Caffè Borbone	<i>Direct assets</i> Single production plant	Maintenance and improvement of the plant's adaptation safeguards (i.e. sewerage, structures and buildings, insurance cover, ...).
	<i>Value chain assets</i> Highly dependent on agricultural commodities (coffee) intrinsically exposed. Coffee supply from countries in tropical or sub-tropical areas, subject to significant events related to climate change.	Differentiation of countries of origin. Purchase through qualified traders, also for the management of climate risks and more general ESG risks. Growing purchase of ESG certified green coffee (30% in 2023, target 80% in 2026), also for managing the deforestation risk. Engagement of green coffee traders and producers for the promotion of resilient agricultural practices.
Capitelli	<i>Direct assets</i> Single production plant	Maintenance and improvement of the plant's adaptation safeguards (i.e. sewerage, structures and buildings, insurance cover, ...).
	<i>Value chain assets</i> Highly dependent on farm-raised commodities (pig meat) highly exposed during hot seasons and at risk of inadequate nutrition for required quality standards	Launch of the establishment of "Filiera Capitelli", promoting animal welfare, resilient farming practices, entrepreneurial culture, and financial support.
Callmewine	<i>Value chain assets</i> Highly dependent on agricultural commodities (wine) intrinsically exposed.	Geographical distribution and differentiations of wine suppliers. Engagement of wine producers for the promotion of resilient agricultural practices.
Italgen	<i>Value chain assets (ecosystem services)</i> Hydroelectric production strongly dependent on rainfall trends.	Geographical distribution of plants, acquisition over time of new hydroelectric plants. Preventive maintenance of intakes, reservoirs, and emergency facilities of power plants. Automatization through remote-detection, control, and operation systems. Mainly flow-through hydroelectric power plants. Differentiation of energy sources with significant development of photovoltaic projects, not exposed.

**Major transition risks identified and mitigation measures**

	Description	Implemented mitigations and opportunities
<b>Italmobiliare</b>	<i>Legal risks</i> Transparency or climate disclosure obligations: DNF, CSRD, Taxonomy and others.	SBTi membership (March 2023) and definition of the decarbonization strategy, with the submission of the validation objectives (October 2023). Scope extended to the entire eligible investment portfolio.
	<i>Reputational risks</i> Adequate communication on efforts to combat climate change.	Continuous improvement of metrics and <i>disclosure</i> , in anticipation of legal requirements.
<b>Caffè Borbone</b>	<i>Legal risks (according to company dimension)</i> Transparency or climate disclosure obligations: DNF, CSRD, Taxonomy and others	SBTi membership (January 2024), initiating the definition of an aligned decarbonization strategy.
	<i>Policy risks</i> Climate regulations in force or future regulations with effects on direct or indirect <i>assets</i> : ETS, Deforestation, Packaging, Greenwashing and others.	Selection and involvement of coffee suppliers and suppliers of production materials (filter paper, plastic, compostable plastic, paper and packaging board). Some strategic suppliers already joined SBTi.
	<i>Market risks</i> Increasing sensitivity of consumers and distribution channels (large retailers) towards low carbon products.	Product eco-design (e.g., compostable pods and capsules), packaging eco-design (mainly paper and cardboard, FSC mixed), and product-mix alignment.
	<i>Reputational risks</i> Adequate communication on efforts to combat climate change.	Continuous improvement of metrics and <i>disclosure</i> , in anticipation of legal requirements.
<b>Officina Profumo-Farmaceutica di Santa Maria Novella</b>	<i>Policy risks</i> Climate regulations in force or future regulations with effects on direct or indirect <i>assets</i> : ETS, Deforestation, Packaging, Greenwashing and others.	SBTi membership (January 2024), initiating the definition of an aligned decarbonization strategy.
	<i>Market risks</i> Increasing sensitivity of consumers and distribution channels towards low carbon products.	Direct engagement of strategic suppliers (glass, paper). Formulations and packaging eco-design (i.e. shorter value chains, introduction of refill practices).
	<i>Reputational risks</i> Adequate communication on efforts to combat climate change.	Continuous improvement of metrics and <i>disclosure</i> , in anticipation of legal requirements.
<b>Capitelli</b>	<i>Policy risks</i> Climate regulations in force or future regulations with effects on direct or indirect <i>assets</i> : ETS, Deforestation, Packaging, Greenwashing and others	SBTi membership (January 2024), initiating the definition of an aligned decarbonization strategy.
	<i>Market risks</i> Increasing sensitivity of consumers and distribution channels (large retailers) towards low carbon products.	Creation of a supply chain aimed at resilient farming practices. Power Purchase Agreement for the production by third-partied of renewable electricity in business areas, also to meet productive thermal energy needs.
	<i>Reputational risks</i> Adequate communication on efforts to combat climate change.	Continuous improvement of metrics and <i>disclosure</i> , in anticipation of legal requirements.
<b>Callmewine</b>	<i>Policy risks</i> Climate regulations in force or future regulations with effects on direct or indirect <i>assets</i> : ETS, Deforestation, Packaging, Greenwashing and others	SBTi membership (January 2024), initiating the definition of an aligned decarbonization strategy.
	<i>Market risks</i> Increasing sensitivity of consumers and distribution channels towards low carbon products.	Supplier engagement and sensibilization. Carbon neutrality through offsetting. Continuous improvement of metrics and <i>disclosure</i> , in anticipation of legal requirements.
<b>SIDI Sport</b>	<i>Market risks</i> Increasing sensitivity of consumers and distribution channels towards low carbon products.	SBTi membership (February 2024), initiating the definition of an aligned decarbonization strategy.
	<i>Reputational risks</i> Adequate communication on efforts to combat climate change.	Supplier engagement and sensibilization. Alignment of metrics and <i>disclosure</i> , in anticipation of legal requirements.
<b>Clessidra</b>	<i>Legal risks</i> Transparency or climate disclosure obligations: SFDR and others.	Preparation for accession to SBTi (2024).
	<i>Reputational risks</i> Adequate communication on efforts to combat climate change.	Continuous improvement of metrics and <i>disclosure</i> , in anticipation of legal requirements.

## Metrics and targets

Greenhouse gas emissions, Scope 1, 2 and 3, including category 15 "investments", are reported in detail in this Report, as an aggregate of all the material components of the Net Asset Value and for the individual Portfolio Companies.

For consolidation, Italmobiliare adopts the "*financial control*" approach and the **GHG Protocol** developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), also read through the interpretation of the Partnership for Carbon Accounting Financials (PCAF), and in particular:

- *GHG Protocol Corporate Accounting and Reporting Standard – revised edition;*
- *Corporate Value Chain (Scope 3) Accounting and Reporting Standard.*

The targets mainly refer to the mitigation of climate transition risks, leveraging the multiple opportunities for value creation. The commitment to the **Science Based Targets initiative (SBTi)** represents the primary strategic reference.

The short-term objectives have already been achieved. For example, from 2022 the Holding and all the controlled Portfolio Companies will use exclusively renewable sources of electricity, consequently eliminating Scope 2 emissions.

In March 2023, the Board of Directors approved Italmobiliare's membership of the *Science Based Target initiative* (SBTi), which was immediately formalized. Following the commitment made and after discussion in the Sustainability and Social Responsibility Committee and approval by the Board of Directors, in October 2023 Italmobiliare sent its decarbonisation objectives to SBTi for technical validation. Below is the detail of the proposed objectives.

### Objectives submitted to SBTi (waiting for validation)

	Scope	Method and objectives	Progress 2023
Holding and controlled Portfolio Companies	<b>Scope 1+2</b> Fuels and electricity use	<b>Absolute</b> By 2030, 50% emission reduction compared to 2021.	-29%
	<b>Scope 3 - Cat. 1-14 value chain</b> <ul style="list-style-type: none"> <li>■ Cat. 1 - Purchase of goods and services</li> <li>■ Cat. 2 - Capital goods</li> <li>■ Cat. 4 - Upstream</li> <li>■ Cat. 9 - Downstream logistics</li> </ul>	<b>Supplier engagement</b> By 2028, 50% of total spending for categories 1, 2, 4 and 9 with suppliers having validated Science Based Targets.	~20%*
Portfolio Companies affiliated and other investments	<b>Scope 3 - Cat. 15 investments:</b> <ul style="list-style-type: none"> <li>■ directly or indirectly owned companies with total share &gt; 25%</li> <li>■ participations in listed companies with material emissions</li> </ul>	<b>Portfolio coverage</b> By 2027, 50% of the eligible Net Asset Value represented by companies with validated Science Based Targets.  By 2030, 100% of the eligible Net Asset Value represented by companies with validated Science Based Targets.	7% **

\* % of suppliers committed or with validated SBT

\*\* representing 6% of the corresponding GHG emissions

## RESPONSIBLE INVESTMENTS

In line with its identity, inspired by its Vision, Mission and Values, adopting the principles and rules of conduct defined by the Code of Ethics and following the guidelines provided by the Sustainability Policies, Italmobiliare Investment Holding manages its flow of investments and disposals in order to guarantee the sustainable success of the Group through the creation of shared value.

The [Responsible Investment Policy](#) explains all stages of the investment process: sector criteria, pre-investment, ownership and divestment. It covers all the components that contribute to Italmobiliare's Net Asset Value: portfolio companies, equity investments in listed and unlisted companies, investments in private equity funds, financial assets held for trading and cash management.

Contribution to the SDGs is a fundamental metric for evaluating the sustainable success of the Group. Among the various elements to be assessed, the prospects for improving the ESG positioning and alignment with Italmobiliare's sustainable strategy play a significant role. To this end, Italmobiliare refrains from any investment or involvement, whether direct or indirect, with entities involved in the production, marketing, use or trade of illegal products or activities. Other ascertained direct or indirect practices also lead to exclusion: for example, corruption, money laundering, human rights violations, activities in conflict zones, violations of the fundamental principles of labour, production of goods harmful to health, the environment and morality, an obstacle to sustainability in general. Furthermore, the activities and sectors subject to particular attention are detailed in the chapter "Sectoral criteria" of the Responsible Investment Policy.

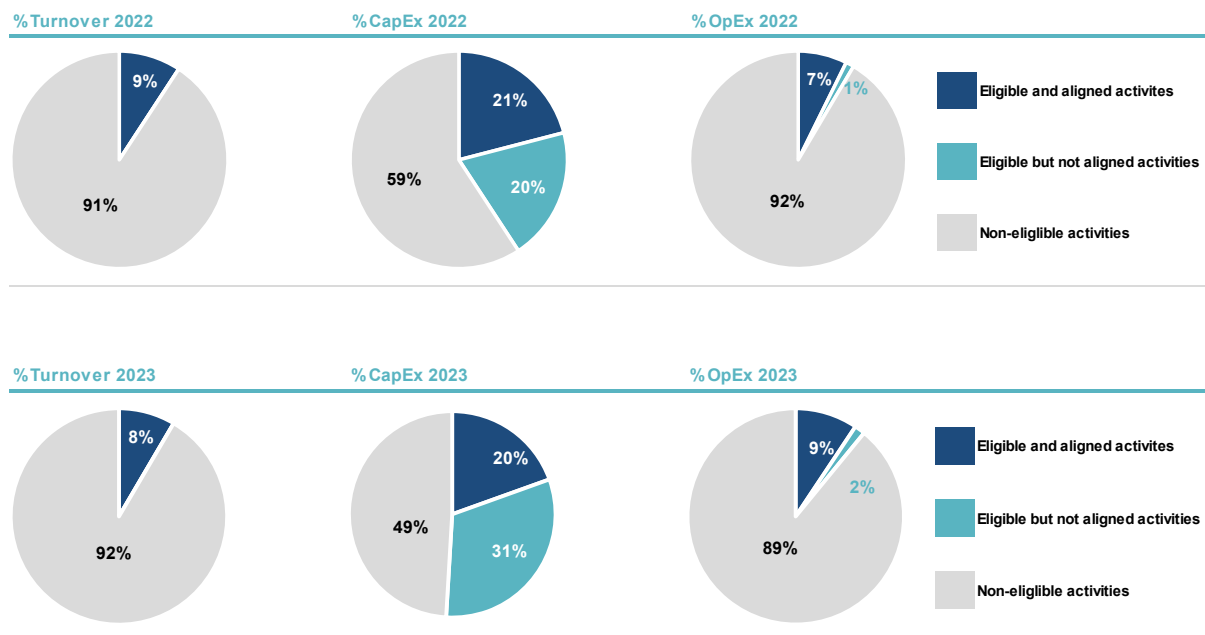
Italmobiliare assigns priorities and mobilises financial resources in a targeted and selective manner, thereby contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of shareholders and all other stakeholders. The choices of capital allocation, with limited use of financial leverage, are aimed at long-term "core" majority shareholdings, with clear development and enhancement objectives, as well as minority shareholdings with a main focus on stable dividend generation or strong growth. In 2023, out of approximately 70 "portfolio" investment opportunities screened, 9 dossiers were analysed. For none of these, a due diligence phase was continued.

The attention paid to the sustainability profiles finds continuity in the management phase of the companies in the portfolio, through an active dialogue with the investee companies aimed at fully integrating sustainability into the business strategy. In the organisation of Italmobiliare, the task of translating the strategic indications received from the Board of Directors into current management operations is the responsibility of the Investment Management Department, supported by the other functional departments at holding company level.

### Investment roadmap: the ESG essentials

Pre-investment screening	Year 1 Onboarding	Year 2+ Value creation	Exit or new cycle
<b>EXCLUSION LIST</b> Weapons Coal Unconventional oil and gas Conflict minerals and others Recreational drugs Nuclear energy Gambling GMOs and cloning Pornography Tobacco  <b>POSITIVE SCREENING</b> Capability to contribute to SDGs  <b>ESG DUE DILIGENCE</b> Throughout entire value chain, including climate risk and taxonomy	<b>IMPRINTING</b> Diverse and qualified BoD UN Global Compact Women's Empowerment Principles 100% renewable energy  <b>GOVERNANCE</b> Code of Ethics Sustainability Policies Model 231: business integrity Supplier Charter ESG Website  <b>STRATEGY</b> Materiality analysis ESG & SDGs assessment Gap analysis ESG plan  <ul style="list-style-type: none"> <li>Continuous coaching, training and managerial support to all Portfolio Companies</li> <li>Monitoring, data collection and reporting aligned with best Group's practices and legal requirements (NFRD/CSRD, GRI/ESRS, TCFD, Taxonomy, SFDR)</li> </ul>	<b>ENVIRONMENT</b> Decarbonisation strategy (SBTi) Renewable or recycled materials Responsible packaging Biodiversity conservation  <b>SOCIAL</b> Diversity, equity & Inclusion Health, safety and wellbeing Continuous training Career management Product/service stewardship Community investments  <b>GOVERNANCE</b> Sustainable procurement Certified management systems ESG Rating Sustainability report	<b>ESG INFO</b> Transparency on ESG performance and on sustainable transformation achieved  <b>MISSION LOCK</b> Search for buyer that could continue the ESG process

In the active ownership of Portfolio Companies, the strategic and operational references of the **European Taxonomy** for sustainable finance are duly considered. Below is a graphical representation of the eligibility and alignment of the Group's turnover, CapEx and OpEx for years 2022 and 2023. Details are available on page F144.



Still on the subject of sustainable finance, the full enforcement of Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (**SFDR**) progressively makes direct information available on the ESG approach and performance of asset managers of *private equity and private credit funds, venture capital* and other alternative investments, with progressive levels of transparency and commitment. Accordingly, related investment procedures have been updated. Details of Italmobiliare's specific investments are shown on page F12.

## Society

As expressed by the Sustainability Policies, in relations with all the companies or counterparties of the Group and in the active involvement of all stakeholders in its sphere of influence, Italmobiliare commits:

- To support and respect internationally proclaimed human rights, which are universal and belong equally to every person.
- To implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value.
- To ensure the health, safety and well-being of all parties involved by providing adequate working conditions, equipment, information and training.
- To create and maintain relationships with shareholders, investors and the market based on partnerships, transparency, exchange of information and sharing of commitments.
- To invest time, skills and resources in supporting community and fostering local development with the regular involvement of all interested parties.
- To guarantee constant improvement in the quality and in the environmental and social value of processes, products, applications and services, promoting research and innovation.

## HUMAN CAPITAL DEVELOPMENT

The growth of the Group also depends on the ability to attract and retain, at the Holding Company and at all the other companies, people with different, complementary skills and leaders capable of guiding the evolution of companies by aligning the interests of management and shareholders and promoting the sustainable success of the Group through the creation of shared value in the long term.

The Group considers the management and development of human capital a clear responsibility of all managers, aimed at respecting and protecting their skills and diversity, but above all at their development and empowerment.

Confirming its commitment to equal opportunities, since 2020 Italmobiliare has signed and promoted the *Women Empowerment Principles* (WEPs), explicitly referred to in the Codes of Ethics of all Group companies. Portfolio Companies are completing direct underwriting. In 2023, Italmobiliare and all the Portfolio Companies updated the profiling with the *WEPs Gender Gap Analysis Tool*, identifying improvement actions.

HOLDING (% female participation)	2021	2022	2023
Board of Directors	42%	42%	42%
Board of Statutory Auditors (including alternate auditors)	50%	50%	50%
Management positions*	37%	40%	47%
Total personnel	50%	49%	56%
Gender pay gap *	--	-65%	-85%

PORTFOLIO COMPANIES (% female participation)			
Boards of Directors	14%	16%	21%
Boards of Statutory Auditors (including alternate auditors)	25%	35%	30%
Management positions*	31%	29%	33%
Total personnel	40%	46%	56%
Gender pay gap	--	-44%	-50%

GENDER PAY GAP (Difference between women's and men's average pay compared with men's average pay)			
Total *		-47%	-63%
Managers *	--	-28%	-48%
Middle managers	--	-14%	-19%
Office workers	--	-35%	-35%
Production workers	--	-48%	-54%

\* In 2023, the variable compensation of the three-year Long-Term Incentive plan for the Holding's management was disbursed.

Confirming the value given to people, permanent full-time contracts are by far the main type of employment. Part-time jobs constitute an element of flexibility to meet individual needs for work-life balance, but they are limited. 84% of the Group's employees are covered by collective bargaining agreements.

All Group companies prefer to develop and enhance skills and professionalism of people from their local communities. As confirmation, 74% of the Group's managers reside in the same region in which the operational headquarters are located.

In addition to employees, the Group relies on the support of 958 non-employee workers, mostly temporary or self-employed workers and agents.

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>	<b>338</b>	<b>489</b>	<b>827</b>	<b>463</b>	<b>542</b>	<b>1005</b>	<b>823</b>	<b>648</b>	<b>1,471</b>
Managers	11	42	53	13	48	61	16	60	76
Middle managers	28	38	66	37	64	101	58	77	135
Office workers	266	114	380	374	123	497	532	162	694
Production workers	33	295	328	39	307	346	217	349	566
<b>Turnover</b>	--	--	<b>168</b>	--	--	<b>178</b>	--	--	<b>466</b>
+ Hirings	--	--	254	--	--	295	--	--	373
+ Acquisitions	--	--	3	--	--	39	--	--	282
- Voluntary exits	--	--	40	--	--	83	--	--	118
- Non-voluntary exits	--	--	48	--	--	73	--	--	69
- Divestments	--	--	1	--	--	0	--	--	2
<b>% contract: permanent</b>	<b>80%</b>	<b>92%</b>	<b>87%</b>	<b>84%</b>	<b>92%</b>	<b>88%</b>	<b>88%</b>	<b>95%</b>	<b>91%</b>
<b>% contract: full time</b>	<b>56%</b>	<b>94%</b>	<b>79%</b>	<b>55%</b>	<b>95%</b>	<b>77%</b>	<b>65%</b>	<b>96%</b>	<b>79%</b>
<b>Training</b>									
Hours per capita	45.1	17.7	28.9	47.9	20.4	33.0	36.1	16.8	27.6
Managers	15.5	7.8	9.4	28.2	19.1	21.0	27.0	17.2	19.2
Middle managers	13.0	7.6	9.9	20.6	20.8	20.7	23.0	24.2	23.7
Office workers	53.8	57.5	54.9	54.1	34.5	49.2	49.5	34.1	45.9
Production workers	12.4	5.1	5.8	20.9	14.8	15.5	7.3	7.0	7.1
<b>% hours of voluntary training</b>	--	--	--	--	--	--	85%	68%	81%
Managers	--	--	--	--	--	--	93%	92%	93%
Middle managers	--	--	--	--	--	--	83%	82%	83%
Office workers	--	--	--	--	--	--	88%	82%	87%
Production workers	--	--	--	--	--	--	40%	18%	27%
<b>% with at least one training session</b>	--	--	--	--	--	--	92%	88%	90%
Managers	--	--	--	--	--	--	88%	82%	83%
Middle managers	--	--	--	--	--	--	90%	97%	94%
Office workers	--	--	--	--	--	--	87%	91%	88%
Production workers	--	--	--	--	--	--	106%	86%	94%
<b>% with performance appraisal</b>	<b>17%</b>	<b>25%</b>	<b>22%</b>	<b>64%</b>	<b>38%</b>	<b>50%</b>	<b>21%</b>	<b>31%</b>	<b>26%</b>
Managers	91%	83%	87%	100%	92%	93%	81%	87%	86%
Middle managers	46%	71%	61%	76%	84%	81%	53%	70%	63%
Office workers	13%	32%	19%	64%	60%	63%	24%	39%	27%
Production workers	0%	9%	8%	38%	11%	14%	2%	10%	7%



## HEALTH, SAFETY AND WELLBEING

Italmobiliare considers safety, protection and promotion of the health and wellbeing of the person as fundamental values to be integrated into all of the Group's activities and in business or social relations with all stakeholders in its sphere of influence. This principle extends to employees, businesses, suppliers, visitors, local communities and any other interested parties within its sphere of influence.

The Group is committed to taking concrete measures to eliminate accidents, injuries and illnesses caused by work, reducing the risks in all its activities. It also aims to achieve the highest levels of collective and individual awareness, encouraging a process of continuous improvement by adopting effective management systems and visible leadership as the key to success. 96% of the Group's workforce is covered by an occupational health and safety management system.

All personnel are adequately trained and equipped to carry out their role in conditions of complete safety and health, according to operating procedures aimed at minimising exposure to risk factors and taking into consideration the different needs and requirements of men and women. Also in 2023, no cases of occupational disease were reported throughout the consolidated perimeter.

All Group companies undertake initiatives to promote the psychological and physical wellbeing of their people.

	2021	2022	2023
<b>Employees injuries *</b>	<b>5</b>	<b>5</b>	<b>11</b>
<i>Fatalities</i>	0	0	0
<i>Serious injuries</i> with absence from work for at least 180 days	0	1	1
<i>Other injuries *</i> with absence from work less than 180 days	5	4	10
Frequency rate * number of injuries per million hours worked	4.3	3.3	4.8
Severity rate * lost days per thousand hours worked	0.06	0.28	0.17
<b>Non-employees injuries</b>	<b>2</b>	<b>0</b>	<b>2</b>
<i>Fatalities</i>	0	0	0
<i>Serious injuries</i> with absence from work for at least 180 days	0	0	0
<i>Other injuries</i> with absence from work less than 180 days	2	0	2
Frequency rate number of injuries per million hours worked	33.3	0.0	24.3

\* 2021 and 2022 data have been updated due to reclassification of some accidental events. The 11 injuries recorded in 2023 were due to crushing (3), impacts/falls (3), cuts or superficial wounds (3) and musculoskeletal pain (2).

## PRODUCT AND SERVICE STEWARDSHIP

Italmobiliare promotes commercial policies and strategic choices in line with best practices and the principle of professional loyalty towards customers and consumers in all Group companies, in particular those with services and products intended for national or international business or *consumer* markets.

All Group companies work to ensure and continually improve the quality of processes, products and services, adopting a systematic approach aimed at satisfying increasingly challenging requirements and creating value along the life cycle of products and improving relationships with customers and suppliers. Furthermore, they provide customers and consumers with complete, updated, verified and transparent information on the characteristics and quality of products and services, well beyond legal obligations, including, when necessary, aspects related to environmental and social performance.

Initiatives aimed at promoting and encouraging the purchase of products and services must respect the regulations that protect the interests of consumers and customer satisfaction. In addition, customers and consumers must have complete, updated, verified and transparent information on the characteristics and quality of products and services, including, when necessary, aspects related to environmental and social performance. This is not only to allow free and informed choices, but also to promote responsible lifestyles and consumption.

By combining this vision with the growing demands of the market, the Group aims to understand, control and communicate the technical, environmental and social performance of its products and services throughout their life cycle, from the procurement of raw materials to production and final disposal or reuse.

<b>Caffè Borbone</b>	92% of the raw materials used are of renewable origin. 82% of the packaging materials used are of renewable or recycled origin
<b>Officina Profumo-Farmaceutica di Santa Maria Novella</b>	78% of the ingredients used in the formulations are of renewable origin. 54% of the materials used for packaging are renewable or recycled.
<b>Italgel</b>	100% renewable electricity production. B Corp certification in progress.
<b>Casa della Salute</b>	High quality healthcare service, with short waiting times thanks to digitalisation, affordable prices and low carbon footprint. B Corp certification in progress.
<b>Capitelli</b>	95% of the raw materials and packaging materials used are of renewable origin.
<b>Callmewine</b>	The packaging is exclusively in cardboard, 100% FSC. Carbon neutral from 2023.
<b>SIDI Sport</b>	Development and design of products with safety, ergonomics and sustainability criteria. 100% packaging materials of renewable origin.
<b>Clessidra</b>	77% of the Asset Under Management is made of "Art. 8" SFDR funds, i.e. that promote environmental or social characteristics and verify good governance practices.

## MARKET AND COMMUNITIES

The Italmobiliare and all the Group's companies aim at creating and maintaining long-lasting relationships with the community and all stakeholders, based on shared commitments, trust, transparency and active collaboration.

The dialogue methods adopted depend on the nature and specific expectations of the respective stakeholders, also promoting the active involvement of their collaborators. The following table describes the multidimensional approach towards stakeholders, identified by categories.

Stakeholders	Relational modalities	Topics	Group companies
<b>Personnel: employees and their representatives</b>	Continuous manager/team dialogue, safety initiatives, thematic events, industrial relations	Work organization, corporate climate, health, safety and wellbeing, strategy and sustainability	All
<b>Management: holding company and portfolio companies</b>	Continuous management	Strategy and sustainability, investments	All
<b>Financial community: investors, analysts, shareholders, capital providers, rating agencies</b>	Dedicated meetings, road shows, corporate and web. Transparency on ESG ratings.	Strategy and sustainability, governance, economic, environmental and social performance, risk management, investments	Italmobiliare Clessidra
<b>Customers: B2B, B2C and end-users</b>	Fairs, forums and sector events, direct individual contacts, customer satisfaction and quality	Customer services and logistics for products and solutions, also with reference to environmental and social performance	Caffè Borbone Officina Profumo-Farmaceutica di Santa Maria Novella Casa della Salute Capitelli SIDI Sport
<b>Supply chain: suppliers of goods and services</b>	Strategic partnerships, supply chain management, direct individual contacts, qualification audits	Pre-qualification and qualification requirements, contractual terms and conditions, supply chain disciplinary, audit feedback	Caffè Borbone Officina Profumo-Farmaceutica di Santa Maria Novella Capitelli Callmewine SIDI Sport
<b>Communities, media and NGOs: local and global</b>	Interviews, conferences, dialogue with the community, social initiatives	Transparent communication on strategy and sustainability, social and environmental performance, investments for the community	All
<b>Associations: partnership and academia</b>	Meetings, conferences, shared initiatives, partnerships, research	Strategy and sustainability, governance, individual and sectoral contribution	All
<b>Authorities and institutions</b>	Individual or collective interactions (e.g. meetings, conferences, events)	Governance, legal compliance, strategy and sustainability	All

Considering the nature of an investment holding company, relations with the financial community are particularly relevant, both for Italmobiliare and all the major Portfolio Companies. Italmobiliare is listed on the STAR segment of the Italian Stock Exchange, which groups together mid-cap companies committed to meeting the requirements of excellence in terms of transparency, share liquidity and corporate governance. Relations with Italmobiliare's shareholders are coordinated by the Investor Relator, following the instructions of the Chief Executive Officer - Chief Operating Officer in collaboration with the other Departments and Corporate Functions involved.

Also in 2023, Investor Relations activities mainly concerned:

- Maintaining a stable coverage by leading equity research analysts, with Equita and Kepler Cheuvreux which today follow the Italmobiliare stock with constant updates on the Group's activities.
- Taking part in the main *investor conferences* organised by investment banks and Borsa Italiana.
- One-to-one meetings with Italian and international investors.

In support of Investor Relations activities and for the benefit of all interested stakeholders, Italmobiliare constantly updates the contents of its website in order to improve the usability and clarity of information. The periodic newsletter, sent to a list of selected recipients but made available to all through the website, adds further elements of transparency.

All Group companies create relationships with local communities by understanding their needs, promoting sustainable local projects that do not generate relationships of dependency and regularly involving stakeholders. An important role in supporting local communities is played in parallel by the Pesenti Foundation, named after the Cavaliere del Lavoro Carlo Pesenti, one of the protagonists of Italian industry and finance of the last century.

Although they operate in different industrial sectors and different markets, Italmobiliare and its Group companies are united in that they apply the highest possible standards of safety and integrity in the products and services that they offer to customers, as well as the regulatory obligations, which are combined with careful monitoring of the transparency and correctness of communications to customers and effective protection of personal data belonging to customers and other key stakeholders.

In order to comply with the regulatory provisions on privacy and the security of sensitive data, the Italmobiliare Group has defined its own model for the protection of personal data. Through it, the Group aims to guarantee respect for the rights of people subject to the treatment of personal data, to fulfil obligations, to prevent possible violations by monitoring and controlling all obligations and implementing adequate security measures. In 2023, Group companies did not receive any complaints about violations of customer privacy, nor did they suffer any data loss or leak.

Lastly, active participation in associations is also relevant, encouraging or supporting common initiatives and the adoption of responsible business practices. The table on the following page shows the details of affiliations and related fees.

Company	2023 affiliations and membership fees (k€)	358.3
Italmobiliare S.p.A.	<b>Total</b>	<b>111.3</b>
	Foundation Global Compact Network Italia	6.4
	American Chamber of Commerce in Italy	1.0
	Professional associations: Assolombarda, Assoholding, Assonime	42.3
	FAI	9.0
	Family business associations: AIDAF, European Family investment company	7.7
	ISPI	45.0
Caffè Borbone	<b>Total</b>	<b>109.0</b>
	Professional associations: Unione italiana food 2023, Confida, Unione industriali Napoli,	36.4
	Consortia: Consorzio E.S.E., Consorzio A.S.I. di Napoli, Consorzio CSA-ASI	71.1
	Foundation Global Compact Network Italia	1.5
Officina Profumo-Farmaceutica di Santa Maria Novella	<b>Total</b>	<b>40.8</b>
	Foundation Global Compact Network Italia	1.1
	Associazione via Madonnina	0.1
	Unione imprese centenarie italiane	3.5
	Professional associations: Assindustria Firenze, IBC, Cosmetica Italia	36.1
Italgen	<b>Total</b>	<b>14.4</b>
	Associazioni di categoria: Confindustria Bergamo, Elettricità Futura, Camera di Commercio di Bergamo	13.3
	Foundation Global Compact Network Italia	1.1
Casa della Salute	<b>Total</b>	<b>16.3</b>
	AIDP Liguria	0.1
	Foundation Global Compact Network Italia	1.5
	Professional associations: Confindustria, Assindustria Savona, Unioni industriali Savona, Assarmatori italiani, Confcommercio	13.4
	Promotori Musei del Mare association	1.3
Capitelli	<b>Total</b>	<b>7.2</b>
	Foundation Global Compact Network Italia	0.5
	IBC	0.2
	SSICA (Experimental Station for the Food Preserving Industry)	6.5
Callmewine	<b>Total</b>	<b>5.5</b>
	University of Gastronomic Sciences Pollenzo	5.0
	Foundation Global Compact Network Italia	0.5
Sidi	<b>Total</b>	<b>5.1</b>
	Foundation Global Compact Network Italia	0.5
	Foundation Sportsystem	2.0
	Assosport	2.6
Clessidra	<b>Total</b>	<b>48.6</b>
	Professional associations: ASSIFACT, Confindustria, Unione Confcommercio, AIFI, AODV	37.9
	Manageritalia	2.1
	Sustainability: Italian Sustainable Investment Forum, Foundation Global Compact Network Italia, UN Principles for Responsible Investments	8.3
	AISCA	0.3

## Environment

As expressed by the Sustainability Policies, in relations with all the companies or counterparties of the Group and in the active involvement of all stakeholders in its sphere of influence, Italmobiliare commits, among other things:

- To promote responsible access to natural resources over the entire life cycle and adopt management methods aimed at reducing consumption and preserving availability and quality.
- To tackle pro-actively the challenge of climate change, with the purpose of an overall reduction of greenhouse gas emissions over the entire life cycle, implementing measures aimed at energy saving, the efficiency of plants and the supply and distribution chain and designing products and services that contribute to the global goal of the Paris Agreement.
- To protect the quality of water and soils, to safeguard the collective usability and to preserve biodiversity even outside protected areas, ensuring the best environmental and historic management of any contamination.

## RESPONSIBLE USE OF RESOURCES

Group companies make responsible use of renewable resources of biological origin and non-renewable resources of extractive or fossil origin, favouring whenever possible those originating from virtuous recycling processes according to technological evolution and in compliance with sector regulations.

	units	2021	2022	2023
<b>Raw materials, semifinished goods and ancillaries</b>		<b>34,530</b>	<b>34,050</b>	<b>36,074</b>
Renewable		30,950	30,792	32,809
% from recycling	t	0%	0%	0%
Non-renewable		3,580	3,257	3,265
% from recycling		0%	0%	0%
<b>Packaging materials</b>		<b>11,217</b>	<b>11,513</b>	<b>16,424</b>
Renewable		6,515	6,605	13,159
% from recycling	t	42%	39%	69%
Non-renewable		4,702	4,908	3,265
% from recycling		1%	1%	1%

Secondary products, co-products and by-products are intended for use by other parties in the supply chain. The waste generated in the process or in the auxiliary and maintenance activities are best exploited as resources for other consumption or production cycles and only as a last resort is it sent to controlled disposal sites, where further partial valorisation is possible, at least in terms of energy.

	units	2021	2022	2023
<b>Valorisation of waste generated</b>		<b>2,791</b>	<b>2,524</b>	<b>3,364</b>
Hazardous waste		62	113	68
% Material recovery		50%	87%	69%
% Energy recovery or disposal	t	50%	13%	31%
Non-hazardous waste		2,729	2,411	3,296
% Material recovery		71%	79%	93%
% Energy recovery or disposal		29%	21%	7%

Production processes, heating, sanitary uses and company fleets require thermal and electrical energy. Excluding initiatives to raise plant or operational efficiency, attention is focused on choosing fuels that are more favourable to the environment and renewable sources. Italgas plays a fundamental role in the energy transition, producing and marketing renewable hydroelectric energy. Caffè Borbone, Capitelli and Officina Profumo-Farmaceutica di Santa Maria Novella have photovoltaic systems that produce renewable energy used directly or fed into the grid.

	units	2021	2022	2023
<b>Energy consumed</b>		<b>193,754</b>	<b>186,042</b>	<b>219,572</b>
% renewable		21%	41%	42%
Thermal energy	GJ	123,241	110,298	128,110
% renewable		0%	0%	0%
Electricity		70,514	75,744	91,462
% renewable		56%	100%	100%
<b>Thermal energy consumed</b>		<b>123,241</b>	<b>110,298</b>	<b>128,110</b>
Heating and industrial use		119,147	104,893	120,128
Natural gas		118,339	104,764	103,073
Gas oil		809	130	161
LPG	GJ	0	0	16,894
Automotive		4,093	5,405	7,981
Diesel		3,664	4,444	6,069
LPG		0	0	0
Natural gas		0	41	0
Petrol		430	920	1,912
<b>Electricity consumed</b>		<b>70,514</b>	<b>75,744</b>	<b>91,462</b>
Electricity purchased		41,176	47,354	55,560
Without guarantee of origin		30,728	0	0
Renewable with guarantee of origin		10,447	47,354	55,560
Hydroelectric		0	0	51,061
Photovoltaic		0	0	0
Wind	GJ	0	0	0
Other renewable source		0	0	4,499
Self-produced renewable electricity		1,113,846	651,031	897,615
Hydroelectric		1,112,313	649,456	876,647
Photovoltaic		1,533	1,575	20,968
Wind		0	0	0
Self-consumption		--	--	35,902
To the grid		1,084,508	622,641	861,713
<b>Water withdrawal *</b>		<b>42.0</b>	<b>43.4</b>	<b>43.9</b>
from surface water		0.0	0.0	0.0
from groundwater		20.4	18.9	21.3
from an aqueduct		21.6	24.5	22.6
from freshwater		42.0	43.4	43.9
from water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		15.9	16.8	16.3
from surface water		0.0	0.0	0.0
from groundwater		0.0	0.0	0.0
from an aqueduct		15.9	16.8	16.3
<b>Water discharge *</b>	thousands m3	<b>32.4</b>	<b>34.2</b>	<b>36.1</b>
into surface water		26.3	25.9	26.6
into sewage		6.1	8.2	9.5
in freshwater		15.1	14.8	17.0
in water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		12.3	12.6	13.3
into surface water		12.3	12.5	13.2
into sewage		0.0	0.0	0.1
<b>Water consumption *</b>		<b>9.6</b>	<b>9.2</b>	<b>7.8</b>
in water stressed areas		3.5	4.2	3.0

\* 2021 e 2022 have been updated including also Caffè Borbone in the accountings.

## LOW-CARBON TRANSITION

The Group is aware of the priority dimension of the fight against climate change. Direct emissions (Scope 1) derive from the use of fuels and fuels used in the company perimeter. Indirect emissions (Scope 2) derive from the electricity purchased and used. Value chain emissions (Scope 3) include other indirect emissions in specific categories to be considered, if relevant. Within Scope 3, Category 15 - "investments" is particularly relevant for Italmobiliare and Clessidra.

In March 2023, the Group has formalized the commitment to set near- and long-term company-wide emission reductions in line with science-based net-zero with the Science Based Targets initiative (SBTi). The SBTi is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science, accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050.

Following the commitment made, the Group has already sent its decarbonisation objectives to SBTi for technical validation. Details on the proposed objectives and progress status 2023 are available on page F25.

In parallel, the Board of Directors approved the alignment process of all consolidated Portfolio Companies, expected to complete the direct commitment and the definition of emissions reduction objectives by mid-2024.

	units	2021	2022	2023	2023
<b>Carbon Footprint</b>		<b>2,038,520</b>	<b>2,254,020</b>	<b>2,010,061</b>	
<b>Scope 3 Upstream</b>		<b>257,129</b>	<b>237,427</b>	<b>255,395</b>	<b>12.7%</b>
1 Purchased products and services *		225,191	188,115	182,891	9.1%
2 Capital goods		3	13	18	0.0%
3 Fuel-and energy-related activities		12,327	28,557	47,028	2.3%
4 Upstream transportation and distribution		19,594	19,813	22,111	1.1%
5 Waste generated by the sites		14	328	214	0.0%
6 Business travel		--	205	1,898	0.1%
7 Employee commuting		--	363	1,232	0.1%
8 Upstream leased assets		--	33	3	0.0%
<b>Scope 1</b>	<b>t CO<sub>2</sub></b>	<b>7,151</b>	<b>6,331</b>	<b>7,820</b>	<b>0.4%</b>
<b>Scope 2 market based</b>		<b>3,897</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
location based		6,993	6,956	8,378	
<b>Scope 3 Downstream</b>		<b>1,770,343</b>	<b>2,010,262</b>	<b>1,746,847</b>	<b>86.9%</b>
9 Downstream transportation and distribution		8,075	8,121	8,530	0.4%
10 Processing of sold products		--	--	--	--
11 Use of sold products **		49,005	48,735	51,247	2.5%
12 End-of-life treatment of sold products		715	712	2,085	0.1%
13 Downstream leased assets		--	--	--	--
14 Franchises		--	--	--	--
15 Investments ***		1,712,549	1,952,694	1,684,985 ****	83.8%
<b>Avoided emissions (location based)</b>		<b>110,456</b>	<b>59,859</b>	<b>82,531</b>	
From photovoltaic production	<b>t CO<sub>2</sub>e</b>	152	145	1,928	
From hydroelectric production		110,304	59,714	80,603	
<b>Carbon Intensity</b>					
Scope 1+2 market based	<b>t CO<sub>2</sub>e / M€</b>	22.4	13.1	13.3	
Scope 1+2 market based +3	<b>Revenues</b>	4,140.8	4,660.9	3,431.6 ****	

\* In the "Purchased goods and services" category, the 2021 and 2022 data, previously calculated using almost exclusively factors from scientific literature or sector studies, have been recalculated on the basis of the enhanced availability of primary data collected in 2023.

\*\* In the "Use of sold products" category, the 2021 and 2022 data, previously calculated using almost exclusively factors from scientific literature and sector comparisons, have been recalculated with more precise methods, starting from activity data and primary data collected in 2023.

\*\*\* The 2021 and 2022 data have been updated using the same perimeter considered for 2023.

\*\*\*\* In the "Investments" category, the 2023 data includes 349,854 tonnes of CO<sub>2</sub> relating to the participation shares in AGN Energia, entirely sold on 28 February 2024. Without AGN Energia, the 2023 carbon intensity is equal to 2,837.6 tonnes of CO<sub>2</sub> per million euros of revenues.

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**ITALMOBILIARE**  
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## Italmobiliare

The Parent Company Italmobiliare S.p.A. has the duty to ensure know-how, professionalism and internal processes suitable to best support its role as an Investment Holding Company, managing the flow of investments and disposals in order to guarantee the sustainable success of the Group through the creation of shared value over the long term.

### HIGHLIGHTS

	<b>Governance and supply chain</b>	<b>Strategy climate</b>	<b>Health, safety and well-being</b>	<b>Gender and human capital development</b>
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Analytical monitoring of carbon footprint and SBTi objectives.	Actively supporting people in addressing primary needs and emerging social challenges.	Adoption of the Women Empowerment Principles and inclusive growth of competences.
<i>Status 2023</i>	<b>100%</b> ESG investments  All investment asset classes are managed through procedures aiming at full ESG integration.	 <b>Committed</b>  Investment strategy aimed at SBTi objectives. Since 2022, Italmobiliare headquarters has been powered solely by renewable electricity.	<b>Zero</b> Injuries in 2023  The commitment to ensuring a safe work environment, promoting the psychophysical well-being of individuals, must be continuous.	<b>1.400+</b> Training hours  98% of voluntary training, aimed at enhancing the skills necessary for responsible portfolio management.
<i>Next challenges</i>	<b>100%</b> Investment and finance aimed at creating positive ESG impact.	<b>100%</b> Investment and finance aligned with SBTi goals.	<b>100%</b> People capable to promote a safety culture across all investments and financial activities managed.	<b>100%</b> People covered by development plans aimed at growth, inclusion, and gender equality.

### HUMAN CAPITAL DEVELOPMENT

At the end of 2023, Italmobiliare has a team of 45 motivated and specialized people. Direct employees are all covered by a collective bargaining agreement. 47% of managerial positions are held by women.

The selection of human resources aims only to find the required skills and aptitudes, the most suitable types of contracts and the correct timing, without any discrimination or constraints. The hiring of resources at any level is assisted by a dedicated *induction* programme. Correctness, loyalty, transparency, and mutual respect are the guiding elements of personnel management, well beyond the contractual aspects and the regulations in force on labour matters. Consistently with this approach, the remuneration policy is based on a *merit matrix* that matches performance and benchmarks with the outside market.

Every year the Human Resources Management plans the training initiatives starting from the individual analysis of needs and follows their delivery and evaluation. In 2023, training was further increased, covering all key topics for the company: governance and strategy, business integrity, sustainability, management and technical-operational aspects, such as management, safety and environment, information systems and data privacy. Following a structured training plan, a total of 1,421 hours of training were provided on an almost exclusively voluntary basis, 16% more than in 2022.

In 2023, a renewed *performance appraisal* system has been designed and almost completed, integrating the already-existing MBO system for management functions and formalizing the interactions between the Human Resources Director and the other functional managers and between the managers and their collaborators.

Middle managers and office workers can join the Fondo Fonte supplementary pension plan, while the managers the Fondo Previp. In both cases, the participation of the company becomes mandatory as the employees register. In 2023, the contribution paid by Italmobiliare was 2.2% for members of the Fondo Fonte and 4% for members of the Fondo Previp.

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>	<b>22</b>	<b>21</b>	<b>43</b>	<b>23</b>	<b>24</b>	<b>47</b>	<b>25</b>	<b>20</b>	<b>45</b>
Managers	6	14	20	6	14	20	7	13	20
Middle managers	4	2	6	6	4	10	7	3	10
Office workers	12	5	17	11	6	17	11	4	15
<b>Turnover</b>	<b>--</b>	<b>--</b>	<b>5</b>	<b>--</b>	<b>--</b>	<b>4</b>	<b>--</b>	<b>--</b>	<b>-2</b>
+ Hirings	--	--	6	--	--	4	--	--	2
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	0	--	--	0	--	--	1
- Non-voluntary exits	--	--	0	--	--	0	--	--	1
- Divestments	--	--	1	--	--	0	--	--	2
<b>% contract: permanent</b>	<b>100%</b>	<b>95%</b>	<b>98%</b>	<b>100%</b>	<b>96%</b>	<b>98%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>% contract: full time</b>	<b>95%</b>	<b>95%</b>	<b>95%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>100%</b>	<b>98%</b>
<b>Training</b>									
Hours per capita	22	17	20	28	24	26	30	34	32
Managers	25	17	19	42	21	27	46	30	36
Middle managers	48	22	39	29	40	33	46	81	57
Office workers	12	14	13	21	22	21	9	11	10
% hours of voluntary training	--	--	--	--	--	--	97%	100%	98%
Managers	--	--	--	--	--	--	100%	100%	100%
Middle managers	--	--	--	--	--	--	93%	100%	96%
Office workers	--	--	--	--	--	--	100%	100%	100%
% with at least one training session	--	--	--	--	--	--	100%	88%	94%
Managers	--	--	--	--	--	--	100%	86%	90%
Middle managers	--	--	--	--	--	--	100%	75%	91%
Office workers	--	--	--	--	--	--	100%	100%	100%
<b>% with performance appraisal</b>	<b>100%</b>	<b>81%</b>	<b>98%</b>	<b>30%</b>	<b>58%</b>	<b>45%</b>	<b>28%</b>	<b>75%</b>	<b>49%</b>
Managers	100%	93%	95%	100%	86%	90%	100%	100%	100%
Middle managers	100%	100%	100%	17%	50%	30%	0%	67%	20%
Office workers	100%	100%	100%	0%	0%	0%	0%	0%	0%

Also thanks to the methodological support of the *WEPs Gender Gap Analysis Tool*, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2021	2022	2023
<b>Gender pay gap</b>			
<i>Difference between women's and men's average pay compared with men's average pay</i>	--	<b>-65%</b>	<b>-85%</b>
Managers	--	-57%	-80%
Middle managers	--	37%	30%
Office workers	--	17%	17%

\* In 2023, the variable compensation of the three-year Long Term Incentive plan was paid.

## HEALTH, SAFETY AND WELLBEING

Italmobiliare promotes the health, safety and wellbeing of all employees, creating and maintaining safe offices and other workplaces as an essential condition for the professional growth and enhancement of its resources.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. A dedicated professional contact, the presence of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

In the last three years there have been no accidents of any kind to employees or non-employee workers.

The psychological and physical wellbeing of people is promoted through the offer of health and social security benefits. For middle managers, office workers and intermediate staff, the Company provides a health plan for medical examinations and specialist tests, which covers all or part of the expense. As for management staff, a free annual check-up is provided at accredited facilities. Furthermore, Italmobiliare has activated for all its employees and their families a virtual primary care service accessible at any time of the week.

In 2023, Italmobiliare consolidated and increased the welfare initiatives introduced in previous years, including: remote working for all employees, the flexibility of working hours, the portal dedicated to corporate welfare offering the possibility of purchasing goods and services for themselves and their families, such as health care, leisure, tuition and book reimbursement; the company restaurant, entirely free for all employees, designed as a people-friendly space that offers healthy food, respects the environment and inspires collaboration.

		2021	2022	2023
<b>Employees injuries</b>		<b>0</b>	<b>0</b>	<b>0</b>
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	0	0
<i>Other injuries</i>	<i>with absence from work less than 180 days</i>	0	0	0
Frequency rate	number of injuries per million hours worked	0,0	0,0	0,0
Severity rate	lost days per thousand hours worked	0,00	0,00	0,00

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# PORTFOLIO COMPANIES controlled



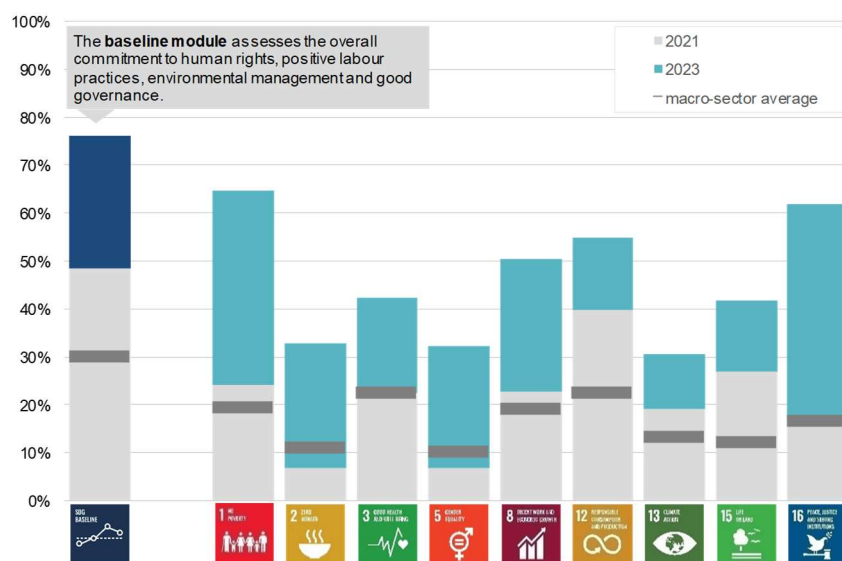
## Caffè Borbone

Caffè Borbone was founded in 1997 in Caivano (Naples) as a coffee roasting and packaging business, later becoming one of the main producers specialized in compatible capsules and pods, with a dense commercial network in Italy. It has been part of the Italmobiliare Group since May 2018, as **a subsidiary with a 60% stake**.

### HIGHLIGHTS

	Governance and supply chain	Climate strategy	Health, safety and well-being	Gender and human capital development
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Analytical monitoring of carbon footprint and SBTi objectives.	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles and inclusive growth of competences.
<i>Stato 2023</i>	 The EcoVadis Silver Medal has been confirmed in recognition of the sustainable strategy adopted.	 <b>Committed</b> Since 2022, Caffè Borbone uses only renewable electricity. Activated a new 500 kW photovoltaic system.	<b>+2</b> Injuries vs 2022 This figure, although not positive, adds further impetus to the efforts towards achieving zero accidents.	<b>4.300+</b> Training hours +28% compared to 2022. 38% voluntary training, aimed at increasing competences.
<i>Next challenges</i>	<b>100%</b> Value chain <i>aligned with Caffè Borbone's model, including through increasing certified coffee supplies.</i>	<b>100%</b> Products & services <i>aligned to SBTi objectives.</i>	<b>100%</b> People <i>with full safety culture as a model of ethics and business efficiency.</i>	<b>100%</b> People <i>covered by development plans aimed at growth, inclusion and gender equality.</i>

### CONTRIBUTION TO SDGs



Caffè Borbone integrates the sustainable strategy of the Italmobiliare Group by adhering to the **UN Global Compact**, supporting its **Ten Principles** and actively contributing to the **Sustainable Development Goals**.

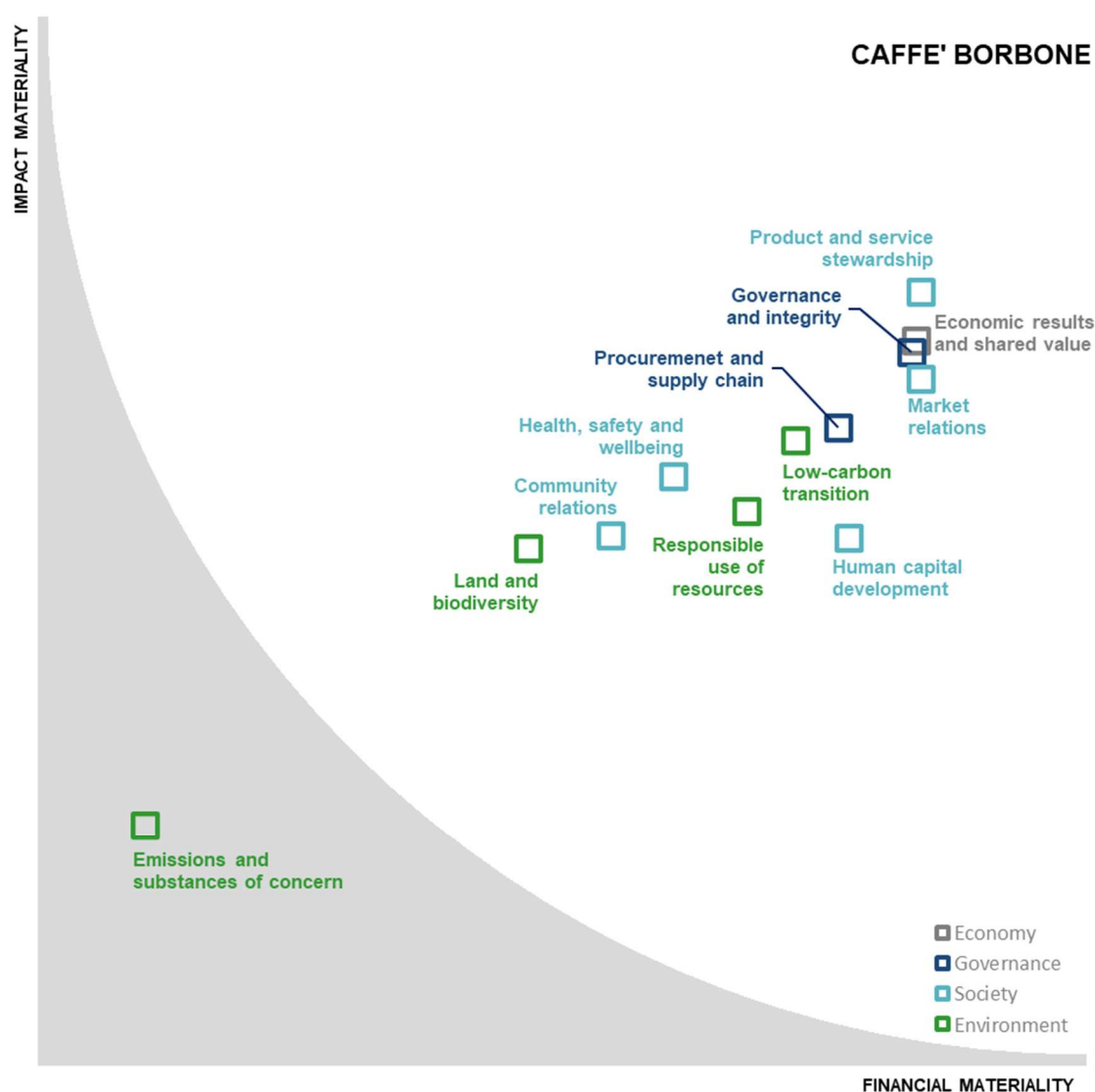
The **SDG Action Manager** analysis tool allows for effective self-assessment of progresses. The graph aside represents the contribution of Caffè Borbone towards the SDGs chosen as its strategic reference.

## MATERIALITY

Italmobiliare and Caffè Borbone recognize the sensitive aspects of the sector, highlighting important economic, social and environmental issues for the sustainable success of the business which cover the entire value cycle, from the procurement of raw materials to management of the products' end of life.

In defining the sustainable strategy and related action plans, the **materiality analysis** is an effective tool to identify the governance, economic, social and environmental issues that are relevant, matching the financial relevance for the business with the relevance of the impact on the environment, the society and governance.

The materiality matrix is built by systematically evaluating risks, opportunities, positive or negative impacts, analysing all the aspects relevant for the business with the contribution of the first line of management, the majority shareholder and finally collecting the positions expressed by the most relevant stakeholders.



## GOVERNANCE

### GOVERNANCE AND INTEGRITY

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. Women participation in the Board of Directors is at 17% (1 director out of 6).

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Caffè Borbone are inspired by the highest global references and explicitly recall the Ten Principles of the **United Nations Global Compact**, which Caffè Borbone joined, and the **Women's Empowerment Principles (WEPs)**. Through a sustainable approach aimed at creating shared value for the society and for the environment, Caffè Borbone intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Caffè Borbone adopts an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory, to limit the risk of committing specific relevant crimes. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes a *whistleblowing* procedure, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Caffè Borbone implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks, including climate risks, and helps consolidating the Group's approach.

At the operational level, the **management systems adopted for quality, environment, occupational health and safety, and food safety**, represent fundamental assets to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

The quality of the sustainable governance system has been recognized with the confirmation of the "**Silver Medal**" of **Ecovadis**, one of the main ESG rating platforms, and with the acknowledgement of the **Legality Rating** received from the Competition and Market Authority (AGCM), proving the compliance with very high legality standards.

### PROCUREMENT AND SUPPLY CHAIN

Drawing from the Code of Ethics and the Sustainability Policies, the **Supplier Charter** defines principles to which the suppliers of goods and services and contractors shall align, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management and of their respective value chains. All suppliers undergo a prequalification process through an exhaustive questionnaire, which covers human and labour rights, respect for the environment and business integrity. Furthermore, Caffè Borbone is working on its entire procurement process, aligning contractual clauses with its sustainability strategy.

The main areas in the supply chain are the procurement of raw coffee, packaging materials and logistics and distribution services, which together account for over 60% of the total spending.

In 2023, the main countries of origin of the coffee used were Uganda, Vietnam, Brazil, Tanzania, and India. Coffee supplies require particular attention to the risks associated with respect for human and labour rights, as well as for environmental aspects such as deforestation and those of *business integrity*. To this end, Caffè Borbone creates partnerships with coffee suppliers, relying on selected international intermediaries committed to sustainability, who offer ample guarantees to align with international standards and to actively promote a sustainable coffee supply chain. Caffè Borbone aims at combining quality with responsibility and integrity in the supply chain to favour agricultural practices in balance with ecosystems, resilient to climate change and attentive to social needs, women, indigenous peoples, and farmers' families.

To this end, Caffè Borbone has continued sourcing **certified supply lots** from third-party verified traceability and integrity systems, which in 2023 accounted for 30% of the whole supply. Certified supplies have already been

scheduled for 2024, representing 45% of total coffee purchase. 80% of certified coffee purchased by 2026 remains the leading objective.

Furthermore, in-depth sessions have been scheduled throughout the year with the most relevant coffee suppliers in order to share sustainability plans and actions, most importantly covering the fight against deforestation and climate change, in accordance with the ambitious decarbonization goals that Caffè Borbone is setting.

This engagement activity is also extended to the main suppliers of production materials.

Suppliers	units	2021	2022	2023
Number of active suppliers	#	746	785	868
Purchase of products and services		190.1	228.6	302.3
national suppliers	M€	158.5	180.4	221.5
foreign suppliers		31.6	48.2	80.8
<b>Spending on local suppliers (headquarters on national territory)</b>	%	<b>83%</b>	<b>79%</b>	<b>73%</b>

		2021		2022		2023
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the reference year according to environmental and social criteria	--	--	--	--	608	100%

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Caffè Borbone benefits from the value of more than 300 specialized and motivated people. The new American branch is growing, counting 9 people at the end of 2023. Direct employees in Italy, by choice mainly of local origin, are all covered by collective bargaining agreements. 19% of managerial positions are held by women.

59 non-employee workers - temporary agency workers, agents, self-employed workers and interns - add up to the total headcount.

The recruitment process focuses on required skills and attitudes and on the most appropriate contract type and timing, without any discrimination or limitation. The process of integration into the company of resources of any level is supported by a dedicated *induction* program. Fairness, loyalty, transparency and mutual respect are the guiding elements of human capital management, well beyond contractual arrangements and normative regulations in place. Consistently with this vision, the remuneration policy is grounded on a *merit matrix* which combines performance and benchmark with the external labour market.

In 2023, with the purpose of integrating and extending the already-existing MBO system for management positions, a new performance appraisal system has been introduced. The new scheme evaluates all organizational behaviours which are consistent with company values.

The training effort of 2023 is worth of notice. It included, among all training activities, soft-skills courses for the entire office workers population, in-depth training on the most relevant governance issues - cybersecurity, privacy, the Organisation, Management and Control Model and whistleblowing - sexual harassment sessions and a safety leadership workshop. 4.326 hours of training were delivered in 2023, nearly a 30% increase compared to 2022.



	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>	<b>17</b>	<b>243</b>	<b>260</b>	<b>22</b>	<b>256</b>	<b>278</b>	<b>34</b>	<b>270</b>	<b>304</b>
Managers	1	7	8	1	7	8	2	12	14
Middle managers	0	4	4	2	7	9	4	13	17
Office workers	16	30	46	19	31	50	28	34	62
Production workers	0	202	202	0	211	211	0	211	211
<b>Turnover</b>	<b>--</b>	<b>--</b>	<b>39</b>	<b>--</b>	<b>--</b>	<b>18</b>	<b>--</b>	<b>--</b>	<b>26</b>
+ Hirings	--	--	45	--	--	31	--	--	43
+ Acquisitions	--	--	0	--	--	0	--	--	1
- Voluntary exits	--	--	1	--	--	11	--	--	8
- Non-voluntary exits	--	--	5	--	--	2	--	--	10
- Divestments	--	--	0	--	--	0	--	--	0
<b>% contract: permanent</b>	<b>94%</b>	<b>93%</b>	<b>93%</b>	<b>86%</b>	<b>93%</b>	<b>93%</b>	<b>85%</b>	<b>96%</b>	<b>94%</b>
<b>% contract: full time</b>	<b>82%</b>	<b>98%</b>	<b>97%</b>	<b>86%</b>	<b>97%</b>	<b>96%</b>	<b>88%</b>	<b>98%</b>	<b>97%</b>
<b>Training</b>									
Hours per capita	86	7	12	35	10	12	42	11	14
Managers	4	6	6	33	37	37	37	27	29
Middle managers	0	7	7	20	15	16	45	29	33
Office workers	91	19	44	36	19	25	41	30	35
Production workers	0	5	5	0	8	8	0	6	6
<b>% hours of voluntary training</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>39%</b>	<b>37%</b>	<b>38%</b>
Managers	--	--	--	--	--	--	98%	93%	94%
Middle managers	--	--	--	--	--	--	47%	69%	62%
Office workers	--	--	--	--	--	--	34%	41%	37%
Production workers	--	--	--	--	--	--	0%	8%	8%
<b>% with at least one training session</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>86%</b>	<b>86%</b>	<b>86%</b>
Managers	--	--	--	--	--	--	100%	92%	93%
Middle managers	--	--	--	--	--	--	75%	100%	94%
Office workers	--	--	--	--	--	--	87%	92%	90%
Production workers	--	--	--	--	--	--	--	83%	83%
<b>% with performance appraisal</b>	<b>24%</b>	<b>8%</b>	<b>9%</b>	<b>36%</b>	<b>13%</b>	<b>14%</b>	<b>91%</b>	<b>23%</b>	<b>30%</b>
Managers	100%	57%	63%	100%	100%	100%	100%	100%	100%
Middle managers	0%	100%	100%	100%	86%	89%	100%	85%	88%
Office workers	19%	33%	28%	26%	48%	40%	89%	79%	84%
Production workers	0%	0%	0%	0%	2%	2%	0%	5%	5%

Also thanks to the methodological support of the *WEPs Gender Gap Analysis Tool*, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2021	2022	2023
<b>Gender pay gap</b>			
Difference between women's and men's average pay compared with men's average pay	--	32%	27%
Managers	--	53%	21%
Middle managers	--	-24%	24%
Office workers	--	-12%	-32%
Production workers	--	--	--

## HEALTH, SAFETY AND WELLBEING

Caffè Borbone promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The interaction between people and mobile vehicles, process machines with moving mechanical parts and the presence of flammable materials are the prevailing risk conditions identified. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. 97% of the workforce (100% for Italy) is covered by an occupational health and safety management system.

In line with the adopted Sustainability Policies, Caffè Borbone intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

In 2023, the safety management system implemented by Caffè Borbone has been rewarded with the ISO 45001 certification.

		2021	2022	2023
<b>Employees injuries *</b>		<b>2</b>	<b>2</b>	<b>4</b>
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	1	1
<i>Other injuries *</i>	<i>with absence from work for less than 180 days</i>	2	1	3
Frequency rate *	number of injuries per million hours worked	4.6	4.4	8.0
Severity rate *	lost days per thousand hours worked	0.04	0.69	0.55
<b>Non-employees injuries</b>		<b>2</b>	<b>0</b>	<b>2</b>
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	0	0
<i>Other injuries</i>	<i>with absence from work for less than 180 days</i>	2	0	2
Frequency rate	number of injuries per million hours worked	34.6	0.0	30.5

\* The data for 2021 and 2022 have been updated due to the reclassification of some accidental events. The 4 injuries recorded in 2023 were due to crushing (2), impacts/falls (1) and cuts or superficial wounds (1).

## PRODUCT AND SERVICE STEWARDSHIP

Caffè Borbone creates, produces and markets coffee in capsules, pods, beans or ground coffee following specifications aimed to quality, customer service and mitigation of environmental footprint. Adding sustainable value to a recognised quality product is a clear line of strategy for Caffè Borbone. In addition to the responsible procurement of raw materials and the efficient management of the production site, particular attention is paid to the choice of materials used for the production of pods, capsules, ground coffee or beans and related wrapping and packaging.

In 2023, 43% of production volume consists of coffee in pods certified as compostable and distributed in packaging, easily recyclable as paper. In addition, the product range includes growing shares of coffee in compostable and aluminium capsules, both solutions that allow for easier post-consumer valorisation. Finally, the coffee sold as ground or in beans through e-commerce qualifies as "Climate Pledge Friendly" thanks to packaging with an efficient design for shipping. Further developments are under investigation.

The paper and cardboard used for packaging are FSC MIX certified, with at least 70% FSC certified or recycled materials.

## MARKET AND COMMUNITIES

Food quality and safety are ensured throughout the entire production process with advanced and integrated management systems, which thanks to the effectiveness demonstrated and verified over time have obtained formal third-party certification according to ISO 9001 (organization quality management) and IFS – International Food Standard (traceability and food safety). In addition, products offered by Caffè Borbone have obtained the “Kosher” and “Halal” certification, therefore they are considered to be suitable for consumption from the part of the Jewish and Islamic communities.

Attention to customers and consumers is completed by the management of *customer satisfaction* and *data protection*, adopting and continuously improving its application of the legislative and voluntary standards. This approach also includes the shopping experience through digital channels, which the company tries to optimise in terms of user-friendliness and security. Furthermore, Caffè Borbone actively promotes responsible lifestyles through its brand. Wrappers contain clear and detailed information on the correct way to dispose of waste after use, in order to benefit fully from the products' characteristics of compostability and recyclability.

Caffè Borbone is aware that some activities in the value chain can have significant potential and actual negative impacts on local communities. Promoting sustainability also means taking care of those who, at the origin of the coffee supply chain, are committed to improving the yield and quality of crops, supporting fair and inclusive ways of working and contributing to global challenges by adopting sustainable agricultural practices.

In 2022 Caffè Borbone launched a project in Uganda in partnership with Olam Food Ingredients (Ofi), called **Mwany** (coffee in the local language). Thanks to a contribution of €100k per year for five years, the project aims to increase the participation of young people and women in the sustainable production of coffee, increasing employment, providing better product quality, improving profitability for small producers and fighting precariousness and rural exodus. The main levers are represented by training of young people and women aged between 23 and 59 years on key issues such as financial and management skills, agronomic and nursery management techniques, monitoring of soil erosion and methods to improve soil fertility, harvesting techniques and post-harvest soil processing, hygiene and sanitation of plants, methods of drying and storage. In 2023, 500 participants (of which 345 women) were involved in 24 training courses during which each person received between 15 and 20 hours of training. In order to encourage maximum participation, the courses were held in the areas where farmers operate and taking into account the agricultural seasonal cycle. Among the most innovative elements of the project there is “VSLA - *Village Savings and Loan Associates*”, a program which favoured the birth of 15 associations of saving and loan managed directly from the members of the local community and through which the farmers involved have the opportunity to access financial instruments to invest in the quality of their products and increase the profitability of their own farm.

In Italy Caffè Borbone supports with scholarships, donations, in-kind activities and the provision of people, non-profit organizations committed to the recovery of complicated quarters of five Italian cities selected according to commitment and need, to combat early school leaving. Moreover, Caffè Borbone chooses the most active universities in the field of research to start collaborations aimed at improving the circularity of its production, for example by enhancing the use of coffee as a raw material for the production of bioplastics and pallets.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

Raw materials and energy are responsibly procured, with the aim of minimising waste. Starting from the roasting phase two by-products are recovered: *silverskin*, the film that wraps the coffee bean, and screening coffee powders. Both fractions are sent for composting or other forms of valorisation. The computerised management of the entire cycle makes it possible to monitor the use of resources and improve traceability, which is also essential for guaranteeing food safety. The environmental management system adopted has received the certification according to the ISO 14001 standard. Water consumption at the plant is limited to sanitary uses. However, Caffè Borbone is aware of the significant water footprint of its supply chain.

	units	2021	2022	2023
<b>Raw materials, semifinished goods and ancillaries</b>		<b>32,347</b>	<b>31,573</b>	<b>33,151</b>
Renewable		29,731	28,998	30,404
% from recycling	t	0%	0%	0%
Non-renewable		2,617	2,575	2,748
% from recycling		0%	0%	0%
<b>Packaging materials</b>		<b>10,803</b>	<b>10,443</b>	<b>15,110</b>
Renewable		7,831	8,314	12,304
% from recycling	t	42%	41%	71%
Non-renewable		2,972	2,130	2,806
% from recycling		1%	1%	1%

	units	2021	2022	2023
<b>Raw materials</b>		<b>39,144</b>	<b>32,726</b>	<b>33,151</b>
Coffee		35,416	29,299	29,773
Compostable paper for pods and capsules		412	341	510
Aluminium for capsules		0	5	177
Plastic for capsules		2,614	2,568	2,561
Compostable plastic for capsules		3	2	10
CO <sub>2</sub> refrigerant		700	511	121
<b>Packaging</b>	t	<b>10,803</b>	<b>10,443</b>	<b>15,110</b>
Aluminium		147	189	30
Cardboard		6,440	6,072	6,996
Plastic		299	284	338
Polylaminate (plastic prevalence)		2,526	1,657	1,771
Polylaminate (paper prevalence)		1,391	2,242	2,219
Wooden platforms		--	--	3,750
Other (adhesives, labels, glasses and palettes)		--	--	7

In 2023 around 1,900 tons of waste were sent for valorisation. In any case, the remainder is sent to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2021	2022	2023
<b>Valorisation of waste generated</b>		<b>2,046</b>	<b>1,829</b>	<b>1,979</b>
Hazardous waste		1	0	1
% Material recovery		71%	50%	10%
% Energy recovery or disposal	t	29%	50%	90%
Non-hazardous waste		2,045	1,829	1,978
% Material recovery		77%	87%	97%
% Energy recovery or disposal		23%	13%	3%

	units	2021	2022	2023
<b>Energy consumed</b>		<b>134,605</b>	<b>123,605</b>	<b>136,394</b>
% renewable		2%	24%	24%
Thermal energy	GJ	106,952	93,927	103,580
% renewable		0%	0%	0%
Electricity		27,653	29,678	32,814
% renewable		8%	100%	100%
<b>Thermal energy consumed</b>		<b>106,952</b>	<b>93,927</b>	<b>103,580</b>
Heating and industrial use		105,897	92,398	101,647
Natural gas		105,897	92,398	88,280
Gas oil		0	0	0
LPG	GJ	--	--	13,368
Automotive		1,054	1,529	1,933
Diesel		1,054	1,376	1,735
LPG		0	0	0
Natural gas		0	0	0
Petrol		0	153	198
<b>Electricity consumed</b>		<b>27,653</b>	<b>29,678</b>	<b>32,814</b>
Electricity purchased		27,653	29,678	30,882
Without guarantee of origin		25,470	0	0
Renewable with guarantee of origin		2,183	29,678	30,882
Hydroelectric		--	--	30,705
Photovoltaic		--	--	0
Wind	GJ	--	--	0
Other renewable source		--	--	177
Self-produced renewable electricity		379	407	2,522
Hydroelectric		--	--	0
Photovoltaic		--	--	2,522
Wind		--	--	0
Self-consumption		--	--	1,931
To the grid		379	407	591
<b>Water withdrawal</b>		<b>12.3</b>	<b>12.5</b>	<b>13.2</b>
from surface water		0	0	0
from groundwater		0.0	0.0	0.0
from an aqueduct		12.3	12.5	13.2
from freshwater		12.3	12.5	13.2
from water bodies > 1.000 mg/l total dissolved solids		0	0	0
in water stressed areas		12.3	12.5	13.2
from surface water		0.0	0.0	0.0
from groundwater		0.0	0.0	0.0
from an aqueduct		12.3	12.5	13.2
<b>Water discharge</b>	thousands m3	<b>12.3</b>	<b>12.5</b>	<b>13.2</b>
into surface water		12.3	12.5	13.2
into sewage		0.0	0.0	0.0
in freshwater		0.0	0.0	0.0
in water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		12.3	12.5	13.2
into surface water		12.3	12.5	13.2
into sewage		0.0	0.0	0.0
<b>Water consumption</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
in water stressed areas		0.0	0.0	0.0

## LOW-CARBON TRANSITION

Caffè Borbone supports Italmobiliare in his commitment to company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). Building on the initiatives carried out throughout the years, in January 2024 Caffè Borbone has formalized its membership of the Science Based Target Initiative (SBTi), committing to submit shortly to the team of experts its own targets of short-term reduction, around 2030, and net-zero in 2050. The peculiar activity managed by Caffè Borbone also provides for the definition of specific objectives related to its share of *carbon footprint* that falls between “FLAG – Forests, Land and Agriculture” emissions, from forests, land and agriculture, including emissions associated with land use change (e.g., deforestation effects), and emissions generated from land management (e.g., biomass combustion, nutrient management, fertilizer use).

Caffè Borbone is committed to mitigating the climate-altering effects of its activity along the entire value chain. Supplier selection, production process efficiency, eco-design of product and packaging, logistics optimization are the areas of greatest attention. In 2023, more than a third of the total expenditure on goods and services, and 75% of the expenditure on raw coffee purchases, was directed towards companies that themselves have initiated the decarbonization journey with SBTi. Many other strategic suppliers have already established emission reduction objectives. Caffè Borbone maintains continuous relationships with all of them to further synchronize efforts towards the shared goal of achieving net-zero emissions by 2050.

Since 2022, the Caffè Borbone has used exclusively renewable electricity, through self-production, dedicated supply contracts or the purchase of certificates of guarantee of origin. Two photovoltaic systems are active at the plant. The first, of around 50kW, feeds over 100,000 electric kilowatt-hours into the grid a year. The second, of 500 kW, went into operation at the end of 2022 and is entirely dedicated to self-consumption. In 2023, the construction of another 500 kW system commenced on the rooftop of a new logistics warehouse. It will be operational by 2024.

	units	2021	2022	2023	2023
<b>Carbon Footprint</b>		<b>282,014</b>	<b>236,201</b>	<b>232,988</b>	
<b>Scope 3 Upstream</b>		<b>219,010</b>	<b>179,926</b>	<b>172,848</b>	<b>74.2%</b>
1 Purchased products and services *		198,646	159,009	149,472	64.2%
2 Capital goods		--	--	--	--
3 Fuel-and energy-related activities		1,048	922	968	0.4%
4 Upstream transportation and distribution		19,316	19,424	21,701	9.3%
5 Waste generated by the sites		--	148	73	0.0%
6 Business travel		--	60	117	0.1%
7 Employee commuting		--	363	516	0.2%
8 Upstream leased assets		--	--	--	--
<b>Scope 1</b>	<b>t CO<sub>2</sub></b>	<b>6,046</b>	<b>5,304</b>	<b>5,961</b>	<b>2.6%</b>
<b>Scope 2 market based</b>		<b>3,230</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
location based		2,742	2,729	3,021	
<b>Scope 3 Downstream</b>		<b>53,728</b>	<b>50,971</b>	<b>54,180</b>	<b>23.3%</b>
9 Downstream transportation and distribution		4,969	3,146	2,560	1.1%
10 Processing of sold products		--	--	--	--
11 Use of sold products *		48,084	47,163	49,899	21.4%
12 End-of-life treatment of sold products		675	662	1,720	0.7%
13 Downstream leased assets		--	--	--	--
14 Franchises		--	--	--	--
15 Investments		--	--	--	--
<b>Avoided emissions(location based)</b>		<b>--</b>	<b>37</b>	<b>232</b>	
From photovoltaic production	<b>t CO<sub>2</sub>e</b>	--	37	232	
From hydroelectric production		--	0	0	
<b>Carbon Intensity</b>					
Scope 1+2 market based	<b>t CO<sub>2</sub>e / M€</b>	36.7	20.2	19.8	
Scope 1+2 market based +3	<b>Revenues</b>	1,115.6	899.1	775.9	

\* The data for 2021 and 2022, originally computed relying heavily on factors derived from scientific literature or sectoral studies, have been recalculated based on the enhanced availability of primary data collected in 2023. Around 130,000 of these are emissions related to “FLAG - Forests, Land, and Agriculture”.



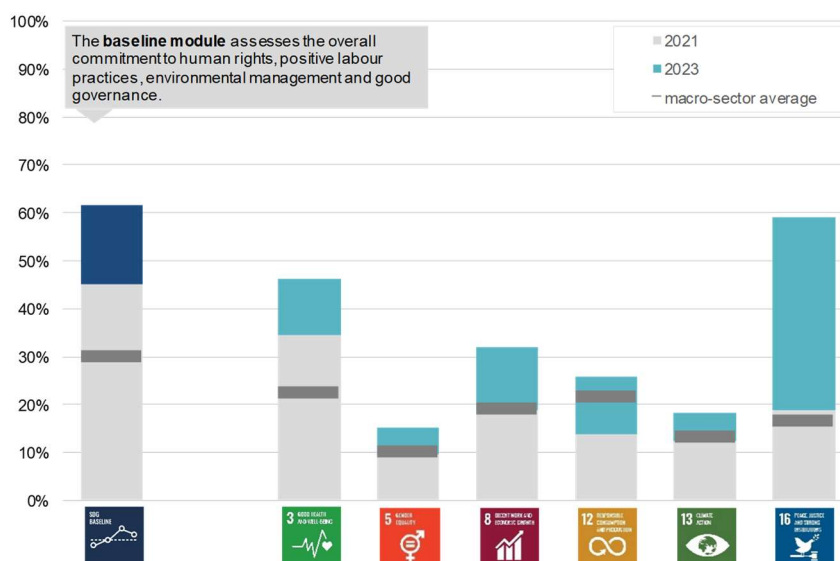
## Officina Profumo-Farmaceutica di Santa Maria Novella

In Florence, for eight centuries and always in the same places, Officina Profumo-Farmaceutica di Santa Maria Novella creates, produces and distributes high-end perfumes and cosmetics, and products for health and well-being. It has been part of Italmobiliare Group since January 2020, as a **subsidiary with a 95% stake**.

### HIGHLIGHTS

	Governance and supply chain	Strategy climate	Health, safety and well-being	Gender and human capital development
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Analytical monitoring of carbon footprint and SBTi objectives.	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles and inclusive growth of competences.
<i>Status 2023</i>	<b>173</b> Suppliers Evaluated in 2023 according to environmental and social criteria.	 <b>Committed</b> Since 2021, Officina Profumo-Farmaceutica di Santa Maria Novella has exclusively used renewable electricity, partly self-produced.	<b>+3</b> Injuries vs 2022 This figure, although not positive, adds further impetus to the efforts towards achieving zero accidents.	<b>5.700+</b> Training hours 85% voluntary training aimed at skill development and serving excellence.
<i>Next challenges</i>	<b>100%</b> Value chain aligned with Officina Profumo-Farmaceutica di Santa Maria Novella's model	<b>100%</b> Products aligned with SBTi goals.	<b>100%</b> People with full safety culture as a model of ethics and business efficiency.	<b>100%</b> People covered by development plans aimed at growth, inclusion and gender equality.

### CONTRIBUTION TO SDGS



Officina Profumo-Farmaceutica di Santa Maria Novella integrates the sustainable strategy of the Italmobiliare Group by adhering to the **UN Global Compact**, supporting its **Ten Principles** and actively contributing to the **Sustainable Development Goals**.

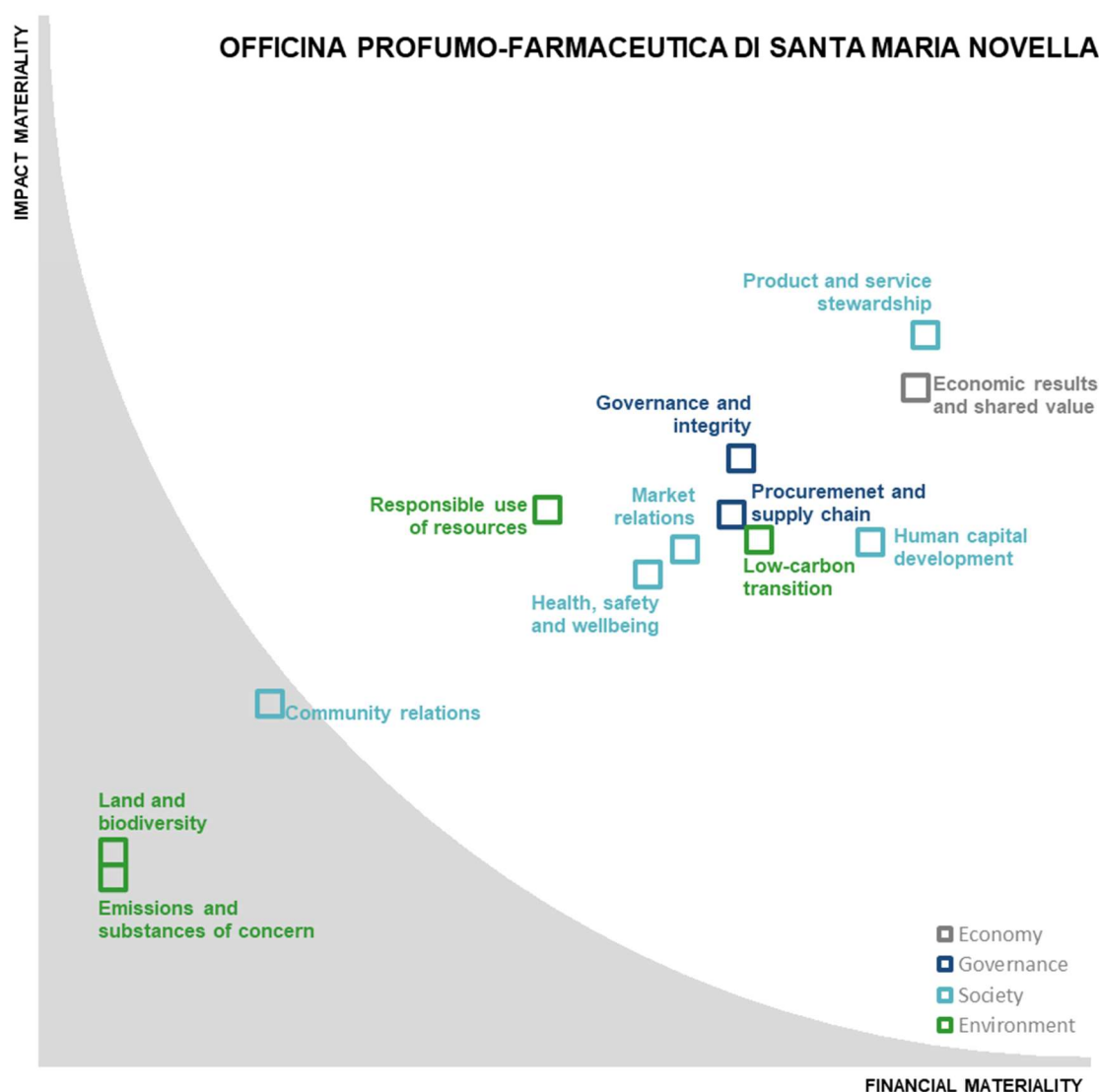
The **SDG Action Manager** analysis tool allows for effective self-assessment of progresses. The graph aside represents the contribution of Officina Profumo-Farmaceutica di Santa Maria Novella towards the SDGs chosen as its strategic reference.

## MATERIALITY

Italmobiliare and Officina Profumo-Farmaceutica di Santa Maria Novella recognize the sensitive aspects of the sector, highlighting important issues for the sustainable success of the business, economic, social and environmental issues, which cover the entire value cycle, from the procurement of raw materials to management of the products' end of life.

In defining the sustainable strategy and related action plans, the **materiality analysis** is an effective tool to identify the governance, economic, social and environmental issues that are relevant, matching the financial relevance for the business with the relevance of the impact on the environment, the society and governance.

The materiality matrix is built by systematically evaluating risks, opportunities, positive or negative impacts, analysing all the aspects relevant for the business with the contribution of the first line of management, the majority shareholder and finally collecting the positions expressed by the most relevant stakeholders.





## GOVERNANCE

### GOVERNANCE AND INTEGRITY

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. Women participation in the Board of Directors is at 38% (3 directors, Chief Executive Officer included, out of 7).

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Officina Profumo-Farmaceutica di Santa Maria Novella are inspired by the highest global references and explicitly recall the Ten Principles of the **United Nations Global Compact**, which Officina Profumo-Farmaceutica di Santa Maria Novella joined, and the **Women's Empowerment Principles (WEPs)**. Through a sustainable approach aimed at creating shared value for the society and for the environment, Officina Profumo-Farmaceutica di Santa Maria Novella intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Officina Profumo-Farmaceutica di Santa Maria Novella adopts an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory. It is designed to limit the risk of committing specific relevant crimes. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the *whistleblowing* procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Officina Profumo-Farmaceutica di Santa Maria Novella implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks, including climate risks, and helps consolidating the Group's approach.

At the operational level, the ongoing implementation of **management systems** represent an additional asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

### PROCUREMENT AND SUPPLY CHAIN

The supply chain of Officina Profumo-Farmaceutica di Santa Maria Novella mainly includes the basic raw materials, ingredients and fragrances that enter the formulation of a complex range of products. Equally significant are the supplies of packaging materials and logistic-distribution services.

In 2022, the **Supplier Charter** was adopted, defining the principles to which the suppliers of goods or services and contractors shall align, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management and of their respective value chains. In the prequalification process all suppliers were asked to complete an online questionnaire covering human and labour rights, respect for the environment and business integrity.

In the following selection of suppliers and supplies, with the same characteristics, ingredients from the national or European territory and from recovery are preferentially selected, made by companies with certifiable processes according to international standards for the quality and safety of products. The ingredients identified as critical for aspects of product quality or safety, but also for social aspects, including risks connected to human and labour rights, or environmental aspects in the supply chain are replaced with alternative products.

For the most relevant purchasing categories, there is ongoing implementation of contracts including ESG clauses and requirements.

Furthermore, in-depth sessions have been scheduled throughout the year with the most relevant suppliers, mainly suppliers of packaging or selected packaging materials (i.e. glass and paper), with the purpose of sharing

sustainability plans and actions, with particular attention to the fight against climate change, in accordance with the ambitious decarbonisation targets that Officina-Profumo-Farmaceutica di Santa Maria Novella is setting.

Suppliers	unit	2021	2022	2023
Number of active suppliers *	#	185	156	788
Purchase of products and services		5.5	14.1	24.2
national suppliers	M€	5.3	13.5	23.1
foreign suppliers		0.2	0.5	1.1
<b>Spending on local suppliers (headquarters on national territory)</b>	%	<b>96%</b>	<b>96%</b>	<b>96%</b>

		2021		2022		2023
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the reference year according to environmental and social criteria	--	--	--	--	173	100%

\* Since 2023, all active suppliers have been considered regardless of spending threshold.

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Officina Profumo-Farmaceutica di Santa Maria Novella benefits from the value of 242 specialized and motivated people, distributed among the headquarters and productive plant in Firenze and various stores with direct employees in Italy, France, UK, and US, the most populous branch. The English and French branch employ respectively 11 and 8 people.

13 non-employee workers - temporary agency workers, agents, self-employed workers and interns - add up to the total headcount. The social dialogue, even in the absence of trade union organizations, flows in an open and constructive way, ensuring the protection of workers' health and the continuity of production activities, and supporting the delivery of training at all levels.

Direct employees in Italy, by choice mainly of local origin, are all covered by collective bargaining agreements. 47% of managerial positions among the headquarters, the production plant and all the stores are held by women.

The selection of human resources aims only to find the required skills and aptitudes, the most suitable types of contracts and the correct timing, without any discrimination or constraints. The hiring of resources at any level is assisted by a dedicated induction programme. Correctness, loyalty, transparency and mutual respect are the guiding elements of personnel management, well beyond the contractual aspects and the regulations in force on labour matters.

An MBO system has been introduced for managerial figures, with both individual and collective goals. People employed in the stores have their own incentive plan with collective monthly objectives at store or sales-area level. Lastly, a performance bonus linked to the welfare system is foreseen for all the other employees, it gives credit to productivity, quality, efficiency and innovation increases, which play a key role for the overall improvement of business competitiveness.

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>	<b>98</b>	<b>43</b>	<b>141</b>	<b>131</b>	<b>56</b>	<b>187</b>	<b>174</b>	<b>68</b>	<b>242</b>
Managers	1	4	5	2	5	7	3	3	6
Middle managers	9	3	12	12	10	22	13	15	28
Office workers	68	19	87	97	19	116	125	22	147
Production workers	20	17	37	20	22	42	33	28	61
<b>Turnover</b>	<b>--</b>	<b>--</b>	<b>24</b>	<b>--</b>	<b>--</b>	<b>46</b>	<b>--</b>	<b>--</b>	<b>55</b>
+ Hirings	--	--	38	--	--	86	--	--	108
+ Acquisitions	--	--	0	--	--	0	--	--	2
- Voluntary exits	--	--	9	--	--	21	--	--	28
- Non-voluntary exits	--	--	5	--	--	19	--	--	27
- Divestments	--	--	0	--	--	0	--	--	0
<b>% contract: permanent</b>	<b>89%</b>	<b>98%</b>	<b>91%</b>	<b>82%</b>	<b>88%</b>	<b>83%</b>	<b>83%</b>	<b>91%</b>	<b>86%</b>
<b>% contract: full time</b>	<b>59%</b>	<b>98%</b>	<b>71%</b>	<b>66%</b>	<b>96%</b>	<b>75%</b>	<b>67%</b>	<b>99%</b>	<b>76%</b>
<b>Training</b>									
Hours per capita	14	12	14	27	41	31	27	17	24
Managers	8	7	7	19	10	12	3	9	6
Middle managers	13	3	11	25	11	18	30	16	23
Office workers	17	17	17	28	28	28	30	28	29
Production workers	8	8	8	25	72	50	15	10	13
<b>% hours of voluntary training</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>86%</b>	<b>81%</b>	<b>85%</b>
Managers	--	--	--	--	--	--	65%	100%	92%
Middle managers	--	--	--	--	--	--	94%	77%	87%
Office workers	--	--	--	--	--	--	86%	89%	86%
Production workers	--	--	--	--	--	--	80%	65%	74%
<b>% with at least one training session</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>86%</b>	<b>75%</b>	<b>83%</b>
Managers	--	--	--	--	--	--	25%	75%	50%
Middle managers	--	--	--	--	--	--	94%	88%	91%
Office workers	--	--	--	--	--	--	85%	78%	84%
Production workers	--	--	--	--	--	--	94%	67%	81%
<b>% with performance appraisal</b>	<b>2%</b>	<b>5%</b>	<b>3%</b>	<b>8%</b>	<b>13%</b>	<b>10%</b>	<b>9%</b>	<b>18%</b>	<b>11%</b>
Managers	100%	50%	80%	100%	60%	71%	33%	67%	50%
Middle managers	0%	0%	0%	67%	30%	50%	92%	47%	68%
Office workers	0%	0%	0%	1%	5%	2%	2%	14%	3%
Production workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

Also thanks to the methodological support of the *WEPs Gender Gap Analysis Tool*, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2021	2022	2023
<b>Gender pay gap</b>			
Difference between women's and men's average pay compared with men's average pay	--	-34%	-23%
Managers	--	-11%	6%
Middle managers	--	-1%	-4%
Office workers	--	-29%	-13%
Production workers	--	-10%	-18%

## HEALTH, SAFETY AND WELLBEING

Officina Profumo-Farmaceutica di Santa Maria Novella promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The interaction between people and mobile vehicles, process machines with moving mechanical parts and the presence of flammable materials are the prevailing risk conditions identified. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. 81% of the workforce (100% for Italy) is covered by an occupational health and safety management system.

In line with the adopted Sustainability Policies, Officina Profumo-Farmaceutica di Santa Maria Novella intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

In order to improve well-being and work-life balance, remote working has been introduced for all compatible functions.

		2021	2022	2023
<b>Employees injuries *</b>		<b>1</b>	<b>1</b>	<b>4</b>
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	0	0
<i>Other injuries</i>	<i>with absence from work for less than 180 days</i>	1	1	4
Frequency rate	number of injuries per million hours worked	5.3	3.4	11.1
Severity rate	lost days per thousand hours worked	0.10	0.30	0.10
<b>Non-employees injuries</b>		<b>0</b>	<b>0</b>	<b>0</b>
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	0	0
<i>Other injuries</i>	<i>with absence from work for less than 180 days</i>	0	0	0
Frequency rate	number of injuries per million hours worked	0.0	0.0	0.0

\* The 4 injuries recorded in 2023 were due to crushing (1), cuts or superficial wounds (1), and musculoskeletal pain (2).

## PRODUCT AND SERVICE STEWARDSHIP

Officina Profumo-Farmaceutica di Santa Maria Novella operates in full compliance with the complex regulatory system applicable to the sector. The launch of new products is subjected to rigorous testing procedures, conducted in accordance with the law, which also concern the effects on health and those deriving from possible incorrect use. continuous quality and safety standards.

The continuous research and development activity of Officina Profumo-Farmaceutica di Santa Maria Novella has among the main drivers the reduction of the environmental footprint generated by the production, use and end-of-life of the products marketed. This happens both through a progressive reformulation of the recipes, aimed not only at improving the customer experience but also at increasing the presence of ingredients of natural origin or, in any case, with a higher environmental value, such as a lower carbon or water footprint, and the low water demand in the use phase.

Around 80% of ingredients used in the product formulation is of renewable origin.

Similar attention is paid to the evolutionary development of packaging, primary and secondary, through dimensional resizing, aimed at reducing its weight, or by introducing increasing quantities of materials of renewable origin, coming from recycling or in any case easily recyclable. Currently, the glass supplied contains on average 15% of material recovered directly in the production cycle. For some references, the satin-finished glass has been replaced with transparent glass to reduce the necessary processing steps and the consequent energy consumption. The

next challenge, shared with glass suppliers, is to increasingly deploy post-consumer recycled glass preserving the technical and aesthetics characteristics of the packaging product.

On the main product lines, the plastics used are switching from PE to recyclable PET and, in a second step, to R-PET, that is recycled PET. The paper and cardboard are FSC certified.

Furthermore, the progressive introduction of products designed or re-designed for refill continues

More generally, Officina Profumo-Farmaceutica di Santa Maria Novella designs formulations and packaging according to a specification for ESG footprint evaluation, which must return indications in line with the company's objectives for products under development and launch and clearly evolutionary results for updates to existing products.

## MARKET AND COMMUNITIES

Compliance with the relevant regulations, quality and, for some product lines, even food safety, are ensured throughout the entire production process with constantly evolving management systems.

The attention to customers and consumers is completed by the management of *customer satisfaction* and *data protection*, with the alignment and continuous improvement of the application of the applicable legislative and voluntary standards, including the optimization of the shopping experience through digital channels, in terms of usability and safety. The company constantly detects customer complaints, through *customer care*, digital channels and the distribution network, as a continuous stimulus for improvement.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

Cosmetic quality water and ethyl alcohol of agricultural origin are the main raw materials used. Vegetable soap and dried herbs are two most relevant bases of renewable origin for products manufactured. Paraffine and wax, used for candles production, are the two most relevant bases of non-renewable origin. To these are added, according to the different product lines, a wide variety of ingredients, fragrances, and essences mainly of natural origin.

The electricity used is exclusively renewable, self-produced by a photovoltaic system or purchased with a guarantee of origin. The withdrawal of water is mainly intended for sanitary uses, but also used for the production of cosmetic water through dedicated chemical-physical treatments before being used in formulations. The resource is managed with particular attention, as the plant is in an area at risk of water stress.

	units	2021	2022	2023
<b>Raw materials, semifinished goods and ancillaries</b>		<b>180</b>	<b>432</b>	<b>371</b>
Renewable		137	352	291
% from recycling	t	0%	0%	0%
Non-renewable		44	80	80
% from recycling		0%	0%	0%
<b>Packaging materials</b>		<b>320</b>	<b>974</b>	<b>915</b>
Renewable		102	455	474
% from recycling	t	0%	7%	8%
Non-renewable		218	519	440
% from recycling		0%	0%	4%

	units	2021	2022	2023
<b>Raw materials</b>		<b>181</b>	<b>432</b>	<b>371</b>
Renewable		137	352	291
Cosmetic grade water		65	134	156
Ethanol		21	34	28
Other		51	184	107
Non-renewable		44	80	80
<b>Packaging</b>	t	<b>320</b>	<b>974</b>	<b>915</b>
Glass		188	422	283
Paper		80	454	539
Ceramics		22	37	20
Plastic		18	27	24
Metals		10	23	23
Other		2	11	25

In 2023 almost 70 tons of waste were sent for valorisation. In any case, the remainder is sent to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2021	2022	2023
<b>Valorisation of waste generated</b>		<b>48</b>	<b>96</b>	<b>90</b>
Hazardous waste		24	34	37
% Material recovery		35%	59%	47%
% Energy recovery or disposal	t	65%	41%	53%
Non-hazardous waste		25	62	53
% Material recovery		93%	92%	96%
% Energy recovery or disposal		7%	8%	4%

	units	2021	2022	2023
<b>Energy consumed</b>		<b>9,932</b>	<b>11,284</b>	<b>10,586</b>
% renewable		39%	37%	39%
Thermal energy	GJ	6,029	7,108	6,510
% renewable		0%	0%	0%
Electricity		3,904	4,176	4,077
% renewable		100%	100%	100%
<b>Thermal energy consumed</b>		<b>6,029</b>	<b>7,108</b>	<b>6,510</b>
Heating and industrial use		5,935	6,919	5,812
Natural gas		5,935	6,919	5,812
Gas oil		0	0	0
LPG	GJ	0	0	0
Automotive		94	188	698
Diesel		94	188	474
LPG		0	0	0
Natural gas		0	0	0
Petrol		0	0	224
<b>Electricity consumed</b>		<b>3,904</b>	<b>4,176</b>	<b>4,077</b>
Electricity purchased		3,485	3,744	3,694
Without guarantee of origin		0	0	0
Renewable with guarantee of origin		3,485	3,744	3,694
Hydroelectric		0	0	2,146
Photovoltaic		0	0	0
Wind	GJ	0	0	0
Other renewable source		0	0	1,548
Self-produced renewable electricity		420	433	385
Hydroelectric		0	0	0
Photovoltaic		420	433	385
Wind		0	0	0
Self-consumption		0	0	383
To the grid		1	1	2
<b>Water withdrawal</b>		<b>3.6</b>	<b>4.2</b>	<b>3.1</b>
from surface water		0.0	0.0	0.0
from groundwater		0.0	0.0	0.0
from an aqueduct		3.6	4.2	3.1
from freshwater		3.6	4.2	3.1
from water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		3.6	4.2	3.1
from surface water		0.0	0.0	0.0
from groundwater		0.0	0.0	0.0
from an aqueduct		3.6	4.2	3.1
	thousands m3			
<b>Water discharge</b>		<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
into surface water		0.0	0.0	0.0
into sewage		0.0	0.0	0.1
in freshwater		0.0	0.0	0.1
in water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		0.0	0.0	0.1
into surface water		0.0	0.0	0.0
into sewage		0.0	0.0	0.1
<b>Water consumption</b>		<b>3.5</b>	<b>4.2</b>	<b>3.0</b>
in water stressed areas		3.5	0.0	3.0

## LOW-CARBON TRANSITION

Officina Profumo-Farmaceutica di Santa Maria Novella supports Italmobiliare in his commitment to company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). Building on the initiatives carried out throughout the years, in January 2024 Officina Profumo-Farmaceutica di Santa Maria Novella has formalized its membership of the Science Based Target Initiative (SBTi), committing to submit shortly to the team of experts its own targets of short-term reduction, around 2030, and net-zero in 2050.

Officina Profumo-Farmaceutica di Santa Maria Novella is committed to mitigating the climate-altering effects of its activity along the entire value chain. Supplier selection, production process efficiency, eco-design of product and packaging, logistics optimization are the areas of greatest attention. Officina Profumo-Farmaceutica di Santa Maria Novella maintains continuous relationships with all of them to further synchronize efforts towards the shared goal of achieving net-zero emissions by 2050.

Since 2021, Officina Profumo-Farmaceutica di Santa Maria Novella has exclusively relied on renewable electricity, partly self-generated.

	units	2021	2022	2023	2023
<b>Carbon Footprint</b>		<b>4,700</b>	<b>8,467</b>	<b>8,761</b>	
<b>Scope 3 Upstream</b>		<b>617</b>	<b>1,535</b>	<b>2,413</b>	<b>27.5%</b>
1 Purchased products and services		557	1,396	1,501	17.1%
2 Capital goods		--	--	--	--
3 Fuel-and energy-related activities		60	71	68	0.8%
4 Upstream transportation and distribution		--	--	78	0.9%
5 Waste generated by the sites		--	2	2	0.0%
6 Business travel		--	67	661	7.5%
7 Employee commuting		--	--	99	1.1%
8 Upstream leased assets		--	--	3	0.0%
<b>Scope 1</b>	<b>t CO<sub>2</sub></b>	<b>341</b>	<b>403</b>	<b>436</b>	<b>5.0%</b>
<b>Scope 2 market based</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
location based		387	384	372	
<b>Scope 3 Downstream</b>		<b>3,742</b>	<b>6,529</b>	<b>5,912</b>	<b>67.5%</b>
9 Downstream transportation and distribution		2,814	4,937	4,510	51.5%
10 Processing of sold products		--	--	--	--
11 Use of sold products *		921	1,572	1,348	15.4%
12 End-of-life treatment of sold products		7	21	53	0.6%
13 Downstream leased assets		--	--	--	--
14 Franchises		--	--	--	--
15 Investments		--	--	--	--
<b>Carbon Intensity</b>					
Scope 1+2 market based	<b>t CO<sub>2</sub>e / M€ Revenues</b>	11.4	8.6	7.7	
Scope 1+2 market based +3		156.7	181.7	154.8	

\* In the "Use of sold products" category, the data for 2021 and 2022, previously calculated primarily using factors from scientific literature and sectorial comparisons, have been recalculated more precisely, utilizing activity data and primary data collected in 2023..







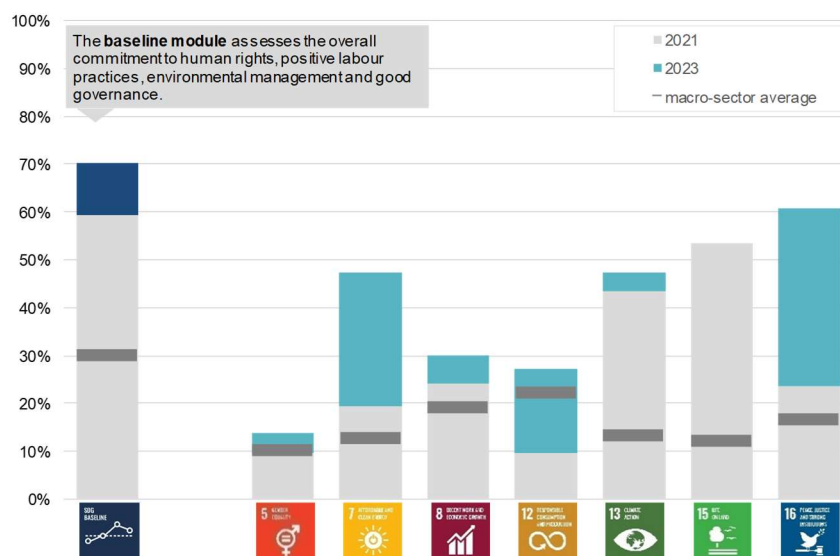
## Italgen

Founded in 2001, capitalising on the experience gained as part of the Italcementi Group, Italgen operates as a producer and distributor of electricity from renewable sources, thanks to a production structure consisting of 28 concessions for hydroelectric derivation located in Lombardy, Piedmont and Veneto. It has been part of the Italmobiliare Group since May 2016, as a **subsidiary with a 100% stake**.

### HIGHLIGHTS

	Governance and supply chain	Strategy climate	Health, safety and well-being	Gender and human capital development
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Analytical monitoring of carbon footprint and SBTi objectives.	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles and inclusive growth of competences.
<i>Status 2023</i>	 Awarded the EcoVadis Gold Medal in recognition of the adopted sustainable strategy.	 Committed The photovoltaic systems installed at third-party companies complement the existing hydroelectric production capacity.	<b>Zero</b> Injuries in 2023 Commitment to ensuring a safe working environment by promoting people's mental and physical well-being must be continuous.	<b>~1.000</b> Training hours 74% voluntary training, focused on skill development, to better cater to a transitioning market.
<i>Next challenges</i>	<b>100%</b> Value chain aligned with Italgen's virtuous model	<b>100%</b> Services aligned with the carbon footprint mitigation and offset needs of Italian companies.	<b>100%</b> People able to promote to all stakeholders the culture of safety by inviting the adoption of virtuous behavior.	<b>100%</b> People covered by development plans aimed at growth, inclusion and gender equality.

### CONTRIBUTION TO SDGs



Italgen integrates the sustainable strategy of the Italmobiliare Group by adhering to the **UN Global Compact**, supporting its **Ten Principles** and actively contributing to the **Sustainable Development Goals**.

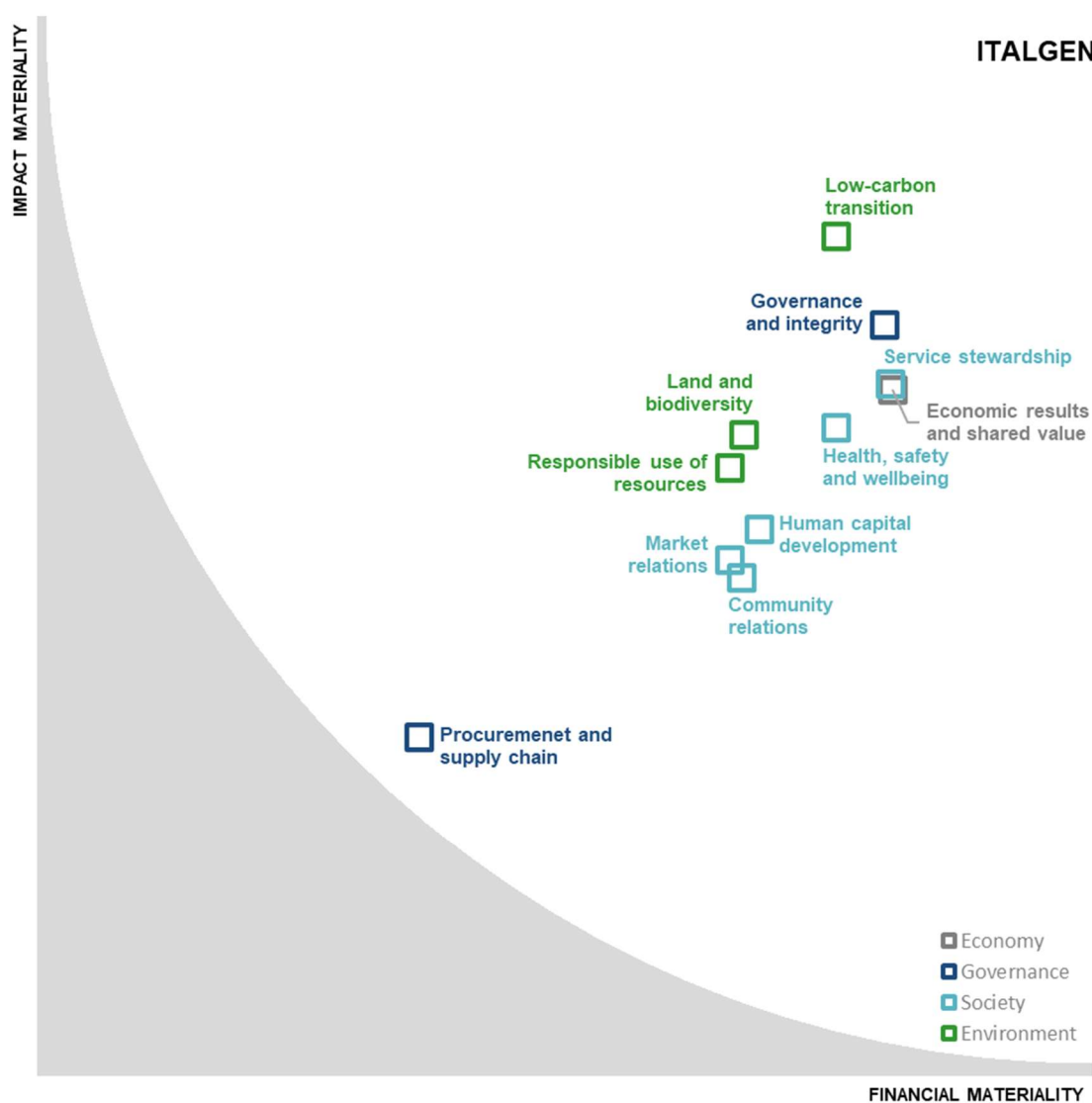
The **SDG Action Manager** analysis tool allows for effective self-assessment of progresses. The graph aside represents the contribution of Italgen towards the SDGs chosen as its strategic reference.

## MATERIALITY

Italmobiliare and Italgas recognize the sensitive aspects of the energy sector and share the key role of renewable energy in the transition to a low-carbon economy and in promoting responsible lifestyles.

In defining the sustainable strategy and related action plans, the **materiality analysis** is an effective tool to identify the governance, economic, social and environmental issues that are relevant, matching the financial relevance for the business with the relevance of the impact on the environment, the society and governance.

The materiality matrix is built by systematically evaluating risks, opportunities, positive or negative impacts, analysing all the aspects relevant for the business with the contribution of the first line of management, the majority shareholder and finally collecting the positions expressed by the most relevant stakeholders.



## GOVERNANCE

### GOVERNANCE AND INTEGRITY

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. Women participation in the Board of Directors is at 20% (1 director out of 5).

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Italgem are inspired by the highest global references and explicitly recall the Ten Principles of the **United Nations Global Compact**, and the **Women's Empowerment Principles (WEPs)**. Italgem formally joined both organizations. Through a sustainable approach aimed at creating shared value for the society and for the environment, Italgem intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Italgem adopts an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory. It is designed to limit the risk of committing specific relevant crimes. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the *whistleblowing* procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action. In addition, Italgem has defined and adopted the Anti-Corruption Guidelines.

More generally, Italgem implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG approach. The process adopted allows the identification, measurement, monitoring and management of the risks, including climate risks, and helps consolidating the Group's approach.

At the operational level, the **management systems adopted for quality and environment** represent a fundamental asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods implemented.

The quality of the sustainable governance system has been recognized by the **"Gold Medal"** certification of **Ecovadis**, one of the main ESG rating platforms, by the **Cerved** and **Cribis** ratings and also with the acknowledgement of the **Legality Rating**, received from the Competition Market Authority (AGCM) and proving the compliance with very high legality standards. Furthermore, Italgem is currently in the verification phase to obtain the **B Corp** certification.

### PROCUREMENT AND SUPPLY CHAIN

Italgem uses suppliers mainly for the construction, installation, commissioning and maintenance of mechanical, electrical and instrumental equipment for power plants, for the renovation or repair of buildings, intake and derivation works and for design and engineering consultancy activities. The supply chain involves almost exclusively national operators.

The choice of suppliers starts with gathering information on the ethical, dimensional, product and technical profile, including the necessary certifications, reserving the right to carry out direct audits. In the contract, all suppliers are required to sign the compliance clause of the Code of Ethics and the Organisation, Management and Control Model adopted by Italgem. In any case, the type and geography of the subjects involved in Italgem's value chain do not highlight specific risks of violation of human and workers' rights.

In 2022, the **Supplier Charter** was adopted, defining the principles to which the suppliers of goods or services and contractors shall align, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management and of their respective value chains. In the prequalification process all suppliers will be asked to complete an online questionnaire covering human and labour rights, respect for the environment and business integrity.

Suppliers	unit	2021	2022	2023
Number of active suppliers	#	335	389	373
Purchase of products and services		14.0	37.1	43.5
national suppliers	M€	14.0	37.1	43.5
foreign suppliers		0.0	0.0	0.0
<b>Spending on local suppliers (headquarters on national territory)</b>	%	<b>100%</b>	<b>100%</b>	<b>100%</b>

Environmental and social qualification	#	2021 %	#	2022 %	#	2023 %
Suppliers assessed during the reference year according to environmental and social criteria	--	--	--	--	10	100%

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Italgen benefits from the value of 60 specialized and motivated people. Procedures are in place for the hiring of personnel, for the post-hiring *induction* programme and for remuneration, based on a merit matrix that matches performance and benchmarks with the outside market.

In 2023, 997 hours of training were provided, covering topics well beyond legislative compliance. In addition, the activity of the Internal Academy continued with the aim of enhancing the skills and experience present in the company, sharing *know-how* at all levels and increasing the level of *engagement*, raising awareness among staff on the most important issues, both managerial and technical-operational, such as ethics, sustainability, finance, *energy management*, planning and control.

The skills, behaviours and technical knowledge acquired by the staff are also monitored as part of their performance assessment, which is carried out annually through direct interviews. Furthermore, Italgen offers executives the possibility of joining the Concreto-Previp pension fund, to which the company voluntarily contributes with a share that in 2023 represented 26% of total payments.

	2021			2022			2023		
	Donne	Uomini	Totale	Donne	Uomini	Totale	Donne	Uomini	Totale
<b>Personnel</b>	<b>4</b>	<b>64</b>	<b>68</b>	<b>4</b>	<b>61</b>	<b>65</b>	<b>5</b>	<b>55</b>	<b>60</b>
Managers	0	3	3	0	4	4	0	3	3
Middle managers	1	11	12	1	10	11	1	11	12
Office workers	3	12	15	3	11	14	4	12	16
Production workers	0	38	38	0	36	36	0	29	29
<b>Turnover</b>	<b>--</b>	<b>--</b>	<b>-3</b>	<b>--</b>	<b>--</b>	<b>-3</b>	<b>--</b>	<b>--</b>	<b>-5</b>
+ Hirings	--	--	2	--	--	2	--	--	5
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	1	--	--	0	--	--	2
- Non-voluntary exits	--	--	4	--	--	5	--	--	8
- Divestments	--	--	0	--	--	0	--	--	0
<b>% contract: permanent</b>	<b>100%</b>	<b>98%</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>% contract: full time</b>	<b>75%</b>	<b>98%</b>	<b>97%</b>	<b>75%</b>	<b>98%</b>	<b>97%</b>	<b>60%</b>	<b>100%</b>	<b>97%</b>
<b>Training</b>									
Hours per capita	20	8	8	37	20	21	19	16	17
Managers	9	4	4	0	18	18	0	39	39
Middle managers	6	12	11	66	26	30	25	28	28
Office workers	24	20	21	27	26	26	18	23	22
Production workers	0	3	3	0	17	17	0	7	7
<b>% hours of voluntary training</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>100%</b>	<b>71%</b>	<b>74%</b>
Managers	--	--	--	--	--	--	0%	100%	100%
Middle managers	--	--	--	--	--	--	100%	87%	88%
Office workers	--	--	--	--	--	--	100%	59%	68%
Production workers	--	--	--	--	--	--	0%	46%	46%
<b>% personnel with at least one training session</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>100%</b>	<b>68%</b>	<b>70%</b>
Managers	--	--	--	--	--	--	--	100%	100%
Middle managers	--	--	--	--	--	--	100%	100%	100%
Office workers	--	--	--	--	--	--	100%	93%	94%
Production workers	--	--	--	--	--	--	--	44%	44%
<b>% with performance appraisal</b>	<b>100%</b>	<b>41%</b>	<b>44%</b>	<b>100%</b>	<b>41%</b>	<b>45%</b>	<b>100%</b>	<b>49%</b>	<b>53%</b>
Managers	0%	100%	100%	0%	100%	100%	--	100%	100%
Middle managers	100%	100%	100%	100%	100%	100%	100%	91%	92%
Office workers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Production workers	0%	0%	0%	0%	0%	0%	--	0%	0%

Also thanks to the methodological support of the *WEPs Gender Gap Analysis Tool*, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2021	2022	2023
<b>Gender pay gap</b>			
<i>Difference between women's and men's average pay compared with men's average pay</i>	--	<b>-14%</b>	<b>-13%</b>
Managers	--	--	--
Middle managers	--	-26%	-17%
Office workers	--	-12%	-4%
Production workers	--	--	--

## HEALTH, SAFETY AND WELLBEING

Italgen promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. Electric shock, night work, working at a height and in isolated places, process machines with moving mechanical parts, the presence of flammable materials and the use of vehicles are the prevailing risk conditions that have been identified. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, also through the Supervisory Body, accurate analysis of accidental events, even if not serious, near-accidents and system non-conformities, and intense training activities ensure continuous improvement and correct response to emergencies. The entire workforce is covered by an occupational health and safety management system.

In line with the Sustainability Policies adopted, Italgen has developed the management method far beyond simple legislative compliance, finding a foundation in the managerial leadership that supports the motivational elements, the organisational structures and the necessary operational tools, such as risk assessment and the analysis of accidental events. The goal is to build and maintain a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivation for the achievement of more ambitious objectives.

The correct functioning of the entire management system adopted in compliance with the UNI-NAIL Guidelines is subject to annual verification by an internal audit team coordinated by an external team leader.

		2021	2022	2023
<b>Employees injuries</b>		<b>1</b>	<b>0</b>	<b>0</b>
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	0	0
<i>Other injuries</i>	<i>with absence from work for less than 180 days</i>	1	0	0
Frequency rate	number of injuries per million hours worked	8.7	0.0	0.0
Severity rate	lost days per thousand hours worked	0.20	0.00	0.00

In addition to health and safety, Italgen actively promotes psychological and physical wellbeing and work-life balance, making a range of flexible benefits available to its employees and managers. The activation of *remote working*, made structural from 2021, will allow the people involved a better work-life balance.

Lastly, it has to be noticed that since 2020 Italgen converted part of the buildings and areas of the former Villa di Serio power plant into a clubhouse with a living area, dining area, changing rooms and a large outdoor green space.

The facility allows employees more convenient access to the cycle/foot path and the exercise circuit near the headquarters, along the river Serio.

## SERVICE STEWARDSHIP

Italgen aims at the continuous improvement of service quality, in order to guarantee customer satisfaction and safety. The key elements are to supply electricity with the lowest possible carbon footprint and to guarantee production efficiency and distribution continuity and safety. This requires the constant raising of efficiency standards, thanks to technological renewal of the systems and digitalization, as in the case of advanced remote control systems. The path of requalification and modernization began in 2008 and led in 2019 to have an active system that remotely and in real time monitors 15 hydroelectric power plants, with the related intake works, from a centralized room in the operational headquarters of Villa di Serio (BG).

Technological innovation plays a fundamental role from this first phase of implementation of the automation and remote-control program of production plants. In 2022, the program continued with selective investments that have expanded, and will continue to expand in the coming years, the perimeter of remote-controlled plants, constantly improving the security and resilience of the distribution network. Over the past five years, technology platforms that can analyse signals from sensors in real time have been installed. The specialized staff, on duty 24 hours a day 7

days a week, can give commands to the remote control system for energy management adjustments and to manage any alarms or system anomalies.

The constant training of the staff, in addition to the good management practices of alert indexes has allowed to create within the company a process know-how that helps to optimize the intervention time and reduce maintenance costs, for the benefit of business continuity.

The digitalization path undertaken includes the use of drones with camera for inspections of over 300 km of power lines owned in Lombardy, looking for faults and other anomalies in areas which are difficult to access quickly and safely. A fault detection system that allows to identify with good approximation the position of a fault along the power lines was also implemented, drastically reducing the intervention time.

Thanks to the remote-control system, also in 2023 there were neither accidents or plant malfunctions that could have caused physical injury to people, nor episodes of general service interruptions. In line with 2022, 7 events affected individual distribution lines, without affecting the service as a whole, for a total of 4,205 minutes, down slightly compared to 4,992 minutes of 2022. These episodes are mainly to do with extreme weather conditions resulting in heavy storms or falling trees. Despite these episodes, the availability level of the plants remained stable, reaching a value of 99.2%.

Each site has its own Emergency Plan that details the behaviours required from the part of employees and preventive and managerial actions in case of any impact on the territory. At the dams managed there is a continuous garrison of qualified and trained personnel. The implementing rules for the control measures shall be formalised in a dedicated document.

## MARKET AND COMMUNITIES

Protecting the transparency and correctness of customer information is a guiding value for Italgen. Given that an electricity bill is a document that is not particularly easy to understand, together with the tax invoice appropriate explanatory documentation is attached that specifies all of the items that make up the total amount to be paid, their meaning and, in compliance with the law, the energy procurement mix used to supply end-users.

To ensure the protection of its customers' and users' data and to ensure compliance with the requirements of the privacy regulations, Italgen has adopted the *data protection* model of the parent company Italmobiliare. Particular attention is also paid to the continuity and protection of production data, thanks to a back-up system that duplicates all signals through two suitably configured servers. As regards the company's IT systems, a *disaster recovery* plan has been activated, which backs up the entire database on a daily basis and stores it in a place other than the primary server. From 2021, an intrusion detection system has been implemented to identify unauthorised access to computers or local networks.

In addition to business relationships, Italgen cultivates ties with the local area and local community, by promoting responsible lifestyles and initiatives to support social and cultural values.

Lastly, Italgen opens up to global transparency by making available to all stakeholders the Sustainability Report, published ever since 2019.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

The main natural resource used by Italgen is the water that passes through the turbines at its hydroelectric plants. It is a process in which water is neither consumed nor modified in its chemical and physical characteristics. The company's production and administrative structures consume limited quantities of thermal and electrical energy and well water.

	units	2021	2022	2023
Energy consumed	GJ	28,866	27,994	33,792
% renewable		98%	97%	97%
Thermal energy		669	764	890
% renewable		0%	0%	0%
Electricity		28,197	27,230	32,903
% renewable		100%	100%	100%
Thermal energy consumed	GJ	669	764	890
Heating and industrial use		83	130	159
Natural gas		0	0	0
Gas oil		83	130	159
LPG		0	0	0
Automotive		585	635	731
Diesel		533	574	632
LPG		0	0	0
Natural gas		0	0	0
Petrol		52	61	99
Electricity consumed	GJ	28,197	27,230	32,903
Electricity purchased		0	0	0
Self-produced renewable electricity		1,112,313	649,456	894,017
Hydroelectric		1,112,313	649,456	876,647
Photovoltaic		0.0	0.0	17,370
Wind		0	0	0
Self-consumption		28,197	27,230	32,903
To the grid		1,084,115	622,226	861,114
Electricity purchased and to the grid		111,658	298,371	497,676
Water withdrawal	thousands m3	6.3	5.4	5.1
from surface water		0.0	0.0	0.0
from groundwater		5.6	4.5	4.2
from an aqueduct		0.8	0.9	1.0
from freshwater		6.3	5.4	5.1
from water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		0.0	0.0	0.0
from surface water		0.0	0.0	0.0
from groundwater		0.0	0.0	0.0
from an aqueduct		0.0	0.0	0.0
Water discharge		0.8	0.9	1.0
into surface water		0.0	0.0	0.0
into sewage		0.8	0.9	1.0
in freshwater		0.8	0.9	0.0
in water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		0.0	0.0	0.0
into surface water		0.0	0.0	0.0
into sewage	0.0	0.0	0.0	
Water consumption		5.6	4.5	4.2
in water stressed areas		0.0	0.0	0.0



The operation of the plants produces limited quantities of waste. The main type of waste originates from the cleaning of waterways at the intakes by means of grids installed at the entrance to the plants to hold back the various materials carried by the current, such as wood, plants, leaves, plastic and other organic or inorganic matter, that are collected in special bins waiting to be sent for recovery or disposal according to specific procedures.

The waste generated can become a resource for other consumption or production cycles. With this awareness, the 2021-23 Strategic Plan provides for the identification of objectives for each plant relating to the share of waste sent for recovery.

Due to the specificity of the activities, waste is to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2021	2022	2023
<b>Valorisation of waste generated</b>		<b>332</b>	<b>318</b>	<b>344</b>
Hazardous waste		7	63	7
% Material recovery		92%	100%	100%
% Energy recovery or disposal	t	8%	0%	0%
Non-hazardous waste		324	256	337
% Material recovery		100%	100%	100%
% Energy recovery or disposal		0%	0%	0%

## LOW-CARBON TRANSITION

Italgen supports Italmobiliare in his commitment to company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). Building on the initiatives carried out throughout the years, in January 2024 Italgen has formalized its membership of the Science Based Target Initiative (SBTi), committing to submit shortly to the team of experts its own targets of short-term reduction, around 2030, and net-zero in 2050.

In 2023, the performance of Italgen, considered the sum of the energy produced, exclusively renewable, and that bought and resold is already in line with the evolution curve provided by the SBTi specification for the energy sector. In any case and as a guarantee for the future, Italgen's strategic plan foresees a significant growth in installed capacity of photovoltaic production, to mitigate the climate risks to which the hydroelectric sector is intrinsically exposed with decreasing rainfall trends.

Indeed, Italgen actively contributes to the low-carbon transition with hydroelectric plants in Lombardy, Piedmont and Veneto and a growing availability of photovoltaic plants. In 2023, 4 photovoltaic plants were active in Lombardy, Marche and Puglia.

Self-consumption is extremely limited and decreasing constantly thanks to the continuous updating of the structures. Full implementation of the centralised remote-control system and the progressive modernisation of the company's car pool further reduces its carbon footprint. The purchase of energy on the Power Exchange integrates contractual commitments that exceed production.

Hydroelectric and photovoltaic production sent to the grid and sold makes it possible to avoid the emission of significant quantities of greenhouse gases compared with the average output currently available on the market.

	units	2021	2022	2023	2023
<b>Carbon Footprint</b>		<b>11,148</b>	<b>27,525</b>	<b>45,942</b>	
<b>Scope 3 Upstream</b>		<b>11,101</b>	<b>27,468</b>	<b>45,879</b>	<b>99.9%</b>
1 Purchased products and services		--	--	--	--
2 Capital goods		--	--	--	--
3 Fuel-and energy-related activities		11,087	27,450	45,777	99.6%
4 Upstream transportation and distribution		--	--	--	--
5 Waste generated by the sites		14	12	14	0.0%
6 Business travel		--	6	41	0.1%
7 Employee commuting		--	--	47	0.1%
8 Upstream leased assets		--	--	--	--
<b>Scope 1</b>	<b>t CO<sub>2</sub></b>	<b>47</b>	<b>57</b>	<b>63</b>	<b>0.1%</b>
<b>Scope 2 market based</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
location based		2,796	2,504	3,025	
<b>Scope 3 Downstream</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
9 Downstream transportation and distribution		--	--	--	--
10 Processing of sold products		--	--	--	--
11 Use of sold products		--	--	--	--
12 End-of-life treatment of sold products		--	--	--	--
13 Downstream leased assets		--	--	--	--
14 Franchises		--	--	--	--
15 Investments		--	--	--	--
<b>Avoided emissions(location based)</b>		<b>110,304</b>	<b>59,714</b>	<b>82,200</b>	
From photovoltaic production	<b>t CO<sub>2</sub>e</b>	0	0	1,597	
From hydroelectric production		110,304	59,714	80,603	
<b>Carbon Intensity</b>					
Scope 1+2 market based	<b>t CO<sub>2</sub>e / M€ Revenues</b>	1.0	1.2	1.1	
Scope 1+2 market based +3		246.6	571.1	818.9	

## LAND AND BIODIVERSITY

Italgen's energy source is water, taken from the waterways Adda, Oglio, Brembo e Serio, as well as Vò, Dezzo, Povo, Cassiglio, Canalone, Stabina, Mora (Lombardy), Gesso, Vermenagna, Strona, San Giovanni, Ganna, Nivia e dai Rii Passone, Egua, Airola, Scoccia, Piana, Sanfaié e Rovale (Piedmont) e Meschio (Veneto) streams. Thanks to intake and collection works, basins and penstocks or by simple direct flow, the water reaches the hydroelectric power plants where it passes through the turbines connected to the alternators that generate electricity. The total amount of turbine water is extremely significant, but it is released immediately downstream of the plant, without being consumed or modified in its chemical and physical characteristics. The cooling circuits of the machinery lubrication oil do not come into contact with the water flowing through the turbines.

7 out of 28 hydroelectric plants are located in or near protected geographical areas. Since ever, Italgen undertakes to ensure that its plants do not alter the balance of the ecosystem in which they are located, in particular by not hindering the movements and migrations of fish fauna. The release of the ecological flow, the installation of fish ladders, the restocking of fish species in the waterways on which the power plants are located represent a concrete commitment to the protection of biodiversity. The data of the microclimatic monitoring carried out by Italgen are made available to entities, institutions and other persons upon request.

To protect against any form of unintentional spillage on the ground, the high voltage electrical transformers present in most hydroelectric power plants are placed above a tank which in the event of an emergency intercepts any leakage of dielectric oil. Similarly, all product or waste storage tanks and containment tanks are subject to periodic controls planned according to the environmental management system adopted. The oil used at the shut-off devices is contained in tanks built above ground, making it easy to detect and resolve any leaks. In addition, Italgen has identified biodegradable lubricating oils on the market, undertaking to extend their use progressively to all plants subject to revamping or plant modifications. Since 2019, there has been only one case of accidental hydraulic oil spillage, which occurred in August 2022 at the Vaprio d'Adda power plant. Prompt action by the plant's internal staff and relevant authorities allowed the containment of the leaked oil in the very first section of the outflow water return channel, before its removal with environmental remediation.

In order to contain land consumption, the 2021-23 Strategic Plan provides for systematic mapping of any abandoned or unproductive industrial areas and sites owned by Italgen, where new production activities could be installed. In 2023, construction works for the redevelopment of the former cement plant at Modugno (BA) and its quarry have been completed with the realization of a new photovoltaic park, an area of high naturalistic value and an artificial lake that can be used by the local community.



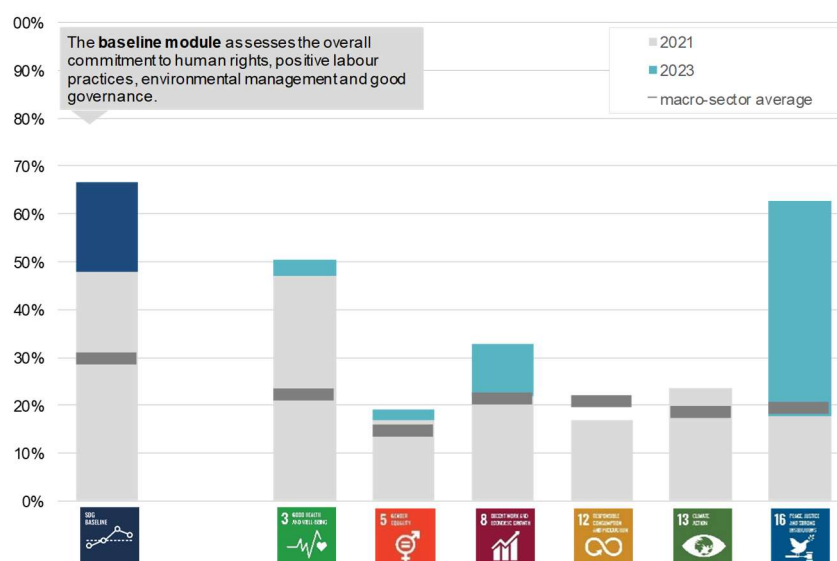
## CDS - Casa della Salute

Casa della Salute is a network of specialist clinics, diagnostics, dentists, physio-kinesitherapy, with numerous facilities in Liguria and Piedmont, with the common goal of contributing to the protection of the right to health and guaranteeing citizens a high-quality health service and short waiting lists. It has been part of the Italmobiliare Group since December 2020, as a **subsidiary with an 84,67% stake**.

### HIGHLIGHTS

	Governance and supply chain	Strategy climate	Health, safety and well-being	Gender and human capital development
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Analytical monitoring of carbon footprint and SBTi objectives.	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles and inclusive growth of competences.
<i>Status 2023</i>	 <p>Casa della Salute has obtained ISO 9001 quality certification and is in the process of becoming B Corp certified.</p>	 <p>Committed</p> <p>Casa della Salute has always used renewable electricity exclusively.</p>	<p>1</p> <p>Injury in 2023</p> <p>Commitment to ensuring a safe working environment by promoting people's mental and physical well-being must be continuous.</p>	<p>24.000+</p> <p>Training hours</p> <p>94% of voluntary training, aimed at skill growth, serving clients and patients.</p>
<i>Next challenges</i>	<p>100%</p> <p>Value chain</p> <p>aligned with the virtuous model of Casa della Salute</p>	<p>100%</p> <p>Products &amp; services</p> <p>Aligned with SBTi objectives.</p>	<p>100%</p> <p>Operational facilities</p> <p>updated to best-practice for employees and patients, including through the coordination efforts of new facility managers.</p>	<p>100%</p> <p>People</p> <p>covered by development plans aimed at growth, inclusion and gender equality.</p>

### CONTRIBUTION TO SDGs



Casa della Salute integrates the sustainable strategy of the Italmobiliare Group by adhering to the **UN Global Compact**, supporting its **Ten Principles** and actively contributing to the **Sustainable Development Goals**.

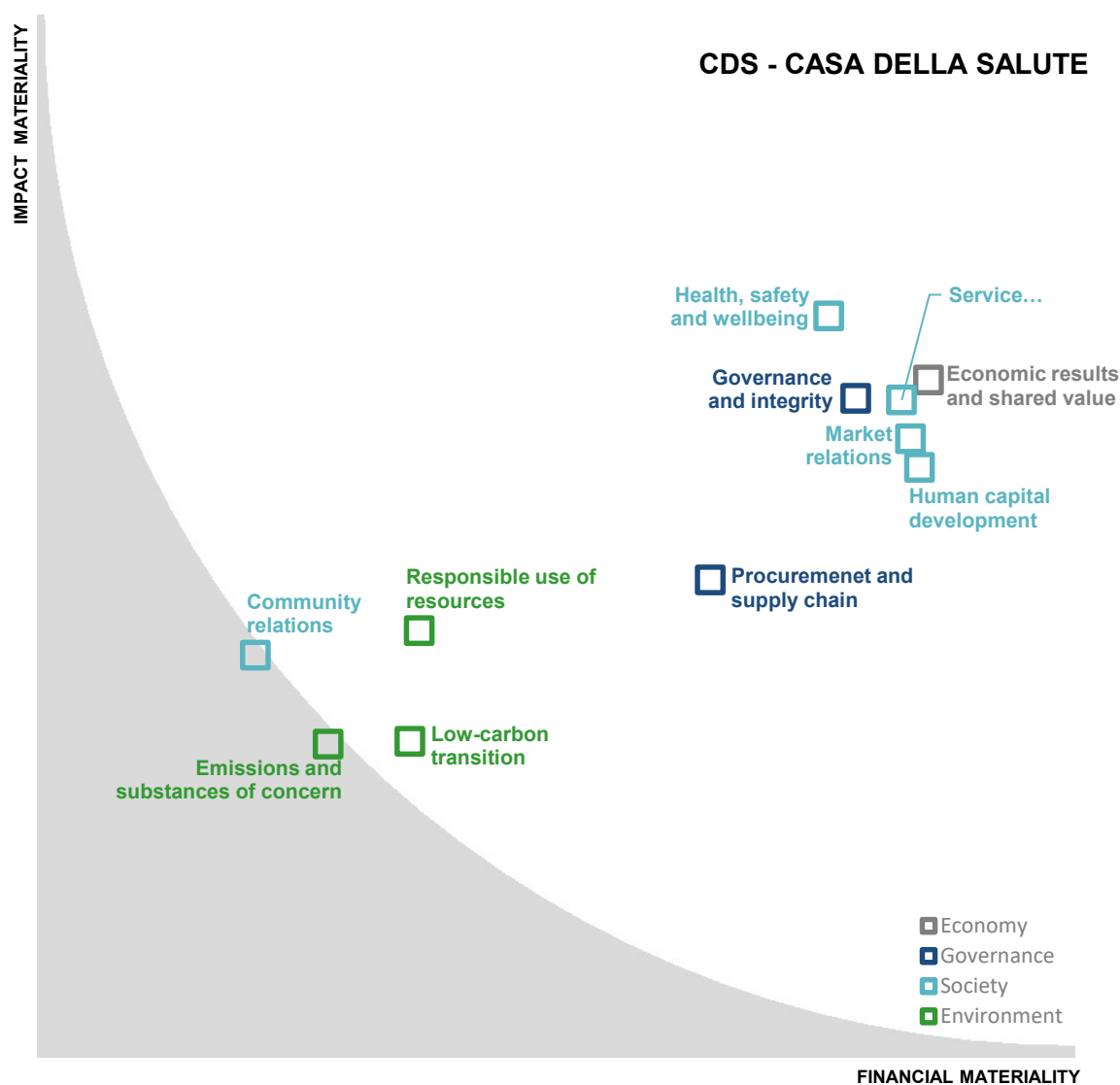
The **SDG Action Manager** analysis tool allows for effective self-assessment of progresses. The graph aside represents the contribution of Casa della Salute towards the SDGs chosen as its strategic reference.

## MATERIALITY

Italmobiliare and Casa della Salute recognize the sensitive aspects of the sector, aiming at innovative and highly digitized *healthcare*.

In defining the sustainable strategy and related action plans, the **materiality analysis** is an effective tool to identify the governance, economic, social and environmental issues that are relevant, matching the financial relevance for the business with the relevance of the impact on the environment, the society and governance.

The materiality matrix is built by systematically evaluating risks, opportunities, positive or negative impacts, analysing all the aspects relevant for the business with the contribution of the first line of management, the majority shareholder and finally collecting the positions expressed by the most relevant stakeholders.



## GOVERNANCE

### GOVERNANCE AND INTEGRITY

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. At the moment, there is no women participation in the Board of Directors is 29% (2 directors out of 7).

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Casa della Salute are inspired by the highest global references and explicitly recall the Ten Principles of the **United Nations Global Compact**, which Casa della Salute joined, and the **Women's Empowerment Principles (WEPs)**. Through a sustainable approach aimed at creating shared value for the society and for the environment, Casa della Salute intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Casa della Salute adopts an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory. It is designed to limit the risk of committing specific relevant crimes. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Casa della Salute implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks, including climate risks, and helps consolidating the Group's approach.

At the operational level, the **quality management system** represents an additional asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

The quality of the sustainable governance system has been recognized with the acknowledgement of the **Legality Rating** received from the Competition Market Authority (AGCM), proving the compliance with very high legality standards. Furthermore, Casa della Salute is currently in the verification phase to obtain the **B Corp** certification

### PROCUREMENT AND SUPPLY CHAIN

Casa della Salute's supply chain includes suppliers of medical-surgical devices, diagnostic systems (managed on the basis of global service contracts), IT solutions and maintenance, cleaning and sanitizing services for the premises.

In the selection process, in addition to the quality and safety requirements of the products, offers are preferentially evaluated that guarantee supply conditions and timing that align with the company targets. With the same technical requirements, interaction with realities rooted in the area is also preferred. At present, the environmental and social criteria evaluated during the selection process concern the presence of environmental certifications for consumables and data security certifications for IT solutions. Scientific partnerships are active with *imaging* equipment suppliers for testing and improving solutions.

In 2022, the **Supplier Charter** was adopted, defining the principles to which the suppliers of goods or services and contractors shall align, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management and of their respective value chains. In the prequalification process all suppliers will be asked to complete an online questionnaire covering human and labour rights, respect for the environment and business integrity.

Suppliers	unit	2021	2022	2023
Number of active suppliers	#	1,121	739	788
Purchase of products and services		32.4	38.1	38.6
national suppliers	M€	32.3	37.8	38.3
foreign suppliers		0.1	0.3	0.3
<b>Spending on local suppliers (headquarters on national territory)</b>	%	<b>100%</b>	<b>99%</b>	<b>99%</b>

Environmental and social qualification	#	2021 %	#	2022 %	#	2023 %
Suppliers assessed during the reference year according to environmental and social criteria	--	--	--	--	23	100%

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

For Casa della Salute, making use of competent and qualified collaborators is an essential condition for the success of the company, which is constantly growing. At the end of 2023, the staff of Casa della Salute numbered 418 motivated and specialized people. 29% of managerial positions are occupied by women. Furthermore, in line with the sector specificity, the use of non-employees was significant. In 2023, there were 759 self-employed workers and interns, largely represented by specialized and loyal medical personnel.

The dialogue with the social partners, even in the absence of trade unions, flows in an open and constructive way, ensuring the protection of the health of workers and the continuity of the service and supporting the provision an intense training program at all levels, in the classroom and in the field. A week of intensive training is provided for the call center and acceptance personnel, carried out by the heads of the *business units* and the main company functions, aimed at providing a transversal knowledge of the activities and procedures of Casa della Salute, followed by a period of coaching *on-the-job* of at least three weeks. For technical professionals, the theoretical training relating to the management of equipment and *on-the-job* takes place alongside the staff in force at the clinics, for a duration of not less than three weeks. In order to allow for adequate organizational flexibility, the laboratory technicians are prepared to use all the equipment in use at the centers. The people involved in administrative activities follow a similar path to that of the technical figures. Continuing training is provided following the induction period, planned on the basis of the needs of the *business units*.

In 2023, a system to evaluate performance and to verify individual objectives was formalized with the aim to better support remuneration policies, training and the identification of professional growth opportunities. The employee opinion survey has the same purpose. During 2024, a new functional unit called People Empowerment will be established, with the aim of creating value and attracting, developing and retaining talent in the company.

In terms of welfare, employees enjoy free health insurance and discounts on services provided by Casa della Salute for themselves and for first-degree relatives.

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>	<b>159</b>	<b>46</b>	<b>205</b>	<b>237</b>	<b>59</b>	<b>296</b>	<b>337</b>	<b>81</b>	<b>418</b>
Managers	0	0	0	0	0	0	0	6	6
Middle managers	5	6	11	6	12	18	6	9	15
Office workers	145	33	178	215	39	254	312	63	375
Production workers	9	7	16	16	8	24	19	3	22
<b>Turnover</b>	<b>--</b>	<b>--</b>	<b>85</b>	<b>--</b>	<b>--</b>	<b>91</b>	<b>--</b>	<b>--</b>	<b>122</b>
+ Hirings	--	--	129	--	--	129	--	--	170
+ Acquisitions	--	--	3	--	--	39	--	--	7
- Voluntary exits	--	--	21	--	--	40	--	--	43
- Non-voluntary exits	--	--	26	--	--	37	--	--	12
- Divestments	--	--	0	--	--	0	--	--	0
<b>% contract: permanent</b>	<b>69%</b>	<b>85%</b>	<b>72%</b>	<b>83%</b>	<b>85%</b>	<b>83%</b>	<b>82%</b>	<b>93%</b>	<b>84%</b>
<b>% contract: full time</b>	<b>41%</b>	<b>80%</b>	<b>50%</b>	<b>36%</b>	<b>83%</b>	<b>45%</b>	<b>36%</b>	<b>88%</b>	<b>46%</b>
<b>Training</b>									
Hours per capita	72	118	83	68	49	64	61	44	58
Managers	0	0	0	0	0	0	0	5	5
Middle managers	6	5	6	11	34	26	30	31	31
Office workers	77	158	92	74	59	71	65	51	62
Production workers	28	29	28	20	18	20	13	0	11
<b>% hours of voluntary training</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>93%</b>	<b>97%</b>	<b>94%</b>
Managers	--	--	--	--	--	--	0%	100%	100%
Middle managers	--	--	--	--	--	--	87%	100%	95%
Office workers	--	--	--	--	--	--	93%	97%	94%
Production workers	--	--	--	--	--	--	93%	0%	93%
<b>% with at least one training session</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>65%</b>	<b>62%</b>	<b>64%</b>
Managers	--	--	--	--	--	--	--	67%	67%
Middle managers	--	--	--	--	--	--	71%	58%	63%
Office workers	--	--	--	--	--	--	67%	65%	67%
Production workers	--	--	--	--	--	--	31%	0%	28%
<b>% with performance appraisal</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>98%</b>	<b>95%</b>	<b>98%</b>	<b>21%</b>	<b>7%</b>	<b>19%</b>
Managers	0%	0%	0%	0%	0%	0%	0%	0%	0%
Middle managers	0%	0%	0%	100%	100%	100%	0%	0%	0%
Office workers	0%	0%	0%	99%	95%	98%	22%	10%	20%
Production workers	0%	0%	0%	94%	88%	92%	21%	0%	18%

Also thanks to the methodological support of the *WEPs Gender Gap Analysis Tool*, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2021	2022	2023
<b>Gender pay gap</b>			
Difference between women's and men's average pay compared with men's average pay	--	-31%	-41%
Managers	--	--	--
Middle managers	--	-38%	-21%
Office workers	--	-15%	-26%
Production workers	--	-17%	-34%



## HEALTH, SAFETY AND WELLBEING

Casa della Salute promotes the health, safety and well-being of all employees and collaborators, including companies, suppliers, visitors, patients and the local community in the approach.

The management adopted is in line with the applicable national regulations, starting with a solid risk assessment, periodically updated with the support of qualified third parties. The main source of risk for workers is the potential malfunction of medical systems and equipment, which are subject to an intense program of periodic checks and maintenance. A dedicated internal structure, the presence of the doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the reference organization. The preventive reporting by everyone of anomalous or risk conditions, the accurate analysis of accidental events, even if not serious, and adequate training support continuous improvement. It should be noted the adoption of a radiation protection program with a higher profile than the regulatory classification of radio-exposed workers and a *ticketing* system that allows you to report risk situations due to the state of surfaces or furnishings and to request maintenance. The entire workforce is covered by an occupational health and safety management system.

In line with the Sustainability Policies adopted, Casa della Salute aims to continuously evolve safety management, starting from management leadership to support a motivational, organizational and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

		2021	2022	2023
<b>Employees injuries</b>		<b>0</b>	<b>1</b>	<b>1</b>
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	0	0
<i>Other injuries</i>	<i>with absence from work for less than 180 days</i>	0	1	1
Frequency rate	number of injuries per million hours worked	0,0	2,6	1,8
Severity rate	lost days per thousand hours worked	0,00	0,03	0,02

\* The injuries recording in 2023 was due to impact/fall.

## SERVICE STEWARDSHIP

The offer of a high quality and accessible health service is based on the Vision and Mission of Casa della Salute. In order to allow a timely and regular assessment of patient satisfaction, with a view to continuous improvement, from 2021 a Mystery Client system is operational, managed by a private investigation company, which carries out the entire cycle of care undercover, providing monthly monitoring of the quality of patient acceptance and management and of the punctuality and courtesy of professionals. Customer satisfaction is a strategic element for Casa della Salute, evaluated also with public questionnaires to be filled after the provision of the service.

Following the increase in activity and the expansion of the specialties covered by Casa della Salute in recent years, starting from 2022 a formalization and standardization of the intervention models and reporting processes has been initiated, in order to combine objectives of effectiveness and efficiency.

Technological innovation is a key element in providing patients with high quality services at a low cost. Thanks to strategic partnerships with leading manufacturers of non-invasive *imaging* and diagnostic solutions, Casa della Salute benefits from the best technologies available and actively contributes to equipment testing and improvement activities.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

Casa della Salute uses drugs, medical-surgical aids, health protection devices and other consumables. Water withdrawals are carried out for the operation of magnetic resonance systems or hygienic-sanitary purposes and are of modest entity. Similarly, the discharges affect only domestic wastewater.

	units	2021	2022	2023
<b>Energy consumed</b>		<b>5,298</b>	<b>8,954</b>	<b>12,137</b>
% renewable		90%	89%	88%
Thermal energy	GJ	536	984	1,482
% renewable		0%	0%	0%
Electricity		4,762	7,970	10,655
% renewable		100%	100%	100%
<b>Thermal energy consumed</b>		<b>536</b>	<b>984</b>	<b>1.482</b>
Heating and industrial use		0	7	142
Natural gas		0	7	142
Gas oil		0	0	0
LPG	GJ	--	--	0
Automotive		536	977	1,340
Diesel		464	726	887
LPG		0	0	0
Natural gas		0	0	0
Petrol		72	251	453
<b>Electricity consumed</b>		<b>4,762</b>	<b>7,970</b>	<b>10,655</b>
Electricity purchased		4,762	7,970	10,655
Without guarantee of origin		0	0	0
Renewable with guarantee of origin		4,762	7,970	10,655
Hydroelectric		--	--	10,655
Photovoltaic		--	--	0
Wind	GJ	--	--	0
Other renewable source		--	--	0
Self-produced renewable electricity		0	0	0
Hydroelectric		--	--	0
Photovoltaic		--	--	0
Wind		--	--	0
Self-consumption		--	--	0
To the grid		0	0	0
<b>Water withdrawal</b>		<b>5.0</b>	<b>6.8</b>	<b>5.0</b>
from surface water		0.0	0.0	0.0
from groundwater		0.0	0.0	0.0
from an aqueduct		5.0	6.8	5.0
from freshwater		5.0	6.8	5.0
from water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		0.0	0.0	0.0
from surface water		0.0	0.0	0.0
from groundwater		0.0	0.0	0.0
from an aqueduct		0.0	0.0	0.0
<b>Water discharge</b>	thousands m3	<b>5.0</b>	<b>6.8</b>	<b>5.0</b>
into surface water		0.0	0.0	0.0
into sewage		5.0	6.8	5.0
in freshwater		0.0	0.0	0.0
in water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		0.0	0.0	0.0
into surface water		0.0	0.0	0.0
into sewage		0.0	0.0	0.0
<b>Water consumption</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
in water stressed areas		0.0	0.0	0.0

Healthcare activities generate hazardous and non-hazardous waste with infectious risk, which are managed according to a specific procedure and entrusted to a specialized company with the aim of maximizing the chances of recovery. Administrative activities also generate solid municipal waste, sorted on site and collected by local waste companies.

	units	2021	2022	2023
<b>Valorisation of waste generated</b>		<b>15</b>	<b>17</b>	<b>27</b>
Hazardous waste		15	16	21
% Material recovery		100%	99%	95%
% Energy recovery or disposal	t	0%	1%	5%
Non-hazardous waste		0	1	6
% Material recovery		0%	96%	97%
% Energy recovery or disposal		100%	4%	3%

## LOW-CARBON TRANSITION

Casa della Salute supports Italmobiliare in his commitment to company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). Building on the initiatives carried out throughout the years, in January 2024 Casa della Salute has formalized its membership of the Science Based Target Initiative (SBTi), committing to submit shortly to the team of experts its own targets of short-term reduction, around 2030, and net-zero in 2050. Casa della Salute is committed to mitigating the climate-altering effects of its activity along the entire value chain. Supplier selection and engagement, energy efficiency, logistics optimization and employee commuting are the areas of greatest attention. Direct emissions of Casa della Salute are limited to the operation of the small company fleet and two ChiroTherapic facilities acquired in February 2023, which are currently gas-heated. All other facilities use only renewable electricity.


	units	2021	2022	2023	2023
<b>Carbon Footprint</b>		<b>671</b>	<b>2,080</b>	<b>3,260</b>	
<b>Scope 3 Upstream</b>		<b>529</b>	<b>2,008</b>	<b>3,112</b>	<b>95.5%</b>
1 Purchased products and services		474	1,788	2,507	76.9%
2 Capital goods		3	13	18	0.5%
3 Fuel-and energy-related activities		9	18	28	0.8%
4 Upstream transportation and distribution		42	158	221	6.8%
5 Waste generated by the sites		0	0	1	0.0%
6 Business travel		--	31	37	1.1%
7 Employee commuting		--	--	300	9.2%
8 Upstream leased assets		--	--	--	--
<b>Scope 1</b>	t CO <sub>2</sub>	<b>142</b>	<b>72</b>	<b>148</b>	<b>4.5%</b>
<b>Scope 2 market based</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
location based		472	733	980	
<b>Scope 3 Downstream</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
9 Downstream transportation and distribution		--	--	--	--
10 Processing of sold products		--	--	--	--
11 Use of sold products		--	--	--	--
12 End-of-life treatment of sold products		--	--	--	--
13 Downstream leased assets		--	--	--	--
14 Franchises		--	--	--	--
15 Investments		--	--	--	--
<b>Carbon Intensity</b>					
Scope 1+2 market based	t CO <sub>2</sub> e / M€ Revenues	5.5	2.3	3.5	
Scope 1+2 market based +3		25.9	65.6	76.5	



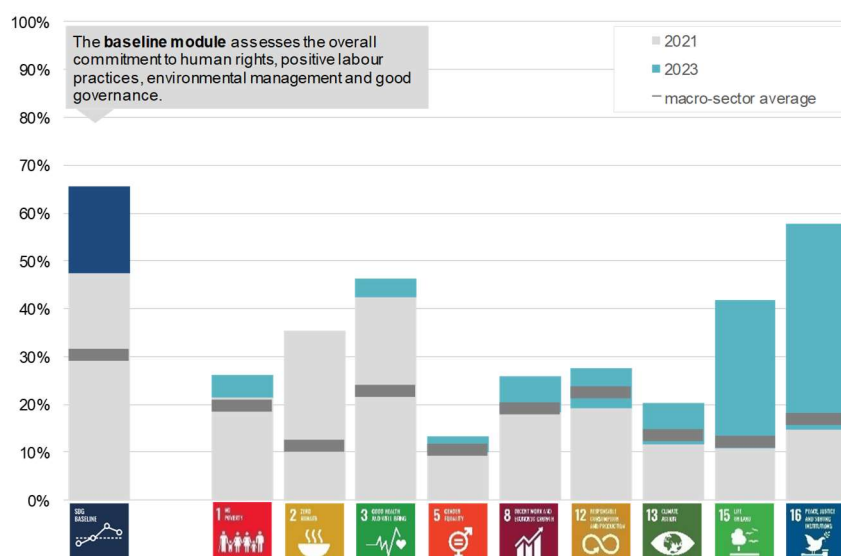
## Capitelli

Capitelli, which was founded in 1976 in Borgonovo Val Tidone (Piacenza), produces premium-range cooked ham. It is characterised by a careful choice of meats of selected origin and an original craft process, which make it a sought-after, niche product positioned among Italy's food excellences. It has been part of Italmobiliare Group since December 2019, as a **subsidiary with an 80% stake**.

### HIGHLIGHTS

	Governance and supply chain	Strategy climate	Health, safety and well-being	Gender and human capital development
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Analytical monitoring of carbon footprint and SBTi objectives.	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles and inclusive growth of competences.
<i>Status 2023</i>	 <p>Ottenuta la certificazione International Food Standard, un altro passo nella creazione della Filiera Capitelli.</p>	 <p>Committed</p> <p>Since 2022, Capitelli has used only renewable electricity, partly self-produced.</p>	<p><b>+1</b></p> <p>Injures vs 2022</p> <p>The data, though not positive, further fuels efforts towards the goal of zero accidents.</p>	<p><b>~350</b></p> <p>Training hours</p> <p>42% of voluntary training, aimed at skill development, for a product of excellence.</p>
<i>Next challenges</i>	<p><b>100%</b></p> <p>Value chain</p> <p>aligned with Capitelli's model.</p>	<p><b>100%</b></p> <p>Activities &amp; Products</p> <p>Aligned with SBTi objectives.</p>	<p><b>100%</b></p> <p>Facilities</p> <p>updated to production and administrative best-practice.</p>	<p><b>100%</b></p> <p>People</p> <p>covered by development plans aimed at growth, inclusion and gender equality.</p>

### CONTRIBUTION TO SDGs



Capitelli integrates the sustainable strategy of the Italmobiliare Group by adhering to the **UN Global Compact**, supporting its **Ten Principles** and actively contributing to the **Sustainable Development Goals**.

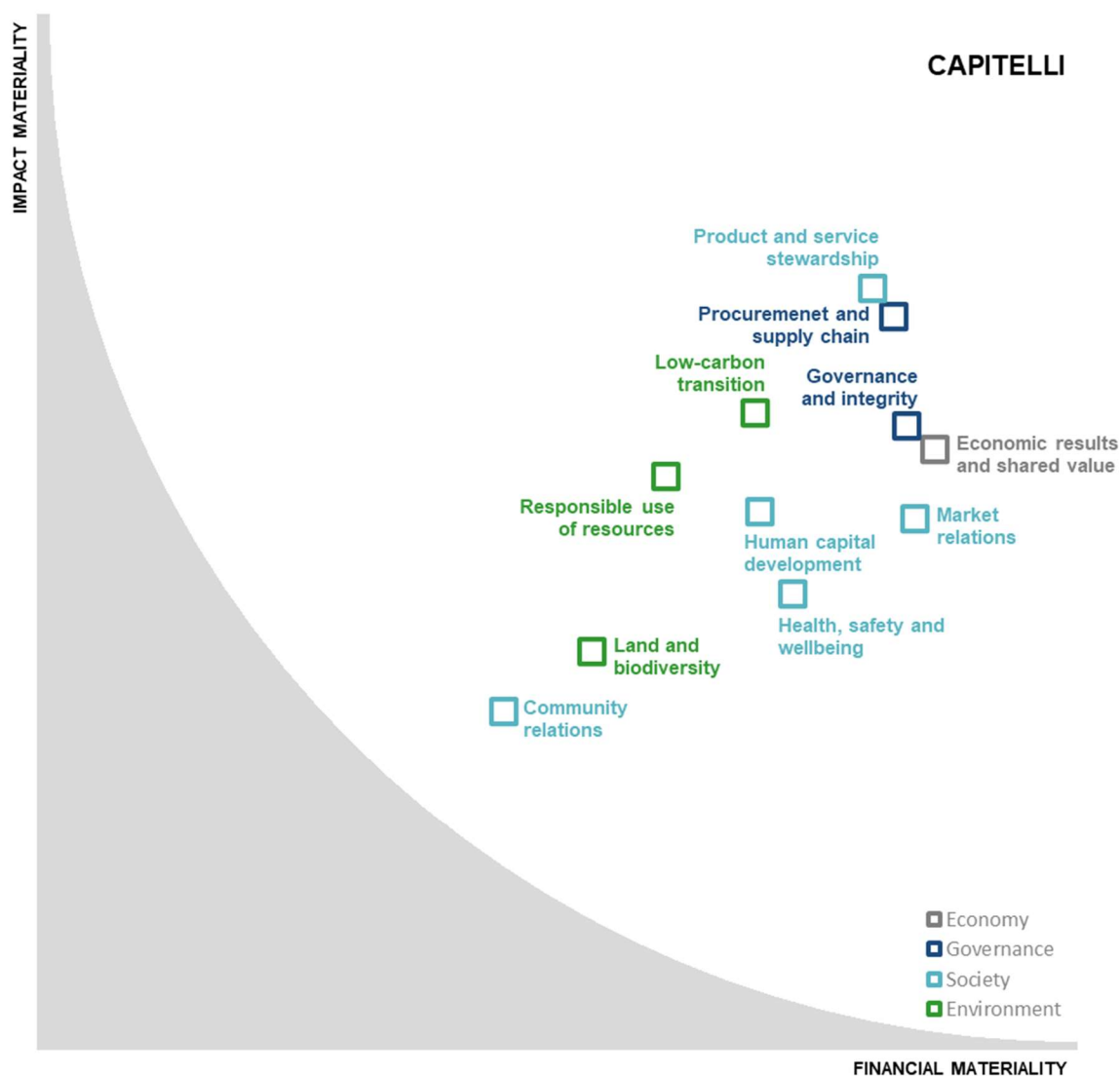
The **SDG Action Manager** analysis tool allows for effective self-assessment of progresses. The graph aside represents the contribution of Capitelli towards the SDGs chosen as its strategic reference.

## MATERIALITY

Italmobiliare and Capitelli recognize the sensitive aspects of the animal-based commodity sector. In particular, the sector highlights important issues for the sustainable success of the business, economic, social and environmental issues, which cover the entire value cycle, from the procurement of raw materials to the promotion of responsible consumption.

In defining the sustainable strategy and related action plans, the **materiality analysis** is an effective tool to identify the governance, economic, social and environmental issues that are relevant, matching the financial relevance for the business with the relevance of the impact on the environment, the society and governance.

The materiality matrix is built by systematically evaluating risks, opportunities, positive or negative impacts, analysing all the aspects relevant for the business with the contribution of the first line of management, the majority shareholder and finally collecting the positions expressed by the most relevant stakeholders.



## GOVERNANCE

### GOVERNANCE AND INTEGRITY

The composition and management of the governance bodies, starting with the Board of Directors, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. At the moment, there is no women participation in the Board of Directors (3 directors).

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Casa della Salute are inspired by the highest global references and explicitly recall the Ten Principles of the **United Nations Global Compact**, which Capitelli joined, and the **Women's Empowerment Principles (WEPs)**. Through a sustainable approach aimed at creating shared value for the society and for the environment, Capitelli intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Capitelli adopts an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory. It is designed to limit the risk of committing specific relevant crimes. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the *whistleblowing* procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Capitelli implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks, including climate risks, and helps consolidating the Group's approach.

At the operational level, the **food security management systems** represents an additional asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

### PROCUREMENT AND SUPPLY CHAIN

The procurement of quality pork constitutes over 60% of Capitelli's total spending, buying largely from national suppliers, chosen on the basis of quality and certified food safety standards.

In 2022, the **Supplier Charter** was adopted, defining the principles to which the suppliers of goods or services and contractors shall align, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management and of their respective value chains. In the prequalification process all suppliers will be asked to complete an online questionnaire covering human and labour rights, respect for the environment and business integrity.

Suppliers of packaging and subsidiary materials are called upon to respect high environmental standards and are assessed in a preferential manner on the basis of the possession of relevant certifications.

Starting from 2020 the "Filiera Capitelli" project was launched in. In 2022, the **"Filiera Capitelli" Policy** was defined, with which Capitelli shares the highest ethical, social, environmental and animal welfare standards with all partners along the value chain, guaranteeing qualitative excellence and respect for the most advanced food safety standards. To this end, Capitelli intends to guide the active commitment of each partner with training, managerial and economic support, all essential conditions for obtaining a raw material that meets the quality standards sought for premium-range products. Thanks to this approach, Capitelli also intends to mitigate the dependence of farmers on consolidated market logics which require the adaptation of the offer to the trend in price lists, in favour of direct negotiation between the processing company, the farmers and the slaughterhouses. At the end of 2023 the **Supply Chain Disciplinary** has been defined, on the basis of which partners will increasingly be engaged.

Suppliers	unit	2021	2022	2023
Number of active suppliers	#	434	396	353
Purchase of products and services		11.1	15.9	17.2
national suppliers	M€	11.1	15.7	17.1
foreign suppliers		0.0	0.2	0.1
<b>Spending on local suppliers (headquarters on national territory)</b>	%	<b>100%</b>	<b>99%</b>	<b>99%</b>

Environmental and social qualification	#	2021 %	#	2022 %	#	2023 %
Suppliers assessed during the reference year according to environmental and social criteria	--	--	--	--	68	65%

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Capitelli benefits from the value of 42 specialized and motivated people, by choice mainly from the local area, including a fair number of non-EU citizens. A significant use of non-employee workers was made. In 2023, they were 107, mostly agents.

Since 2021, an organic review of the corporate organization model was carried out, which saw a formalization of internal functions and responsibilities, the enhancement of female figures, and the definition of the main internal procedures in conjunction with the renewal of company information systems.

At the same time, the training offer was expanded with the inclusion of *digital skill* courses preparatory to the use of new IT applications and a specific path on food safety as part of the certification process according to IFS - International Food Standard, edited from the Catholic University - Piacenza site.

An incentive system is active, anchored to an assessment of performance at company, function / area and individual level. The results obtained by the figures with organizational responsibilities include qualitative parameters regarding food safety and sustainability, based on a model which is currently under development and formalization.

The teleworking methods introduced for administrative functions in 2020 were confirmed in 2023 as a flexibility tool, accompanied by the provision of welfare initiatives.

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>	<b>12</b>	<b>35</b>	<b>47</b>	<b>11</b>	<b>34</b>	<b>45</b>	<b>9</b>	<b>33</b>	<b>42</b>
Managers	0	1	1	0	1	1	0	1	1
Middle managers	0	0	0	0	0	0	0	1	1
Office workers	8	3	11	8	3	11	9	3	12
Production workers	4	31	35	3	30	33	0	28	28
<b>Turnover</b>	<b>--</b>	<b>--</b>	<b>-3</b>	<b>--</b>	<b>--</b>	<b>-2</b>	<b>--</b>	<b>--</b>	<b>-3</b>
+ Hirings	--	--	2	--	--	8	--	--	6
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	0	--	--	1	--	--	2
- Non-voluntary exits	--	--	5	--	--	9	--	--	7
- Divestments	--	--	0	--	--	0	--	--	0
<b>% contract: permanent</b>	<b>58%</b>	<b>69%</b>	<b>66%</b>	<b>73%</b>	<b>74%</b>	<b>73%</b>	<b>100%</b>	<b>79%</b>	<b>83%</b>
<b>% contract: full time</b>	<b>42%</b>	<b>74%</b>	<b>66%</b>	<b>45%</b>	<b>79%</b>	<b>71%</b>	<b>67%</b>	<b>85%</b>	<b>81%</b>
<b>Training</b>									
Hours per capita	23	4	9	17	21	20	11	7	8
Managers	0	0	0	0	13	13	0	17	17
Middle managers	0	0	0	0	0	0	0	22	22
Office workers	34	30	33	23	54	31	11	5	10
Production workers	0	2	2	0	18	17	0	7	7
<b>% hours of voluntary training</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>75%</b>	<b>29%</b>	<b>42%</b>
Managers	--	--	--	--	--	--	0%	100%	100%
Middle managers	--	--	--	--	--	--	0%	70%	70%
Office workers	--	--	--	--	--	--	75%	86%	76%
Production workers	--	--	--	--	--	--	0%	13%	13%
<b>% with at least one training session</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>75%</b>	<b>79%</b>	<b>78%</b>
Managers	--	--	--	--	--	--	--	100%	100%
Middle managers	--	--	--	--	--	--	--	100%	100%
Office workers	--	--	--	--	--	--	100%	100%	100%
Production workers	--	--	--	--	--	--	0%	76%	69%
<b>% with performance appraisal</b>	<b>67%</b>	<b>83%</b>	<b>79%</b>	<b>73%</b>	<b>82%</b>	<b>80%</b>	<b>100%</b>	<b>85%</b>	<b>88%</b>
Managers	0%	100%	100%	0%	100%	100%	0%	100%	100%
Middle managers	0%	0%	0%	0%	0%	0%	0%	100%	100%
Office workers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Production workers	0%	81%	71%	0%	80%	73%	0%	82%	82%

Also thanks to the methodological support of the *WEPs Gender Gap Analysis Tool*, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2021	2022	2023
<b>Gender pay gap</b>			
Difference between women's and men's average pay compared with men's average pay	--	<b>-10%</b>	<b>-28%</b>
Managers	--	--	--
Middle managers	--	--	--
Office workers	--	<b>-18%</b>	<b>5%</b>
Production workers	--	--	--



## HEALTH, SAFETY AND WELLBEING

Capitelli promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The use of cutting tools, potentially slippery surfaces, interaction between people and moving vehicles and process machines with moving mechanical parts are the prevailing risk conditions identified. A dedicated internal structure, the presence of the company doctor and the formal involvement of the social partners constitute the reference organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

In line with the Sustainability Policies adopted, Capitelli intends to develop the management method, finding a foundation in the managerial leadership that supports the motivational elements, the organisational structures and the necessary operational tools, such as risk assessment and the analysis of accidental events. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

		2021	2022	2023
<b>Employees injuries</b>		<b>1</b>	<b>1</b>	<b>2</b>
<i>Fatalities</i>		0	0	0
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	0	0	0
<i>Other injuries</i>	<i>with absence from work for less than 180 days</i>	1	1	2
Frequency rate	number of injuries per million hours worked	16.9	16.5	33.8
Severity rate	lost days per thousand hours worked	0.30	0.10	1.05

The 2 injuries recorded in 2023 were due to impact/falls (1) and cuts or superficial wounds (1).

In order to improve well-being, a reorganization of the office spaces has begun and construction work is scheduled for the expansion of the changing rooms

## PRODUCT AND SERVICE STEWARDSHIP

The ultimate goal of Capitelli's entire business is quality excellence, repeatedly appreciated by the market. Also in 2023, the "San Giovanni" cooked ham was confirmed with the assignment of five pins by the Guide to Salumi d'Italia de L'Espresso, the only cooked ham in Italy to obtain this result since the first edition. These awards are the result of careful research conducted in the field since the foundation of the company by Angelo Capitelli, starting from the rediscovery of traditional processing methods to pursue a progressive refinement of the individual phases.

The sustainable value of the products arises from the supply chain, with responsible choices for procurement that will be further consolidated with the full implementation of the "Capitelli Supply Chain". It continues with initiatives aimed at reducing the environmental footprint of production, from renewable energy to the search for business partners for the enhancement of processing waste. In addition, thanks to the close relationship with suppliers, Capitelli monitors the technological opportunities for the introduction of recycled and recyclable packaging and subsidiary materials.

For Capitelli, the pursuit of qualitative excellence is inextricably combined with compliance with the highest food safety standards.

The main suppliers of pork used by the company have certifications in the field of food safety (BRC / IFS). Capitelli obtained in 2023 certification in accordance with the IFS standard – International Food Standard and planned the necessary adjustments. Compliance with the HACCP system of the individual processing stages carried out in the plant is ensured by analytical plans for controlling the physical, chemical and biological characteristics of the meat and by the bimonthly carrying out of sample analyzes on the finished product by an external analysis laboratory. Furthermore, every two months, analyzes are carried out on incoming meat samples and swabs on processing surfaces, cold rooms and technical equipment. For the "San Giovanni" terracotta line, an additional analysis of sample units for the search for bacteria and pathogens is also provided on a six-monthly basis, as well as checks

for determining the nitrite and nitrate content. The pork legs are subjected to pasteurization, ensuring a better shelf life.

In addition to direct production, for a marginal portion of its business volume, Capitelli distributes national cured meats made by selected producers and with the highest guarantees of quality and food safety.

The company actively participates in the audits carried out periodically by large-scale distribution chains, whose specific evaluation parameters are integrated from time to time into the HACCP self-control protocol. In order to ensure greater control of the distribution phase, the company has introduced a digital system that allows timely tracking of batches.

## MARKET AND COMMUNITIES

Capitelli adopts the utmost transparency criteria in product communication, to allow its customers and the end consumer to appreciate its distinctive characteristics and to promote responsible consumption. In addition to the mandatory information on the product label, the company website provides additional elements, such as nutritional values, ingredients and origin of raw materials, any allergens, packaging materials, advice for use and storage methods.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

In addition to pork legs, Capitelli consumes packaging materials, during cooking and pasteurisation, as well as during moulding and packing. Trimmings, bones, fat and gelatine are entrusted to specialist operators for direct commercial use or for transformation into animal feed, for the chemical industry, for the production of biofuels and for the production of fertilizers.

The water from internal wells is mainly consumed in the daily sanitation of facilities. However, Capitelli is aware of the significant water footprint of its supply chain.

	units	2021	2022	2023
<b>Raw materials, semifinished goods and ancillaries</b>		<b>2,003</b>	<b>2,044</b>	<b>2,119</b>
Renewable		1,906	1,951	2,115
% from recycling	t	0%	0%	0%
Non-renewable		97	93	4
% from recycling		0%	0%	0%
<b>Packaging materials</b>		<b>94</b>	<b>95</b>	<b>101</b>
Renewable		76	78	84
% from recycling	t	70%	70%	100%
Non-renewable		19	17	17
% from recycling		8%	6%	5%

	units	2021	2022	2023
<b>Raw materials</b>		<b>2,003</b>	<b>2,044</b>	<b>2,119</b>
Pork meat		1,906	1,951	2,017
Other ingredients		97	93	97
<b>Packaging</b>	t	<b>94</b>	<b>95</b>	<b>101</b>
Aluminium		2	1	1
Cardboard		76	78	84
Plastic		16	16	16

For the “out of mould” cooking and pasteurisation of the legs, bags made of temperature-resistant polymeric materials are required, currently available only in virgin material and not recyclable except as energy recovery.

Agreements with suppliers envisage introducing products with recycled content by 2025. Capitelli's finished products are packaged in bags made of poly laminates in virgin materials, which can be sent for material recovery after differentiation or for energy recovery. The packaged products are delivered to the carrier in FSC MIX certified cardboard packaging, i.e. partially recycled and completely recyclable.

In 2023 almost 6000 tons of waste were sent for valorisation. In any case, the remainder is sent to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2021	2022	2023
<b>Valorisation of waste generated</b>		<b>335</b>	<b>264</b>	<b>847</b>
Hazardous waste		0	0	0
% Material recovery		--	--	--
% Energy recovery or disposal	t	--	--	--
Non-hazardous waste		335	264	847
% Material recovery		0%	0%	81%
% Energy recovery or disposal		100%	100%	19%

	units	2021	2022	2023
<b>Energy consumed</b>		<b>10,522</b>	<b>9,677</b>	<b>9,365</b>
% renewable		7%	42%	42%
Thermal energy	GJ	6,754	5,618	5,432
% renewable		0%	0%	0%
Electricity		3,768	4,059	3,933
% renewable		19%	100%	100%
<b>Thermal energy consumed</b>		<b>6,754</b>	<b>5,618</b>	<b>5,432</b>
Heating and industrial use		6,184	5,021	5,164
Natural gas		6,184	5,021	1,638
Gas oil		0	0	0
LPG	GJ	0	0	3,527
Automotive		569	556	268
Diesel		569	544	246
LPG		0	0	0
Natural gas		0	41	0
Petrol		0	12	22
<b>Electricity consumed</b>		<b>3,768</b>	<b>4,059</b>	<b>3,933</b>
Electricity purchased		3,047	3,332	3,248
Without guarantee of origin		3,047	0	0
Renewable with guarantee of origin		0	3,332	3,248
Hydroelectric		0	0	3,248
Photovoltaic		0	0	0
Wind	GJ	0	0	0
Other renewable source		0	0	0
Self-produced renewable electricity		734	735	691
Hydroelectric		0	0	0
Photovoltaic		0	0	691
Wind		0	0	0
Self-consumption		0	0	685
To the grid		13	8	6
<b>Water withdrawal</b>		<b>14.8</b>	<b>14.4</b>	<b>14.3</b>
from surface water		0.0	0.0	0.0
from groundwater		14.8	14.4	14.3
from an aqueduct		0.0	0.0	0.0
from freshwater		14.8	14.4	14.3
from water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		0.0	0.0	0.0
from surface water		0.0	0.0	0.0
from groundwater		0.0	0.0	0.0
from an aqueduct		0.0	0.0	0.0
<b>Water discharge</b>	thousands m3	<b>14.3</b>	<b>13.8</b>	<b>13.8</b>
into surface water		14.0	13.4	13.4
into sewage		0.3	0.4	0.4
in freshwater		14.3	13.8	13.8
in water bodies > 1.000 mg/l total dissolved solids		0.0	0.0	0.0
in water stressed areas		0.0	0.0	0.0
into surface water		0.0	0.0	0.0
into sewage		0.0	0.0	0.0
<b>Water consumption</b>		<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
in water stressed areas		0.0	0.0	0.0

## LOW-CARBON TRANSITION

Capitelli supports Italmobiliare in his commitment to company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). Building on the initiatives carried out throughout the years, in January 2024 Capitelli has formalized its membership of the Science Based Target Initiative (SBTi), committing to submit shortly to the team of experts its own targets of short-term reduction, around 2030, and net-zero in 2050. The peculiar activity managed by Capitelli also provides for the definition of specific objectives related to its share of *carbon footprint* that falls between “FLAG – Forests, Land and Agriculture” emissions, from forests, land and agriculture, meaning emissions associated with pig farming, including emissions related to changes in the soil composition (e.g., pastures and animal feed), and emissions generated from animal waste and more.

Capitelli is committed to mitigating the climate-altering effects of its activity along the entire value chain. Supplier selection and engagement, production process efficiency and logistics optimization are the areas of greatest attention.

Since 2022, Capitelli has exclusively relied on renewable electricity, partly self-generated. Moreover, an agreement has been signed with Italgas for the realization of a photovoltaic park adjacent to the plant Capitelli with about 4 MW of power. The new plant, which is expected to come into operation in early 2025, will allow to meet most of the company's electrical and thermal needs.

	units	2021	2022	2023	2023
<b>Carbon Footprint</b>		<b>25,452</b>	<b>25,571</b>	<b>28,172</b>	
<b>Scope 3 Upstream</b>		<b>24,462</b>	<b>25,183</b>	<b>27,440</b>	<b>97.4%</b>
1 Purchased products and services *		24,393	24,960	27,098	96.2%
2 Capital goods		--	--	--	--
3 Fuel-and energy-related activities		70	58	47	0.2%
4 Upstream transportation and distribution		--	--	144	0.5%
5 Waste generated by the sites		--	165	123	0.4%
6 Business travel		--	0	5	0.0%
7 Employee commuting		--	--	22	0.1%
8 Upstream leased assets		--	--	--	--
<b>Scope 1</b>	<b>t CO<sub>2</sub></b>	<b>415</b>	<b>365</b>	<b>598</b>	<b>2.1%</b>
<b>Scope 2 market based</b>		<b>386</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
location based		374	373	362	
<b>Scope 3 Downstream</b>		<b>189</b>	<b>23</b>	<b>134</b>	<b>0.5%</b>
9 Downstream transportation and distribution		186	21	132	0.5%
10 Processing of sold products		--	--	--	--
11 Use of sold products		--	--	--	--
12 End-of-life treatment of sold products		2	2	2	0.0%
13 Downstream leased assets		--	--	--	--
14 Franchises		--	--	--	--
15 Investments		--	--	--	--
<b>Avoided emissions(location based)</b>		<b>73</b>	<b>68</b>	<b>64</b>	
From photovoltaic production	<b>t CO<sub>2</sub>e</b>	73	68	64	
From hydroelectric production		0	0	0	
<b>Carbon Intensity</b>					
Scope 1+2 market based	<b>t CO<sub>2</sub>e / M€ Revenues</b>	45,8	19,0	26,7	
Scope 1+2 market based +3		1,454.4	1,331.8	1,257.7	


\* Almost entirely "FLAG - Forests, Land and Agriculture" emissions.



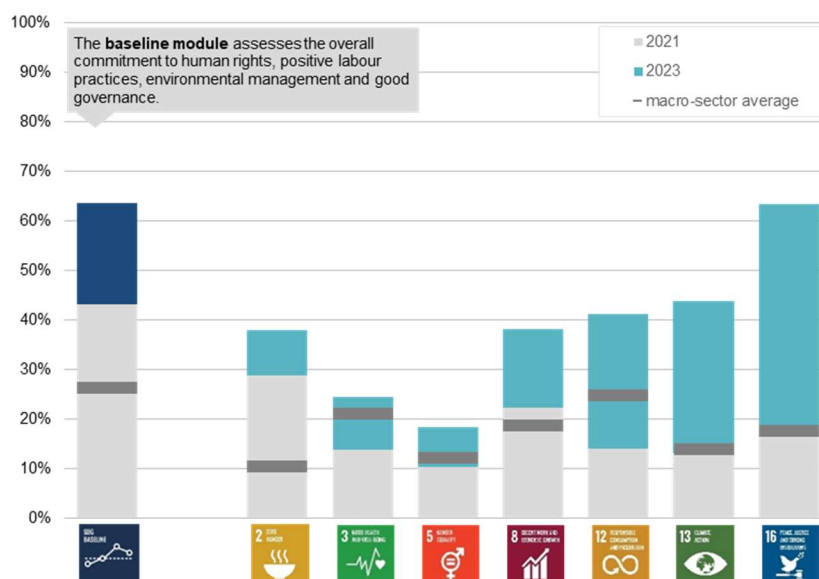
## Callmewine

Callmewine, established in 2010, is an e-commerce platform that specialises in the sale of wine, where it ranks as one of the market leaders in Italy. It boasts an extensive catalogue of wines with around 10,000 labels on offer, ranging from big names on the global wine scene to small producers. It has been part of the Italmobiliare Group since December 2020, as a **subsidiary with an 80% stake**.

### HIGHLIGHTS

	Governance and supply chain	Strategy climate	Health, safety and well-being	Gender and human capital development
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Analytical monitoring of carbon footprint and SBTi objectives.	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles and inclusive growth of competences.
<i>Status 2023</i>	<b>227</b> Suppliers evaluated in 2023 according to environmental and social criteria.	 <b>Committed</b> Since 2022, Callmewine exclusively uses renewable electricity, partly self-produced. Carbon Neutral since 2023, thanks to certified offsets.	<b>Zero</b> Injuries in 2023 Commitment to ensuring a safe working environment by promoting people's mental and physical well-being must be continuous.	<b>~450</b> Training hours 66% voluntary training, aimed at enhancing skills, for the benefit of an increasingly demanding clientele.
<i>Next challenges</i>	<b>100%</b> Value chain aligned with Callmewine's virtuous model.	<b>100%</b> Products & services Aligned with SBTi objectives.	<b>100%</b> People capable to promote to all stakeholders the culture of safety by inviting the adoption of virtuous behavior.	<b>100%</b> People covered by development plans aimed at growth, inclusion and gender equality.

### CONTRIBUTION TO SDGs



Callmewine integrates the sustainable strategy of the Italmobiliare Group by adhering to the **UN Global Compact**, supporting its **Ten Principles** and actively contributing to the **Sustainable Development Goals**.

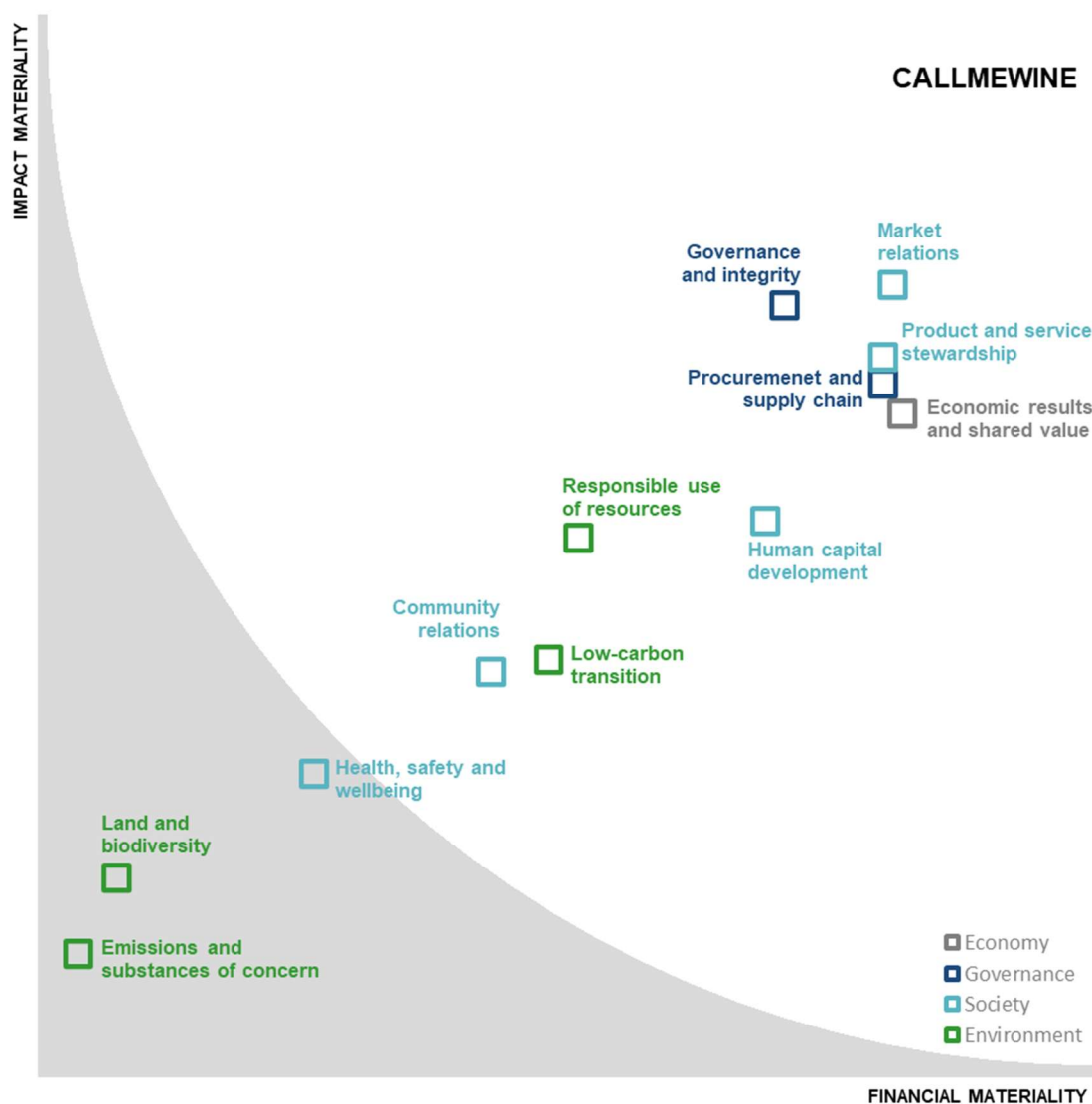
The **SDG Action Manager** analysis tool allows for effective self-assessment of progresses. The graph aside represents the contribution of Callmewine towards the SDGs chosen as its strategic reference.

## MATERIALITY

Italmobiliare and Callmewine recognize the sensitive aspects of the *food e-commerce* sector, which highlights important issues for the sustainable success of the business, economic, social and environmental, which cover the entire value chain, from the procurement of products and raw materials for packaging to logistics services for widespread delivery.

In defining the sustainable strategy and related action plans, the **materiality analysis** is an effective tool to identify the governance, economic, social and environmental issues that are relevant, matching the financial relevance for the business with the relevance of the impact on the environment, the society and governance.

The materiality matrix is built by systematically evaluating risks, opportunities, positive or negative impacts, analysing all the aspects relevant for the business with the contribution of the first line of management, the majority shareholder and finally collecting the positions expressed by the most relevant stakeholders.



## GOVERNANCE

### GOVERNANCE AND INTEGRITY

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. Women participation in the Board of Directors is at 20% (1 director out of 5).

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Casa della Salute are inspired by the highest global references and explicitly recall the Ten Principles of the **United Nations Global Compact**, which Callmewine joined, and the **Women's Empowerment Principles (WEPs)**. Through a sustainable approach aimed at creating shared value for the society and for the environment, Callmewine intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Callmewine adopts an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory. It is designed to limit the risk of committing specific relevant crimes. The Supervisory Body, appointed on the basis of autonomy and independence, will be responsible for the control activity. In addition to specific periodic training, the approach will include the *whistleblowing* procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Callmewine implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks, including climate risks, and helps consolidating the Group's approach.

At the operational level, the adopted **management procedures** represent a fundamental asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

### PROCUREMENT AND SUPPLY CHAIN

The company purchases products from suppliers selected through solid personal relationships, making them available for purchase on its web portal. An outsourced logistics system guarantees retail delivery within the deadlines indicated at the time of purchase.

In 2022, the **Supplier Charter** was adopted, defining the principles to which the suppliers of goods or services and contractors shall align, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management and of their respective value chains. In the prequalification process all suppliers are asked to complete an online questionnaire covering human and labour rights, respect for the environment and business integrity.

Suppliers	unit	2021	2022	2023
Number of active suppliers	#	751	798	851
Purchase of products and services		12.5	11.4	11.5
national suppliers	M€	12.1	11.1	11.1
foreign suppliers		0.4	0.4	0.5
<b>Spending on local suppliers (headquarters on national territory)</b>	%	<b>97%</b>	<b>97%</b>	<b>96%</b>

	2021		2022		2023	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the reference year according to environmental and social criteria	--	--	--	--	227	68%



## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Callmewine benefits from the value of 23 motivated and specialized people. Direct employees are covered by a collective bargaining agreement. 25% of managerial positions are occupied by women.

A performance appraisal system including top levels and key people has been adopted, also aimed at increasing the level of *attraction* and *retention*. A corporate welfare plan introduced in 2021 allows each employee to take advantage of the bonus linked to company results on the DoubleYou platform. Furthermore, employees benefit from special discounts on the purchase of company products. The possibility to do *remote working* once a week has been regulated in 2023. Furthermore, to facilitate off-site workers, during the summer break workers can decide to anticipate or postpone the holiday period with one week of *remote working*.

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>	<b>6</b>	<b>7</b>	<b>13</b>	<b>10</b>	<b>11</b>	<b>21</b>	<b>12</b>	<b>11</b>	<b>23</b>
Managers	0	1	1	0	1	1	0	1	1
Middle managers	1	2	3	1	3	4	1	2	3
Office workers	5	4	9	9	7	16	11	8	19
<b>Turnover</b>	--	--	<b>3</b>	--	--	<b>8</b>	--	--	<b>2</b>
+ Hirings	--	--	4	--	--	10	--	--	6
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	0	--	--	1	--	--	2
- Non-voluntary exits	--	--	1	--	--	1	--	--	2
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	100%	100%	100%	50%	100%	76%	50%	100%	74%
% contract: full time	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Training</b>									
Hours per capita	4	4	4	39	21	30	28	11	20
Managers	0	4	4	0	19	19	0	8	8
Middle managers	4	4	4	25	19	20	14	20	18
Office workers	4	4	4	41	22	33	29	10	21
% hours of voluntary training	--	--	--	--	--	--	56%	94%	66%
Managers	--	--	--	--	--	--	0%	100%	100%
Middle managers	--	--	--	--	--	--	100%	100%	100%
Office workers	--	--	--	--	--	--	54%	90%	61%
% with at least one training session	--	--	--	--	--	--	100%	100%	100%
Managers	--	--	--	--	--	--	--	100%	100%
Middle managers	--	--	--	--	--	--	100%	100%	100%
Office workers	--	--	--	--	--	--	100%	100%	100%
% with performance appraisal	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>10%</b>	<b>36%</b>	<b>24%</b>	<b>42%</b>	<b>64%</b>	<b>52%</b>
Managers	0%	0%	0%	0%	100%	100%	0%	100%	100%
Middle managers	0%	0%	0%	100%	100%	100%	100%	100%	100%
Office workers	0%	0%	0%	0%	0%	0%	36%	50%	42%

Also thanks to the methodological support of the *WEPs Gender Gap Analysis Tool*, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2021	2022	2023
<b>Gender pay gap</b>			
<i>Difference between women's and men's average pay compared with men's average pay</i>	--	<b>-47%</b>	<b>-49%</b>
<i>Managers</i>	--	--	--
<i>Middle managers</i>	--	-21%	-21%
<i>Office workers</i>	--	-17%	-28%

## HEALTH, SAFETY AND WELLBEING

Callmewine promotes the health, safety and wellbeing of all employees, creating and maintaining safe offices and other workplaces as an essential condition for the professional growth and enhancement of its resources.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. A dedicated professional contact, the presence of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

In 2023, there have been no accidents of any kind to employees or non-employee workers.

	2021	2022	2023
<b>Employees injuries</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Fatalities</i>	0	0	0
<i>Serious injuries</i> <small>with absence from work for at least 180 days</small>	0	0	0
<i>Other injuries</i> <small>with absence from work less than 180 days</small>	0	0	0
Frequency rate <small>number of injuries per million hours worked</small>	0.0	0.0	0.0
Severity rate <small>lost days per thousand hours worked</small>	0.00	0.00	0.00

## PRODUCT AND SERVICE STEWARDSHIP

Callmewine is characterised by a consistent selection of certified craft, organic and bio-dynamic wines, but also wines that macerated and produced in amphora. Above all, the craft wines are produced by independent artisans with their own vineyards according to an agricultural model as natural as possible, one that completely excludes the use of synthetic pesticides, herbicides or insecticides. This same approach includes support for small wineries, offering their wines on the market at fair prices, creating and maintaining solid relationships with niche or little-known producers: all realities that find in Callmewine a commercial partner and an incomparable virtual showcase.

Wine is environment. Callmewine protects it even with attention to the smallest operating details, such as the use of packaging entirely in cardboard, 100% recyclable, and without the use of polystyrene or other plastics. More precisely, starting from spring 2023 Callmewine uses the new Havana packaging colour with 8% less use of paper. In addition, through the website, newsletter and social channels, customers are made aware of the responsible use and reuse of carton.

Already in 2022, Callmewine purchased CO<sub>2</sub> credits to offset the entire carbon footprint for at least the next two years, neutralizing every order that will be placed in 2023 and 2024.

## MARKET AND COMMUNITIES

Callmewine is an e-commerce platform designed to be a sort of personal sommelier, stimulating, simple and intuitive, available 24 hours a day, 7 days a week, able to guide all wine lovers, expert tasters or simple enthusiasts, to the discovery of new wines and perfect combinations.

In this role, it is important to gain and maintain the customer's trust, dedicating a lot of time to tasting and selecting the products on sale, whose quality and food safety are ensured by advanced and integrated management systems, which thanks to the proven effectiveness and verified over time, they have obtained the formal third-party certification.

The shopping experience is also important: the products that can be bought on Callmewine are all actually available and are stored at a controlled temperature in suitable places. The technical and organoleptic characteristics of the product, as well as the possible presence of potential allergens, provided directly by the production companies or distributors, are widely described on the site.

In order to foster dialogue and alignment on sustainability challenges and with the aim of finding solutions, projects and common ideas, Callmewine, together with University of Gastronomic Sciences of Pollenzo, organized a conference on sustainability in the wine production chain which addressed mainly suppliers and producers of wine, experts and students of the industry took part to the conference.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

Callmewine pays particular attention to packaging, using exclusively cardboard, and no polystyrene or other plastics. In 2023, 197 tons of cardboard packaging were used, of which 100% comes from recycling.

### LOW-CARBON TRANSITION

Callmewine supports Italmobiliare in his commitment to company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). Building on the initiatives carried out throughout the years, in January 2024 Callmewine has formalized its membership of the Science Based Target Initiative (SBTi), committing to submit shortly to the team of experts its own targets of short-term reduction, around 2030, and net-zero in 2050.

Callmewine is committed to mitigating the climate-altering effects of its activity along the entire value chain. Supplier selection and engagement, packaging eco-design and logistics optimization are the areas of greatest attention.

Since 2022, Callmewine has exclusively relied on renewable electricity. Since 2023, also the warehouse leasing responsible for the storage and shipping of commercial products exclusively relies on renewable electricity.

Since 2023, anticipating its SBTi commitment, Callmewine is a carbon neutral company, having purchased CO<sub>2</sub> credits for a total of 3000 tons to offset the entire carbon footprint at least for the next two years. The credits derive from a project developed in Ethiopia by the Italian NGO COOPI in collaboration with Carbonsink. The project involves the construction of solar energy systems for the supply of safe drinking water for domestic use, with positive effects on hygienic, social, economic and environmental conditions.


	units	2021	2022	2023	2023
<b>Carbon Footprint</b>		<b>1.492</b>	<b>1.271</b>	<b>940</b>	
<b>Scope 3 Upstream</b>		<b>1.356</b>	<b>1.227</b>	<b>890</b>	<b>94,7%</b>
1 Purchased products and services		1.121	963	783	83,3%
2 Capital goods		--	--	--	--
3 Fuel-and energy-related activities		0	0	0	0,0%
4 Upstream transportation and distribution		236	231	102	10,9%
5 Waste generated by the sites		--	--	--	--
6 Business travel		--	1	2	0,2%
7 Employee commuting		--	--	2	0,3%
8 Upstream leased assets		--	33	0	0,0%
<b>Scope 1</b>	<b>t CO<sub>2</sub></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,0%</b>
<b>Scope 2 market based</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0,0%</b>
location based		2	2	3	
<b>Scope 3 Downstream</b>		<b>136</b>	<b>44</b>	<b>50</b>	<b>5,3%</b>
9 Downstream transportation and distribution		105	17	23	2,4%
10 Processing of sold products		--	--	--	--
11 Use of sold products		--	--	--	--
12 End-of-life treatment of sold products		31	27	27	2,9%
13 Downstream leased assets		--	--	--	--
14 Franchises		--	--	--	--
15 Investments		--	--	--	--
<b>Carbon Intensity</b>					
Scope 1+2 market based	<b>t CO<sub>2</sub>e / M€ Revenues</b>	0.0	0.0	0.0	
Scope 1+2 market based +3		86.3	78.5	68.6	



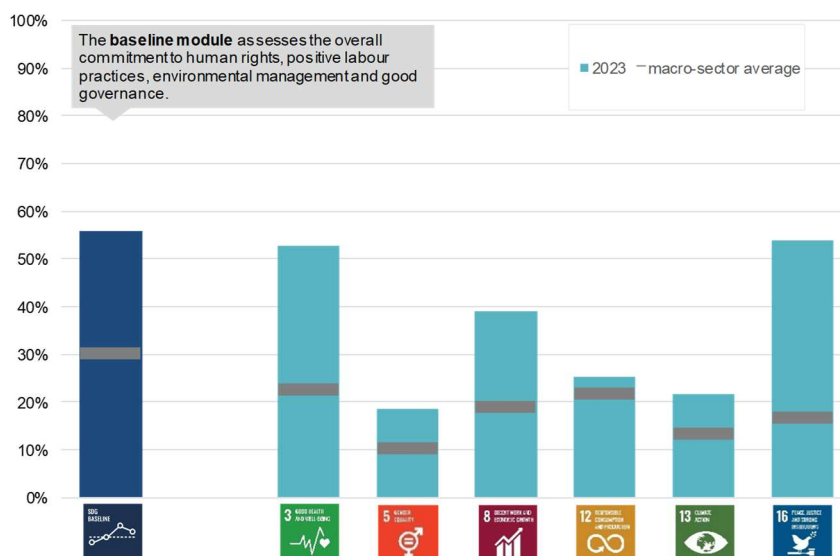
## SIDI Sport

SIDI Sport, founded in 1960, is specialized in the production and sale of footwear for cycling and motorcycling. The company's products, used by the most important professional athletes and enthusiasts worldwide - are synonymous with excellence, quality, tradition, craftsmanship and design. In October 2022 it became part of the Italmobiliare Group, as a subsidiary with a **100% stake**.

### HIGHLIGHTS

	Governance and supply chain	Strategy climate	Health, safety and well-being	Gender and human capital development
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies, with application extended to the entire value chain.	Analytical monitoring of carbon footprint and SBTi objectives.	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles and inclusive growth of competences.
<i>Status 2023</i>	<b>100%</b> ESG governance Adopted Code of Ethics, Sustainability Policies and Supplier Charter in line with Group's sustainable objectives.	 Committed Since 2023, SIDI Sport exclusively utilizes renewable electricity.	<b>Zero</b> Injuries in 2023 Commitment to ensuring a safe working environment by promoting people's mental and physical well-being must be continuous.	<b>2.200+</b> Training hours 19% of voluntary training, aimed at skill enhancement, combining experience with new challenges.
<i>Next challenges</i>	<b>100%</b> Value chain aimed at creating positive ESG impact.	<b>100%</b> Operations and products aligned with SBTi objectives.	<b>100%</b> People capable of promoting a culture of safety in all managed financial investments and activities.	<b>100%</b> People covered by development plans aimed at growth, inclusion and gender equality.

### CONTRIBUTION TO SDGS



Sidi Sport integrates the sustainable strategy of the Italmobiliare Group by adhering to the **UN Global Compact**, supporting its **Ten Principles** and actively contributing to the **Sustainable Development Goals**.

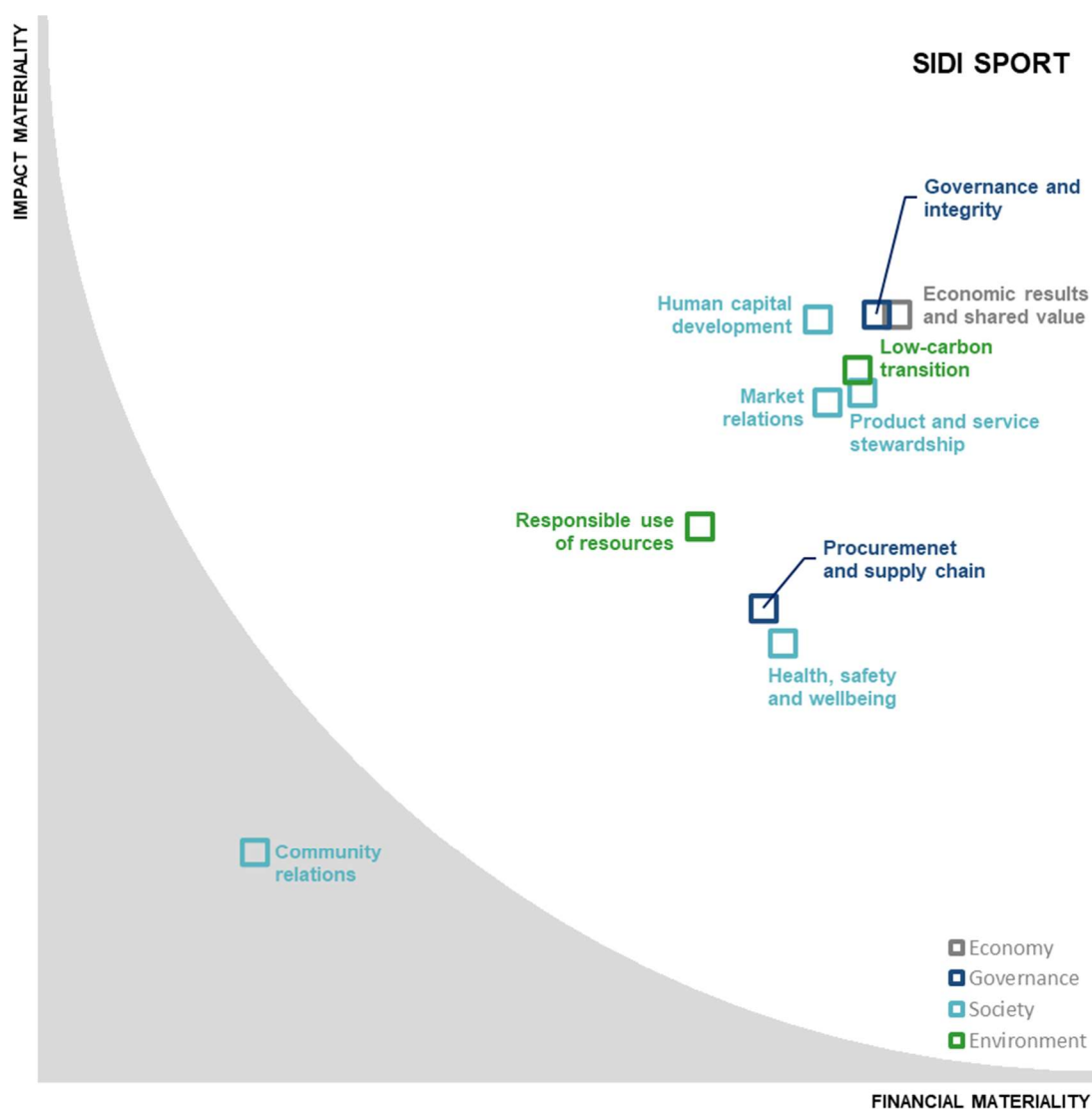
The **SDG Action Manager** analysis tool allows for effective self-assessment of progresses. The graph aside represents the contribution of Sidi Sport towards the SDGs chosen as its strategic reference.

## MATERIALITY

Italmobiliare and Sidi Sport recognize the sensitive aspects of the sector, highlighting important economic, social and environmental issues for the sustainable success of the business which cover the entire value cycle, from the procurement of raw materials to management of the products' end of life.

In defining the sustainable strategy and related action plans, the **materiality analysis** is an effective tool to identify the governance, economic, social and environmental issues that are relevant, matching the financial relevance for the business with the relevance of the impact on the environment, the society and governance.

The materiality matrix is built by systematically evaluating risks, opportunities, positive or negative impacts, analysing all the aspects relevant for the business with the contribution of the first line of management, the majority shareholder and finally collecting the positions expressed by the most relevant stakeholders.



## GOVERNANCE

### GOVERNANCE AND INTEGRITY

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. Women participation in the Board of Directors is at 20% (1 director out of 5).

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Sidi Sport are inspired by the highest global references and explicitly recall the Ten Principles of the **United Nations Global Compact**, which Caffè Sidi Sport joined, and the **Women's Empowerment Principles (WEPs)**. Through a sustainable approach aimed at creating shared value for the society and for the environment, Sidi Sport intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Sidi Sport adopts an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory, to limit the risk of committing specific relevant crimes. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes a *whistleblowing* procedure, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Sidi Sport implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks, including climate risks, and helps consolidating the Group's approach.

At the operational level, the **management procedures** represent an additional assets to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

### PROCUREMENT AND SUPPLY CHAIN

SIDI Sport's supply chain mainly includes basic raw materials or semi-finished products required for the production of a complex range of technical bicycle and motorcycle shoes. Packaging materials and logistic-distribution services also play a significant role.

In 2023 the **Supplier Charter** was adopted, defining principles to which the suppliers of goods and services and contractors shall align, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management and of their respective value chains. During the prequalification process all suppliers will be invited to fill an exhaustive online questionnaire, which covers human and labour rights, respect for the environment and business integrity.

Suppliers	unit	2021	2022	2023
Number of active suppliers	#	--	--	638
Purchase of products and services		--	--	21.1
national suppliers	M€	--	--	17.7
foreign suppliers		--	--	3.4
<b>Spending on local suppliers (headquarters on national territory)</b>	%	--	--	<b>84%</b>

	2021		2022		2023	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the reference year according to environmental and social criteria	--	--	--	--	-	0%

[illegible]



Also thanks to the methodological support of the *WEPs Gender Gap Analysis Tool*, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2021	2022	2023
<b>Gender pay gap</b>			
<i>Difference between women's and men's average pay compared with men's average pay</i>	--	--	<b>-54%</b>
<i>Managers</i>	--	--	<b>-47%</b>
<i>Middle managers</i>	--	--	<b>-70%</b>
<i>Office workers</i>	--	--	<b>-26%</b>
<i>Production workers</i>	--	--	<b>-40%</b>

## HEALTH, SAFETY AND WELLBEING

Sidi Sport promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. Process machines with moving mechanical parts are the prevailing risk conditions identified. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

In line with the adopted Sustainability Policies, Sidi Sport intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

		2021	2022	2023
<b>Employees injuries</b>		--	--	<b>0</b>
<i>Fatalities</i>		--	--	<i>0</i>
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	--	--	<i>0</i>
<i>Other injuries</i>	<i>with absence from work less than 180 days</i>	--	--	<i>0</i>
Frequency rate	number of injuries per million hours worked	--	--	0.0
Severity rate	lost days per thousand hours worked	--	--	0.00
<b>Non-employees injuries</b>		--	--	<b>0</b>
<i>Fatalities</i>		--	--	<i>0</i>
<i>Serious injuries</i>	<i>with absence from work for at least 180 days</i>	--	--	<i>0</i>
<i>Other injuries</i>	<i>with absence from work less than 180 days</i>	--	--	<i>0</i>
Frequency rate	number of injuries per million hours worked	--	--	0.0

## PRODUCT AND SERVICE STEWARDSHIP

Sidi Sport operates in full compliance with the complex regulatory system applicable to the sector. The launch of new products is subject to strict testing procedures before being placed on the market. All safety data sheets and technical data sheets relating to the components and the finished product are acquired from the suppliers, based on the parameters defined by the technical standards of the sector. The continuous research, development and design activity of Sidi Sport focuses on the choice of materials and designs that meet the primary needs of safety and ergonomics and has, as main objectives, the reduction of the environmental footprint generated from the procurement, the production and the management of the end-life of the commercialized products.

## MARKET AND COMMUNITIES

The attention to customers and consumers is completed by the management of *customer satisfaction* and *data protection*, with the alignment and continuous improvement of the application of the applicable legislative and voluntary standards, including the optimization of the shopping experience through digital channels, in terms of usability and safety. The company constantly detects customer complaints, through *customer care*, digital channels and the distribution network, as a continuous stimulus for improvement. Furthermore, Sidi Sport is starting a journey to bring product communication on different channels to fully represent the company values, involving its workforce, distributors and customers.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

Natural and synthetic fabrics, plastic and rubber, metals and carbon fibers produced are the main materials used in the production process. Sidi Sport exclusively relies on renewable electricity in both productive plants.

	units	2021	2022	2023
<b>Raw materials, semifinished goods and ancillaries</b>		--	--	<b>433</b>
Renewable		--	--	27
% from recycling	t	--	--	0%
Non-renewable		--	--	406
% from recycling		--	--	0%
<b>Packaging materials</b>		--	--	<b>102</b>
Renewable		--	--	101
% from recycling	t	--	--	0%
Non-renewable		--	--	0.4
% from recycling		--	--	0%

	units	2021	2022	2023
<b>Raw materials</b>		--	--	<b>433</b>
Natural fabric		--	--	27
Synthetic fabrics		--	--	235
Plastic		--	--	104
Rubber		--	--	50
Metal	t	--	--	12
Carbon fiber		--	--	5
<b>Packaging materials</b>		--	--	<b>102</b>
Plastic		--	--	0
Paper		--	--	101

In 2023 more than 70 tons of waste were sent for valorisation. In any case, the remainder is sent to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2021	2022	2023
<b>Valorisation of waste generated</b>		--	--	<b>78</b>
Hazardous waste		--	--	3
% Material recovery		--	--	100%
% Energy recovery or disposal	t	--	--	0%
Non-hazardous waste		--	--	75
% Material recovery		--	--	100%
% Energy recovery or disposal		--	--	0%

	units	2021	2022	2023
<b>Energy consumed</b>		--	--	<b>11,674</b>
% renewable		--	--	37%
Thermal energy	GJ	--	--	7,329
% renewable		--	--	0%
Electricity		--	--	4,345
% renewable		--	--	100%
<b>Thermal energy consumed</b>		--	--	<b>7,329</b>
Heating and industrial use		--	--	6,820
Natural gas		--	--	6,819
Gas oil		--	--	2
LPG	GJ	--	--	0
Automotive		--	--	508
Diesel		--	--	356
LPG		--	--	0
Natural gas		--	--	0
Petrol		--	--	152
<b>Electricity consumed</b>		--	--	<b>4,345</b>
Electricity purchased		--	--	4,345
Without guarantee of origin		--	--	0
Renewable with guarantee of origin		--	--	4,345
Hydroelectric		--	--	2,365
Photovoltaic		--	--	0
Wind	GJ	--	--	0
Other renewable source		--	--	1,981
Self-produced renewable electricity		--	--	0
Hydroelectric		--	--	0
Photovoltaic		--	--	0
Wind		--	--	0
Self-consumption		--	--	0
To the grid		--	--	0
<b>Water withdrawal</b>		--	--	<b>3.2</b>
from surface water		--	--	0.0
from groundwater		--	--	2.8
from an aqueduct		--	--	0.5
from freshwater		--	--	3.2
from water bodies > 1.000 mg/l total dissolved solids		--	--	0.0
in water stressed areas		--	--	0.0
from surface water		--	--	0.0
from groundwater		--	--	0.0
from an aqueduct		--	--	0.0
<b>Water discharge</b>	thousands m3	--	--	<b>3.1</b>
into surface water		--	--	0.0
into sewage		--	--	3.1
in freshwater		--	--	3.1
in water bodies > 1.000 mg/l total dissolved solids		--	--	0.0
in water stressed areas		--	--	0.0
into surface water		--	--	0.0
into sewage		--	--	0.0
<b>Water consumption</b>		--	--	<b>0.1</b>
in water stressed areas		--	--	0.0

## LOW-CARBON TRANSITION

Sidi Sport supports Italmobiliare in his commitment to company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). Building on the initiatives carried out throughout the years, in February 2024 Sidi Sport has formalized its membership of the Science Based Target Initiative (SBTi), committing to submit shortly to the team of experts its own targets of short-term reduction, around 2030, and net-zero in 2050.

Sidi Sport is committed to mitigating the climate-altering effects of its activity along the entire value chain. Supplier selection and engagement, productive efficiency, product and packaging eco-design and optimization of logistics are the areas of greatest attention. Sidi Sport is currently consolidating relationships with strategic suppliers of goods and services, in order to further synchronize efforts towards the shared goal of achieving net-zero emissions by 2050. Since 2023, Sidi Sport exclusively relies on renewable electricity, partly self-generated.

	units	2021	2022	2023	2023
<b>Carbon Footprint</b>		--	--	<b>3,914</b>	
<b>Scope 3 Upstream</b>		--	--	<b>1,908</b>	<b>48.7%</b>
1 Purchased products and services		--	--	1,530	39.1%
2 Capital goods		--	--	--	--
3 Fuel-and energy-related activities		--	--	75	1.9%
4 Upstream transportation and distribution		--	--	6	0.2%
5 Waste generated by the sites		--	--	0	0.0%
6 Business travel		--	--	104	2.7%
7 Employee commuting		--	--	192	4.9%
8 Upstream leased assets		--	--	--	--
<b>Scope 1</b>	<b>t CO<sub>2</sub></b>	--	--	<b>419</b>	<b>10.7%</b>
<b>Scope 2 market based</b>		--	--	<b>0</b>	<b>0.0%</b>
location based		--	--	367	
<b>Scope 3 Downstream</b>		--	--	<b>1,587</b>	<b>40.5%</b>
9 Downstream transportation and distribution		--	--	1,304	33.3%
10 Processing of sold products		--	--	--	--
11 Use of sold products		--	--	--	--
12 End-of-life treatment of sold products		--	--	283	7.2%
13 Downstream leased assets		--	--	--	--
14 Franchises		--	--	--	--
15 Investments		--	--	--	--
<b>Carbon Intensity</b>					
Scope 1+2 market based	<b>t CO<sub>2</sub>e / M€ Revenues</b>	--	--	17	
Scope 1+2 market based +3		--	--	162	

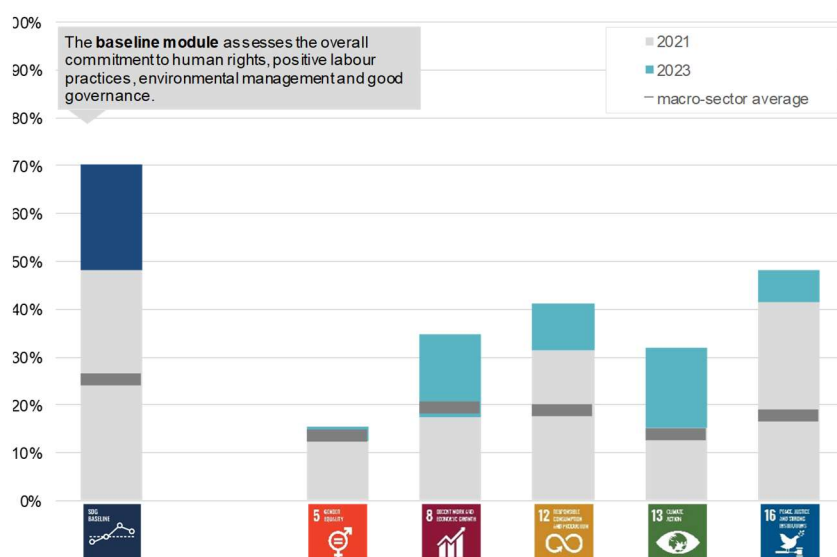
## Clessidra

Clessidra was founded in 2003 as an asset management company operating in private equity, becoming today now one of the main financial operators active in alternative investments (private equity and private credit) and in factoring, by means of three specialised companies, each with its own operating autonomy, under the coordination of Clessidra Holding. In September 2016 it became part of the Italmobiliare Group, which took a **100% stake**.

### HIGHLIGHTS

	Governance and supply chain	Strategy climate	Health, safety and well-being	Gender and human capital development
<i>The foundation</i>	Adoption of Code of Ethics and Sustainability Policies. Adhesion to UN Principles for Responsible Investment.	Analytical monitoring of carbon footprint and SBTi objectives.	Actively supporting people in addressing emerging social challenges.	Adoption of the Women Empowerment Principles and inclusive growth of competences.
<i>The 2022 key results</i>	<b>77%</b> AUM in ESG funds  SFDR Art.8 funds, which promote environmental and social characteristics and verify good governance practices.	<b>Zero CO<sub>2</sub></b> Scope 2 since 2022  Since 2022, Clessidra Headquarters use only renewable electricity.	<b>Zero</b> Injuries in 2023  Commitment to ensuring a safe working environment by promoting people's mental and physical well-being must be continuous.	<b>800+</b> Training hours  69% of voluntary training, aimed at skill growth, for profitable investments because they are sustainable.
<i>Next challenges</i>	<b>100%</b> Investment and finance aimed at creating positive ESG impact.	<b>100%</b> Investment and finance Aligned with SBTi objectives.	<b>100%</b> People capable of promoting a culture of safety in all managed financial investments and activities.	<b>100%</b> People covered by development plans aimed at growth, inclusion and gender equality.

### CONTRIBUTION TO SDGs



Clessidra integrates the sustainable strategy of the Italmobiliare Group and upholds its commitment with the **Global Compact**, confirming its support for the **Ten Principles** and contributing to the **Sustainable Development Goals**, as well as to the broader objectives of the United Nations.

In addition, Clessidra Private Equity SGR and Clessidra Capital Credit SGR adheres to the **UN Principles for Responsible Investment (UN-PRI)**, formally committing to follow its principles and guidelines.

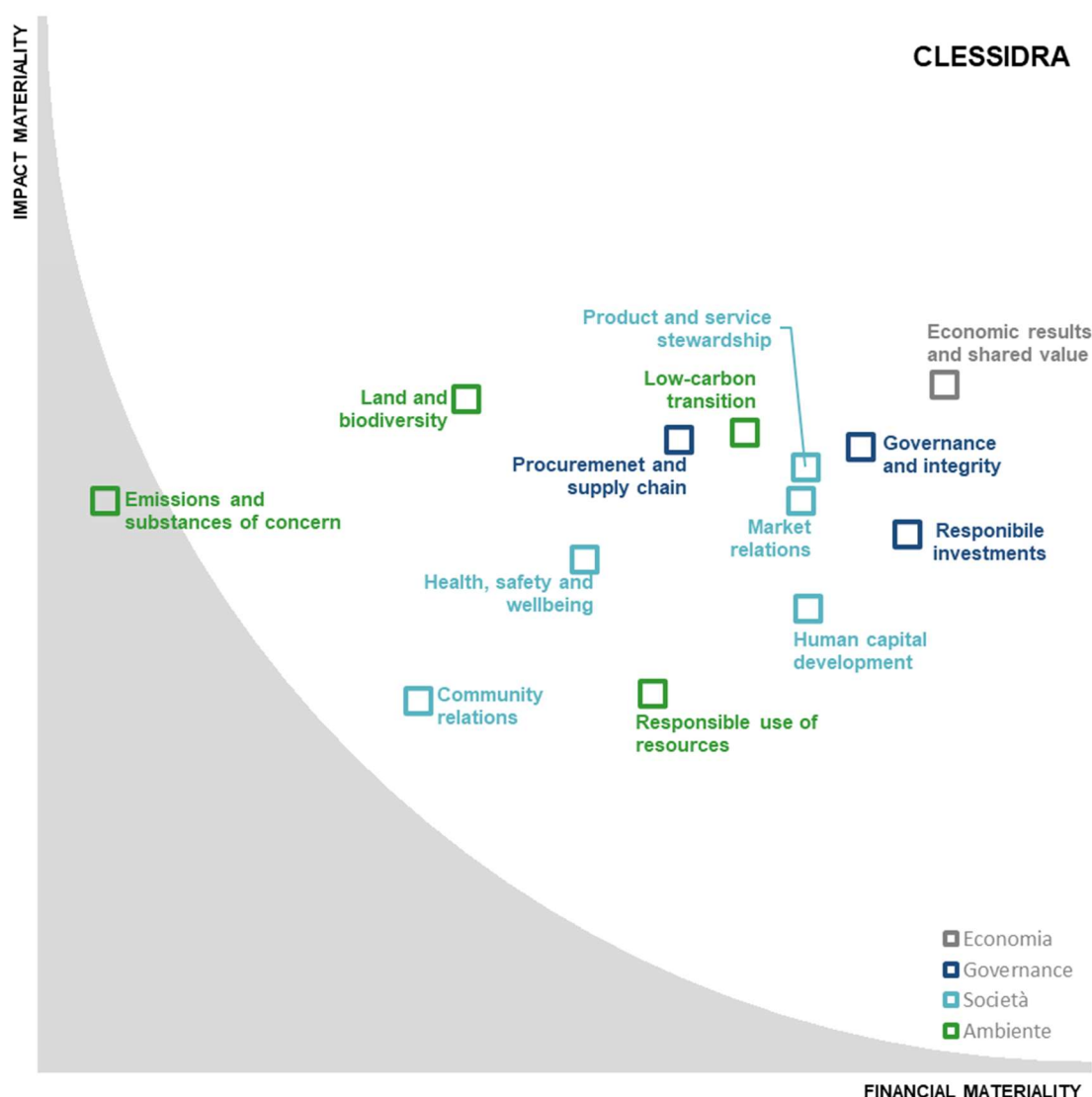
The **SDG Action Manager** analysis tool allows for effective self-assessment of progresses. The graph aside represents the contribution of Clessidra towards the SDGs chosen as its strategic reference.

## MATERIALITY

Italmobiliare and Clessidra recognize the importance of integrated risk assessment in investments and other financial transactions, but also the interconnected transformative capacity. In particular, the private equity business offers the opportunity to prioritize and mobilize financial resources in a targeted and selective manner, thus contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of investors and all other stakeholders.

In defining the sustainable strategy and related action plans, the **materiality analysis** offers effective tool to identify the governance, economic, social and environmental issues that are relevant, matching the financial relevance for the business with the relevance of the impact on the environment, the society and governance.

The materiality matrix is built by systematically evaluating risks, opportunities, positive or negative impacts, analysing all the aspects relevant for Clessidra and its investment portfolio the business with the contribution of the first line of management, the majority shareholder and finally collecting the positions expressed by the most representing stakeholders.



## GOVERNANCE

### GOVERNANCE AND INTEGRITY

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. Women participation in the Board of Directors of Clessidra Holding is at 14% (1 director out of 7). It is at 40% for Clessidra Private Equity SGR (2 directors out of 5), 14% for Clessidra Capital Credit SGR (2 directors out of 7) and 40% for Clessidra Factoring (2 directors out of 5).

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by all Clessidra Group Companies are inspired by the highest global references and explicitly recall the Ten Principles of the **United Nations Global Compact**, which Clessidra joined, and the **Women's Empowerment Principles (WEPs)**. Clessidra also recognizes the link between investment returns and environmental, social and governance (ESG) issues. Coherently, Clessidra Private Equity SGR and Clessidra Capital Credit SGR subscribe the **UN Principles for Responsible Investments (UN PRI)**, explicitly recalled in their **Responsible Investments Policies**. Through a sustainable approach aimed at creating shared value for the society and for the environment, Clessidra supports its investees in exploring further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Through active participation in **AIFI**, the Italian Association of Private Equity, Venture Capital and Private Debt, and **Invest Europe**, the corresponding European sector association, and **Assifact**, the Italian Association for factoring, Clessidra supports numerous ESG-related initiatives and guidelines. In addition, Clessidra participates actively in the **Forum for Sustainable Finance**, a nonprofit association that promotes the knowledge and practice of responsible and sustainable investment.

The responsible investment approach was also recognized by the **PRI Rating**, which in 2023 awarded Clessidra Private Equity SGR and Clessidra Capital Credit with the maximum 5-star rating for all Art. 8 Funds SFDR managed.

Clessidra Group's Companies have adopted an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory. It is designed to limit the risk of committing specific relevant crimes. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the *whistleblowing* procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

In its investment activities, Clessidra undertakes to promote compliance with applicable regulations and the highest ethical standards at the portfolio companies. In particular, it collaborates with the portfolio companies in order to adopt or update their own Organisational, Management and Control Models, including ethical principles, codes of conduct, control tools, procedures and training activities.

As it is not subject to management and control by Italmobiliare, Clessidra plays a role similar to that of the holding company in relation to its subsidiaries. The **Risk Management function** holds an independent position with respect to the operating structures and reports directly to the Board of Directors. It measures, manages and controls all financial and operational risks inherent to the assets managed, as well as those of the SGR such as strategic, operational and reputational risks, and climate risks, supported by the Sustainability & ESG Director. Specifically, the Risk Management function:

- Implements effective policies and procedures to identify and monitor on an ongoing basis the risks inherent to the investment strategy envisaged in the Regulation of each fund and to which each fund is currently or potentially exposed.
- Monitors compliance with the risk limits set in the Regulation of each fund and ensures that the risk profile communicated to investors during the marketing phase is compliant.
- Updates the Board of Directors at least every six months on the adequacy and effectiveness of the management process and on any actual or foreseeable violation of the risk limits set, thus allowing the prompt adoption of corrective actions.
- Reviews the policies and procedures adopted for the valuation of assets in the portfolio, ensuring consistency between the results of the valuation process and the measurement of the riskiness of the assets themselves.

The integration of the ESG approach in the management processes of Clessidra Group's Companies in itself constitutes an element of risk mitigation.

#### Risks mitigated through the ESG approach

Description	Adopted mitigation actions and opportunities
<b>GOVERNANCE</b>	
ESG integration into business strategy and implementation of action plans	Adhesion to UN Global Compact Adhesion to UN PRI Code of Ethics, Sustainability Policies e and Responsible Investments Policies <i>Negative screening</i> (exclusion) for investments <i>Positive screening</i> (value creation) for investments <i>ESG Due Diligence</i> for investments ESG Plans / ESG objectives for investments
<b>SOCIETY</b>	
Organizational structure, internal processes and knowledge	Continuous training of the Board of Directors, Investment Team, and workforce.
Health and safety	Active health and safety promotion within the Clessidra Group's Companies and the Portfolio Companies
Products and services in line with the expectations of the Group, investors, and customers	New funds at least art.8 SFDR Transparency over ESG performances and well-beyond applicable normative requirements
<b>ENVIRONMENT</b>	
Climate risks	Exclusion of carbon intensive industries from investments Systemic assessment of climate risks for Clessidra Group's Companies and Portfolio Companies
Evolutions of the regulatory framework (elements not included within climate risks)	Regulatory follow-up and anticipation of risks related to Clessidra Group' Companies and Portfolio Companies

## RESPONSIBLE INVESTMENTS

The Code of Ethics defines the set of fundamental principles and rules of conduct to which the all the companies of Clessidra Group adhere, with the additional guidance provided by the Sustainability Policies. In particular, for Clessidra Private Equity SGR and Clessidra Capital Credit SGR, they guide the sustainable strategy, aiming at the creation of shared value, and constitute the reference for the Responsible Investment Policies adopted.

**Clessidra Private Equity SGR's** business involves investments in the private equity sector, with particular focus on the Italian *upper-middle market* segment. **Clessidra Capital Credit SGR's** business mainly involves investments in the private credit sector, with a focus on turnaround funds and corporate credit, managing alternative investment funds with a focus on credit market, both *distressed* and *performing*. **Clessidra Factoring** provides Italian SMEs with a wide range of services specialising in financing and in the sale and management of trade receivables.

All the managed activities require careful assessment of market counterparties with which to undertake investments, partnerships, and contractual relationships. Each component, managed according to specific internal procedures, helps to achieve the objectives of return on investment, risk diversification and value creation. Among the various elements to be assessed, the prospects for improving the ESG positioning and alignment with the adopted sustainable strategy play a significant role. To this end, Clessidra Private Equity SGR and Clessidra Capital Credit SGR refrain from any investment or involvement, whether direct or indirect, with entities involved in the production, marketing, use or trade of illegal products or activities. Other ascertained direct or indirect practices also lead to exclusion: for example, corruption, money laundering, violations of human rights, violations of the fundamental principles of labour, production of goods harmful to health, the environment and morality, an obstacle to sustainability in general.

Clessidra Private Equity SGR and Clessidra Capital Credit SGR assign priorities and mobilises financial resources in a targeted and selective manner, thereby contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of investors, shareholders, enterprises and all other stakeholders.

In line with the strategic vision of the entire Clessidra Group regarding responsible investment, the integration of environmental, social and governance (ESG) risks and opportunities is a fundamental element in all phases of the management process of all its investment activities of Clessidra Private Equity SGR and Clessidra Capital Credit SGR. In particular, in order to prevent or mitigate exposure to risks and benefit from opportunities of value creation, Clessidra Private Equity SGR and Clessidra Capital Credit SGR subjects all new investments to a verification of alignment with its own value references (Code of Ethics and Sustainability Policies), the requirements of its Responsible Investment Policy and the rules set by the Regulations of the Funds managed and a *due diligence* process which also assesses the environmental, social and governance aspects.



As a responsible investor, Clessidra Private Equity SGR and Clessidra Capital Credit SGR promote the evolution towards sustainable business models among all the companies in the portfolio of all the managed Funds, providing transformative capacity, specific expertise and full support in the management of risks and opportunities in ESG matters.

However, with reference to the level of detail and transparency required by the SFDR Regulation, Clessidra Private Equity SGR and Clessidra Capital Credit SGR adopt approaches differentiated by asset class of financial product, especially in consideration of the investment *timeline* of the individual Funds currently under management, as duly described in the SFDR Disclosure published on the web.

In 2023, significant ESG interactions took place with all the companies in the portfolio, in particular within Art.8 SFDR Funds. The ESG management methods differ according to the level of control, the maturity of the investee and the time spent in the portfolio.

#### Portfolio Companies at the end of 2023      Main ESG activities in 2023

Clessidra Private Equity SGR Funds (Art. 8 SFDR)		
CCP3 Fund	Nexi	The stake held in the investee and the level of governance exercisable by Clessidra do not allow direct influence on sustainability issues. However, the company has a high-level commitment to sustainability and Clessidra records its progress annually. As a listed company, it fully complies with the obligations relating to non-financial transparency.
	L&S	Adoption of the new Code of Ethics, Sustainability Policies and Supplier Charter
		ISO 14001 for all sites in Italy
		100% renewable power for all Group sites
		Safety audit
		Performance appraisal e and welfare increase
		ESG metrics and data collection, upon SFDR requirements
CCP3 / CCP4 Funds	Argea	ESG section in the company's website
		Update of the Code of Ethics, Sustainability Policies and Group's Supplier Charter
		ISO 14001 and ISO 45001 certifications for all sites
		"Supply Chain Pact", ESG qualification of wine's supply chain
		100% renewable power
		ESG metrics and data collection, upon SFDR requirements, and update of the Sustainability Report
		ESG section in the company's website
CCP4 Fund	Viabizzuno	UN Global Compact membership
		Preparation for joining the Science Based Targets initiative (SBTi)
		Update of the Code of Ethics, Sustainability Policies and Group's Supplier Charter
		Safety audit
	Impresoft	100% renewable power
		ESG metrics and data collection, upon SFDR requirements
		ESG section in the company's website
		Update of the Code of Ethics, Sustainability Policies and Group's Supplier Charter
	Everton	Welfare increase e and corporate wellbeing initiatives
		100% renewable power
		ESG metrics and data collection, upon SFDR requirements
		ESG section in the company's website
Clessidra Capital Credit SGR Funds (art. 8 SFDR)		
CPD Fund	Casa del Dolce/Liking	ESG due diligence and ESG contractual targets definition
	MGM/Rekord	Support for ESG integration
	Trime (Gruppo Florence)*	ESG metrics and data collection, upon SFDR requirements
	Groupack Holding	ESG due diligence and ESG contractual targets definition
CRF Parallel Fund	Righi Elettroservizi	ESG due diligence and ESG contractual targets definition
	Bracchi	ESG due diligence and ESG contractual targets definition
CRF Parallel Fund	OMA	Due diligence ESG
		Support for ESG integration

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Clessidra has a team of 78 motivated and specialized people. Direct employees are all covered by a collective bargaining agreement. 36% of managerial positions are held by women.

Clessidra has adopted a remuneration and incentive system in line with the long-term corporate strategy. This means that it integrates the objectives, values and interests of its Alternative Investment Funds and their investors with the financial and socio-environmental performance, corporate values, development and *retention* of professional skills.

In order to accompany the development of human capital, Clessidra has adopted an individual performance assessment system extended to all staff based on individual annual qualitative and quantitative objectives, to which the variable element of annual remuneration is related.

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>	<b>20</b>	<b>30</b>	<b>50</b>	<b>25</b>	<b>41</b>	<b>66</b>	<b>33</b>	<b>45</b>	<b>78</b>
Managers	3	12	15	4	16	20	3	17	20
Middle managers	8	10	18	9	18	27	17	19	36
Office workers	9	8	17	12	7	19	13	9	22
<b>Turnover</b>	<b>--</b>	<b>--</b>	<b>18</b>	<b>--</b>	<b>--</b>	<b>16</b>	<b>--</b>	<b>--</b>	<b>12</b>
+ Hirings	--	--	28	--	--	25	--	--	19
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	8	--	--	9	--	--	6
- Non-voluntary exits	--	--	2	--	--	0	--	--	1
- Divestments	--	--	0	--	--	0	--	--	0
<b>% contract: permanent</b>	<b>100%</b>	<b>90%</b>	<b>94%</b>	<b>100%</b>	<b>98%</b>	<b>98%</b>	<b>97%</b>	<b>98%</b>	<b>97%</b>
<b>% contract: full time</b>	<b>90%</b>	<b>100%</b>	<b>96%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>97%</b>	<b>100%</b>	<b>99%</b>
<b>Training</b>									
Hours per capita	1	3	2	11	13	12	12	9	11
Managers	2	1	1	11	13	13	8	4	5
Middle managers	1	4	3	11	13	12	12	15	14
Office workers	0	3	2	11	13	12	13	7	10
<b>% hours of voluntary training</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>75%</b>	<b>63%</b>	<b>69%</b>
Managers	--	--	--	--	--	--	4%	50%	38%
Middle managers	--	--	--	--	--	--	78%	67%	72%
Office workers	--	--	--	--	--	--	82%	63%	77%
<b>% with at least one training session</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>63%</b>	<b>68%</b>	<b>66%</b>
Managers	--	--	--	--	--	--	75%	53%	57%
Middle managers	--	--	--	--	--	--	65%	82%	74%
Office workers	--	--	--	--	--	--	57%	64%	60%
<b>% with performance appraisal</b>	<b>95%</b>	<b>93%</b>	<b>94%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>85%</b>	<b>91%</b>	<b>88%</b>
Managers	67%	100%	93%	100%	100%	100%	100%	100%	100%
Middle managers	100%	100%	100%	100%	100%	100%	76%	95%	86%
Office workers	100%	75%	88%	100%	100%	100%	92%	67%	82%

Also thanks to the methodological support of the *WEPs Gender Gap Analysis Tool*, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2021	2022	2023
<b>Gender pay gap</b>			
<i>Difference between women's and men's average pay compared with men's average pay</i>	--	<b>-54%</b>	<b>-50%</b>
<i>Managers</i>	--	-22%	-14%
<i>Middle managers</i>	--	-30%	-23%
<i>Office workers</i>	--	-24%	-7%

## HEALTH, SAFETY AND WELLBEING

Clessidra promotes the health, safety and wellbeing of all employees and a safety culture that is also shared with the companies in its portfolio. The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The main risk conditions that have been identified are external to the workplace and mainly concern the use of company cars. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

All employees benefit from health insurance: full cover for middle managers and whitecollar workers and supplementary cover for managers. Managers are also entitled to an annual check-up at a leading hospital.

	2021	2022	2023
<b>Employees injuries</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Fatalities</i>	0	0	0
<i>Serious injuries</i> <i>with absence from work for at least 180 days</i>	0	0	0
<i>Other injuries</i> <i>with absence from work less than 180 days</i>	0	0	0
Frequency rate <i>number of injuries per million hours worked</i>	0,0	0.0	0.0
Severity rate <i>lost days per thousand hours worked</i>	0.00	0.00	0.00

## MARKET AND COMMUNITIES

Clessidra Private Equity SGR and Clessidra Capital Credit SGR offer their investors quality services, creating and maintaining solid relationships built on transparency and trust. Communicating with subscribers guarantees an adequate and equal level of information for all investors, safeguards the confidentiality of processed information and protects the successful outcome of investments and divestment in progress.

Within 60 days from the end of each year, Clessidra Private Equity SGR and Clessidra Capital Credit SGR prepares a management report on each of its funds in accordance with the Bank of Italy's Collective Savings Management Regulation. The report includes a balance sheet, income statement, notes and directors' report and is subject to certification by the Independent Auditors. On a voluntary basis and in agreement with investors and according to international practice, the two companies also prepare a quarterly report called the LP Report which contains information based on official data similar to that of the management report. Those in charge of drafting respond jointly to requests for clarifications or insights about the communications sent, assessing the advisability of providing additional information to the general public of investors.

In addition to the communications due by law and voluntary reporting, Clessidra Private Equity SGR and Clessidra Capital Credit SGR convey information in response to specific requests from investors in the event that they express the need to be aware of foreseeable developments in investment management, also in order to allow them to assess potential sales of their shares. The information provided to investors is checked periodically by the independent auditors and by internal control bodies and functions.

Clessidra Private Equity SGR and Clessidra Capital Credit SGR fully adopt the principle of transparency also in the reporting of ESG performance, preparing the communications to the market and investors required by the SFDR Regulation, responding annually to the UN PRI questionnaire, and publishing the Transparency Report. Furthermore, to ensure transparency towards investors, in the financial reports prepared in accordance with the Bank of Italy's instructions, there is a specific paragraph about responsible investments. In addition, there is a quarterly report, based on guidelines for the presentation of financial information (IPEV Reporting Guidelines) and for valuations (International Private Equity and Venture Capital Valuation Guidelines), which highlights any critical issues and management's approach, also to issues of responsible investment.

Clessidra Factoring, as a supervised financial intermediary, fulfils the information requirements provided for in the set of rules that transpose in the European Union the standards defined by the Basel Committee for Banking Supervision. In particular, under the so-called "Third Pillar", it shall prepare and make available to the public an information document ensuring an adequate level of transparency on exposure, control and management of the risks taken, integrating the relevant ESG aspects.

Clessidra pays the utmost care and attention to data protection and the protection of the rights and freedoms of natural persons and to this end applies the technical and organisational measures needed to ensure implementation of the ruling regulations. In particular, the SGR implements appropriate and specific measures to avoid the violation of personal data, above all the risk of data loss or access by unauthorised parties. The Policy on the Protection of Personal Data and Data Breach is constantly updated with respect to regulatory changes and amendments to internal processes.

## ENVIRONMENT

### LOW-CARBON TRANSITION

Clessidra supports Italmobiliare in his commitment to company-wide emission reductions in line with climate science with the *Science Based Targets initiative* (SBTi). Building on the initiatives carried out throughout the years for Clessidra Group Companies and companies in managed portfolios, Clessidra is considering its membership to the Science Based Target Initiative (SBTi), committing to submit to the team of experts its own targets of short-term reduction, around 2030, and net-zero in 2050.

For financial institutions such as Clessidra, SBTi envisages a specific disciplinary which considers on one hand the emissions of administrative buildings and on the other the commitment of investment *portfolios*. Already two company portfolios joined SBTi, while others will adhere in 2024.

In any case, Clessidra is aware of the priority dimension of the fight against climate change and a key objective of its investment strategies. According to the GHG Protocol, the international reference for the accounting of greenhouse gases, direct emissions (Scope 1) derive from the heating of offices and the company fleet. Indirect emissions (Scope 2) derive from the electricity purchased and used in the offices. Value chain emissions (Scope 3) include other indirect emissions in specific categories to be considered if relevant. For Clessidra, the relevant category is “investments”, which includes Scope 1,2 and 3 emissions calculated or estimated for all companies with majority participation in the portfolio of managed funds with participation rate higher than 25% or listed.

	unit	2021	2022	2023	2023
<b>Carbon Footprint</b>		<b>656.735</b>	<b>929.685</b>	<b>888.949</b>	
<b>Scope 3 Upstream</b>		<b>14</b>	<b>39</b>	<b>96</b>	<b>0,01%</b>
1 Purchased products and services		--	--	--	--
2 Capital goods		--	--	--	--
3 Fuel-and energy-related activities		14	14	40	0,00%
4 Upstream transportation and distribution		--	--	--	--
5 Waste generated by the sites		--	--	--	--
6 Business travel		--	25	22	0,00%
7 Employee commuting		--	--	34	0,00%
8 Upstream leased assets		--	--	--	--
<b>Scope 1</b>	<b>t CO<sub>2</sub></b>	<b>38</b>	<b>44</b>	<b>112</b>	<b>0,01%</b>
<b>Scope 2 market based</b>		<b>111</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>
location based		87	72	73	
<b>Scope 3 Downstream *</b>		<b>656.572</b>	<b>929.602</b>	<b>888.740</b>	<b>99,98%</b>
9 Downstream transportation and distribution		--	--	--	--
10 Processing of sold products		--	--	--	--
11 Use of sold products		--	--	--	--
12 End-of-life treatment of sold products		--	--	--	--
13 Downstream leased assets		--	--	--	--
14 Franchises		--	--	--	--
15 Investments *		656.572	929.602	888.740	99,98%

\* The data for 2021 and 2022 were updated using the same scope considered for 2023.

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## Tecnica Group

Founded in 1962 by Giancarlo Zanatta, today it is an international group with 10 direct branches and agencies, and over 40 distribution partners, to serve a total of more than 80 countries around the world. 3,150 employees, including about 300 in Italy, almost all of whom work at the head office in Gaiavara del Montello (TV). It has been part of the Italmobiliare Group since November 2017, as an **affiliate with a 40% stake**.

Tecnica Group is a leading manufacturer of outdoor footwear and ski equipment with a portfolio that includes some of the industry's longest standing brand names: Tecnica (ski boots and footwear), Nordica (skis and boots), Moon Boot® (footwear), Lowa (hiking and outdoor shoes), Blizzard (skis) and Rollerblade (in-line skates).

Tecnica Group mirrors the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. Italmobiliare and Tecnica Group recognize the sensitive aspects of the sector, from the procurement of raw materials to the end-of-life of the products marketed and share the commitment to contribute positively to global challenges.

To confirm this, from November 2021, Tecnica Group formally adheres to the **United Nations Global Compact**, adopting policies and operational management in support of the Ten Principles and committing itself to actively contribute to the Sustainable Development Goals.

The group's industrial strategy sets people at the center. On the market side, the reference is the consumer to whom the group offers extraordinary experiences through exceptional products and inspiring an active outdoor life. Internally, the focus is on human capital, through the promotion of health, safety and well-being in an inclusive and progressive work environment and the supply chain, preferring goods and services with social value.

The measures defined to strengthen the Blizzard, Lowa, Moon Boot, Nordica, Rollerblade and Tecnica brands focus on innovation to design highly differentiated products, new distribution channels and programmes to make production and logistics more efficient. In addition, investments to reduce energy consumption, the installation of photovoltaic systems, the updating of industrial lighting systems and the promotion of electric mobility reflect its climate-friendly commitment. The group already applies these and other targeted actions, be they optimisation of the use of non-renewable resources, such as plastic materials, use of recycled materials, biodegradable packaging and the reduction of single-use ones. Furthermore, the durability of products is in itself a mitigation of the environmental footprint. Outdoor footwear is designed and built to last, thanks to the quality of the raw materials used, virgin or recycled, to the technology and the competence and passion of the Group's people. Dedicated repair laboratories permit further creation of sustainable value, thus extending products life cycle.

Finally, the group considers the awareness and involvement of all its stakeholders to be fundamental, also through full transparency on its activities and performance: starting from 2022 the Tecnica Group publishes its Sustainability Report.



## AGN Energia

Founded in 1958 along with the distribution of LPG for domestic, agricultural, industrial and automotive use, AGN Energia is today a leading energy multi-utility at national level. Over the years, the offer has been diversified to include the supply of electricity and natural gas, energy efficiency solutions, solar and photovoltaic renewables and support for electric mobility. It has been part of the Italmobiliare Group since October 2018, as an **affiliate with a 32.2% stake**, until February 2024, when the *buyback* has been formalized.

AGN Energia mirrors the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity.

Over the years, AGN Energia continued the diversification and expansion of its offer into all energy sectors: supply of natural gas and green electricity, technical gases, production from renewable sources, energy efficiency solutions and electric mobility solutions. Today, the company represents a point of reference for all energy needs with the aim of guiding its customers down the path of energy transition, guaranteeing positive effects on the environment through advantageous solutions and access to more sustainable energy resources; also thanks to the strong domestic presence that characterises the company's actions and its orientation towards a type of economic development that enhances the local territory and the communities to which it belongs.

Italmobiliare and AGN Energia recognize the sensitive aspects of the energy sector and share the key role of multi-utilities in the transition to a low-carbon economy and in promoting responsible lifestyles. Also in 2023, AGN Energia continued strengthening internal initiatives to increase management competence and further integrate sustainability into business strategies.

Also with the support of the Italmobiliare sustainability team, the ESG aspects relevant to the success of the activities managed by the group were assessed, crossing them with the perception of its multiple stakeholders. The same exercise made it possible to evaluate the Sustainable Development Goals in detail, identify the most significant ones for the group and define the metrics to evaluate the contribution of the many sustainable initiatives already undertaken and planned.

On the 28<sup>th</sup> February 2024, AGN's Board of Directors has verified the existence of the necessary conditions for the *buyback* of the entire social participation owned by Italmobiliare.





## Iseo

Founded in 1969 in Pisogne (Brescia), Iseo is a European leader in the design, manufacture and sale of products for intelligent access management and anti-intrusion security. Thanks to the acquisitions made over time, the Iseo Group has production sites in Italy, France, Germany, Spain, the United Kingdom and South Africa and commercial companies in China, Asia, Romania, the Middle East and South America. It has been part of the Italmobiliare Group since October 2018, as an **affiliate with a 39.24% stake**.

Iseo mirrors the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote an healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity.

Italmobiliare and Iseo recognize the sensitive aspects of the sector and share a passion for safety, with a vision that extends from the technical aspects of the products marketed to the perception of the value of people and the environment in which they live and work.

For Iseo, sustainability is a commitment built on values that unite ethics, environment, energy, safety and respect for the interests of all parties involved in the quality and reliability of innovative products. Advanced and participatory management systems constitute not only a guarantee of environmental, energy, health, safety and quality performances for the benefit of the market and the community, but also a continuous stimulus for the professional and motivational growth of the people in the group, at all levels. Thanks to an effectively integrated management policy, Iseo has ISO 9001 (quality), ISO 14001 (Environment), ISO 50001 (energy) and ISO 45001 (health and safety) certifications.

Attention to the people in the group is also important, with training plans for the development of human capital, the promotion of corporate welfare or the creation of a solidarity fund dedicated to staff and family members to support expenses related to health, study, physical activities and other individual needs.

In 2023, with the support of the Italmobiliare sustainability team, the competence and awareness of management on ESG aspects was strengthened and updated, also activating the process of assessing the materiality matrix, the starting point for defining even more challenging sustainable objectives. In 2023, ISEO published its first Sustainability Report.



## Bene Assicurazioni

Bene Assicurazioni is an insurance technology company founded in 2016 and specialized in the non-life insurance retail market with a focus on the motor segment. The company is characterized by the high level of automation and digitization of all business processes and the flexibility of the application architecture that allows a lean, efficient, scalable and innovative business model. It has been part of the Italmobiliare Group since April 2022, as an **affiliate with a 19.99% stake**.

Bene Assicurazioni operates on the insurance market through a technological approach, based on continuous innovation. Innovating means facilitating access to insurance, in a personalized way, through new products, full of services and clear in their formulation. A tech company based on an integrated digital platform, an insurance license, own funds and an innovative distribution model, which, through an "open" product architecture, pursues a pure omnichannel approach.

These skills and the operational efficiency shown in its first years of commitment to giving birth and growing a native-digital insurance and aimed at streamlining procedures and giving greater satisfaction to end customers, in terms of safety and service, are the basis to face the sustainability challenges, also with the support of the dedicated Italmobiliare team.



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# SUPPLEMENTARY DATA

## GRI 2-7 Employees

## GRI 2-8 Workers who are not employees

### NON-EMPLOYEE WORKERS, AS OF DECEMBER 31<sup>ST</sup>

		2021	2022	2023
		Total	Total	Total
GROUP	<b>TOTAL</b>	<b>670</b>	<b>859</b>	<b>958</b>
	<i>Temporary workers, self-employed workers, project workers</i>	564	764	851
	<i>Interns</i>	14	16	14
	<i>Agents</i>	92	79	93
Italy	<b>TOTAL</b>	<b>670</b>	<b>851</b>	<b>953</b>
	<i>Temporary workers, self-employed workers, project workers</i>	564	756	846
	<i>Interns</i>	14	16	14
	<i>Agents</i>	92	79	93
United Kingdom	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<i>Temporary workers, self-employed workers, project workers</i>	0	0	0
	<i>Interns</i>	0	0	0
	<i>Agents</i>	0	0	0
USA	<b>TOTAL</b>	<b>0</b>	<b>8</b>	<b>5</b>
	<i>Temporary workers, self-employed workers, project workers</i>	0	8	5
	<i>Interns</i>	0	0	0
	<i>Agents</i>	0	0	0
France	<b>TOTAL</b>	<b>--</b>	<b>0</b>	<b>0</b>
	<i>Temporary workers, self-employed workers, project workers</i>	--	0	0
	<i>Interns</i>	--	0	0
	<i>Agents</i>	--	0	0
Romania	<b>TOTAL</b>	<b>--</b>	<b>--</b>	<b>0</b>
	<i>Temporary workers, self-employed workers, project workers</i>	--	--	0
	<i>Interns</i>	--	--	0
	<i>Agents</i>	--	--	0

## GRI 2-6.b.ii Supply chain

### GRI 204-1 Proportion of spending on local suppliers

#### TOTAL NUMBER OF SUPPLIERS AND LIST OF MAIN TYPES OF GOODS AND SERVICES PROVIDED TO THE CONTROLLED COMPANIES

		2021	2022	2023
<b>GROUP</b>	<b>Total number of suppliers</b>	<b>4,127</b>	<b>4,168</b>	<b>5,197</b>
	<b>Spending on local suppliers (with headquarters on national territory)</b>	<b>88%</b>	<b>86%</b>	<b>82%</b>
Italmobiliare S.p.A.	Management software			
	Consulting services			
Caffè Borbone	Raw coffee			
	Packaging materials			
	Logistic services			
Officina Profumo-Farmaceutica di Santa Maria Novella	Base raw materials, cosmetic ingredients and fragrances			
	Packaging materials			
	Logistic services			
Italgas	Supply, installation, implementation and maintenance of mechanical, electrical and instrumental equipment for power plants			
	Renovation and/or repair of buildings, intake and derivation works			
	Engineering services			
Casa della Salute	Medical-surgical devices			
	Diagnostic systems			
	IT solutions			
	Maintenance, cleaning and sanitizing services.			
Capitelli	Pork meat			
	Trading services			
Callmewine	Bottled wines			
	Packaging materials			
	Logistic services			
Clessidra	Management software			
	Consulting services			
Sidi	Natural and synthetic fabrics			
	Plastic			
	Rubber			
	Packaging materials			

### GRI 2-21 Annual total compensation ratio

	2021	2022	2023
Median annual total compensation (W, M)	--	38,077	29,552
Ratio of the annual total compensation (median)	--	59	318
Ratio of the annual total compensation (average)	--	--	203

## GRI 2-30 Collective bargaining agreements

### PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

		2021	2022	2023
<b>GROUP</b>		<b>97%</b>	<b>97%</b>	<b>84%</b>
Italmobiliare S.p.A.	CCNL Commercial Confcommercio and CCNL Industry Managers	100%	100%	100%
Caffè Borbone	CCNL Food Industry	100%	100%	97%
Officina SMN	CCNL Chemical Industry	82%	84%	84%
Italgen	CCNL Cement and CCNL Industry Managers	100%	100%	100%
Casa della Salute	CCNL Private Health	100%	100%	100%
Capitelli	CCNL Food Industry	100%	100%	100%
Callmewine	CCNL Commerce	100%	100%	100%
Clessidra	CCNL Commerce and Services	100%	100%	100%
Sidi	CCNL Footwear Industry	--	--	28%

## GRI 205-2 Communication and training about anti-corruption policies and procedures

### TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES AND STAKEHOLDERS TO WHOM THE ORGANIZATION'S ANTI-CORRUPTION PROCEDURES HAVE BEEN COMMUNICATED, DIVIDED BY EMPLOYEE CATEGORY

### TOTAL NUMBER AND PERCENTAGE OF GOVERNMENT MEMBERS AND EMPLOYEES WHO HAVE RECEIVED ANTI-CORRUPTION TRAINING, DIVIDED BY EMPLOYEE CATEGORY

		2022	2023	2023
<b>Communication anti-corruption policies and procedures</b>	Governing body members	49	57	100%
	Managers	58	76	100%
	Middle managers	72	135	100%
	Office workers	194	694	100%
	Production workers	322	566	100%
	Suppliers	625	5197	100%
	Customers	0	0	0%
<b>Anti-corruption training</b>	Governing body members	26	45	89%
	Managers	39	43	70%
	Middle managers	60	87	69%
	Office workers	147	543	68%
	Production workers	78	135	66%
	Suppliers	0	0	0%
	Production workers	0	0	0%



## GRI 305-1/2 Direct (Scope 1) and indirect (Scope 2) GHG emissions, by country

### TONNES OF CO<sub>2</sub>e EMITTED

		2021	2022	2023
<b>Italy *</b>	Scope 1	7,151	6,331	7,629
	Scope 2 (location based)	6,993	6,956	8,206
	Scope 2 (market based)	3,897	0	0

\* Scope 1 and 2 (location and market based) data for Italy account for 98% of the total emission amount for both categories in 2023

### CONVERSION FACTORS USED

		units	2021	2022	2023
Source: UK Government - GHG Conversion Factors for Company Reporting 2020/2021/2022	<b>Electricity</b>	GJ/kWh	0.036	0.036	0.036
		GJ/t	45.030	45.195	45.522
	<b>Natural gas (methane)</b>	kg/mc	0.800	0.794	0.795
		GJ/mc	0.036024	0.035885	0.036190
	<b>Gas oil</b>	GJ/t	42.570	42.569	42.569
		l/t	1171.00	1184.00	1187.00
		GJ/l	0.036352690	0.035953547	0.035862679
	<b>Diesel</b>	GJ/t	42.470	42.602	42.730
		l/t	1181.800	1185.779	1200.716
		GJ/l	0.036	0.036	0.036
	<b>Petrol</b>	GJ/t	43.800	43.616	43.184
		l/t	1343.79	1342.86	1338.07
		GJ/l	0.032594451	0.032479931	0.032273301
	<b>LPG</b>	GJ/t	45.940	45.944	45.956
		l/t	1887.69	1887.84	1882.89
		GJ/l	0.024338807	0.024336770	0.024407122

### CO<sub>2</sub> EMISSION FACTORS USED

		units	2021	2022	2023
Source: UK Government - GHG Conversion Factors for Company Reporting 2018/2019/2020	<b>Natural gas (methane)</b>	tCO <sub>2</sub> e/m <sup>3</sup>	0.00202135	0.00201574	0.00203839
	<b>Gas oil for production processes and heating</b>		0.00275857	0.00275857	0.00275541
	<b>Diesel</b>	tCO <sub>2</sub> e/l	0.00251233	0.00269880	0.00251206
	<b>Petrol</b>		0.00219352	0.00216185	0.00209747
	<b>LPG</b>		0.00155709	0.00155709	0.00155713
	<b>R-407C</b>		1,774	1,774	1,624
Source: European Regulation on F-gases 517/2014	<b>HFC R134</b>	GWP	1,430	1,430	1430
	<b>R-22</b>		1,810	1,810	1,810
	<b>R-404A</b>		3,922	3,922	3,943
	<b>Italy</b>		0.000357	0.000331	0.000331
Source: AIB, Association of Issuing Bodies <b>Energia elettrica location based *</b>	<b>Romania</b>	tCO <sub>2</sub> /kWh	0.000281	0.000272	0.000272
	<b>France</b>		0.000042	0.000107	0.000107
	<b>UK</b>		0.000140	0.000188	0.000188
	<b>Italy</b>		0.000457	0.000457	0.000457
Source: AIB, Association of Issuing Bodies <b>Energia elettrica market based *</b>	<b>Romania</b>	tCO <sub>2</sub> /kWh	0.000282	0.000276	0.000276
	<b>France</b>		0.000049	0.000125	0.000125
	<b>UK</b>		0.000351	0.000365	0.000365

\* The source of emission factors "Carbon Footprint™, International Electricity Factors" has been replaced in 2023, with retroactive effect. In particular, the source AIB 2023 has been used for 2022 and 2023, while the source AIB 2022 has been used for 2021.

## GRI 401-1 Total number and rate of new hires and turnover rate by age group, gender and region

### NUMBER AND TURNOVER RATE (HIRES AND TERMINATIONS) BY COUNTRY

The rate of new hires is the ratio between employees hired during the reporting period and the total number of employees. The turnover rate is the ratio between employees who have terminated their relationship with the Company and the total number of employees, by age group.

		2021				2022				2023			
		Women	Men	Total	Rate %	Women	Men	Total	Rate %	Women	Men	Total	Rate %
Group	Entry	139	107	246		175	120	295		256	117	373	
	rate %	41%	22%	30%		38%	22%	29%		31%	18%	25%	
	< 30	58	38	96	60%	69	34	103	53%	102	33	135	52%
	30-50	71	57	128	25%	89	77	166	26%	135	65	200	22%
	> 50	10	12	22	14%	17	9	26	14%	19	19	38	13%
	Exit	45	43	88		81	75	156		120	69	189	
	rate %	13%	9%	11%		17%	14%	16%		15%	11%	13%	
	< 30	17	14	31	19%	29	17	46	24%	34	12	46	18%
	30-50	21	19	40	8%	38	40	78	12%	64	39	103	11%
	> 50	7	10	17	11%	14	18	32	17%	22	18	40	13%
Italy	Entry	134	105	239		151	109	260		216	97	313	
	rate %	41%	22%	30%		34%	21%	27%		34%	16%	25%	
	< 30	56	37	93	60%	61	31	92	50%	84	26	110	46%
	30-50	70	56	128	25%	81	69	150	25%	118	56	174	22%
	> 50	8	12	20	14%	9	9	18	10%	14	15	29	14%
	Exit	43	40	83		69	68	137		70	57	127	
	rate %	13%	8%	10%		16%	13%	14%		11%	10%	10%	
	< 30	16	12	28	18%	24	14	38	21%	24	9	33	14%
	30-50	20	18	38	8%	35	38	73	12%	41	31	72	9%
	> 50	7	10	17	12%	10	16	26	15%	5	17	22	11%
UK	Entry	0	0	0		3	0	3		6	2	8	
	rate %	0%	0%	0%		60%	0%	38%		100%	40%	73%	
	< 30	0	0	0	0%	1	0	1	100%	2	0	2	0%
	30-50	0	0	0	0%	2	0	2	67%	3	2	5	83%
	> 50	0	0	0	0%	0	0	0	0%	1	0	1	20%
	Exit	0	0	0		0	0	0		5	0	5	
	rate %	0%	0%	0%		0%	0%	0%		83%	0%	45%	
	< 30	0	0	0	0%	0	0	0	0%	3	0	3	0%
	30-50	0	0	0	0%	0	0	0	0%	2	0	2	33%
	> 50	0	0	0	0%	0	0	0	0%	0	0	0	0%
USA	Entry	5	2	7		10	10	20		25	17	42	
	rate %	38%	29%	35%		83%	100%	91%		132%	94%	114%	
	< 30	2	1	3	60%	6	3	9	129%	13	7	20	133%
	30-50	1	1	2	29%	3	7	10	91%	10	6	16	100%
	> 50	2	0	2	25%	1	0	1	25%	2	4	6	100%
	Exit	2	3	5		11	7	18		18	10	28	
	rate %	15%	43%	25%		92%	70%	82%		95%	56%	76%	
	< 30	1	2	3	60%	4	3	7	100%	7	3	10	67%
	30-50	1	1	2	29%	3	2	5	45%	6	6	12	75%
	> 50	0	0	0	0%	4	2	6	150%	5	1	6	100%
France	Entry	0	0	0		5	1	6		4	1	5	
	rate %	0%	0%	0%		125%	100%	120%		67%	50%	63%	
	< 30	0	0	0	0%	1	0	1	0%	3	0	3	100%
	30-50	0	0	0	0%	3	1	4	100%	1	1	2	50%
	> 50	0	0	0	0%	1	0	1	100%	0	0	0	0%
	Exit	0	0	0		1	0	1		2	0	2	
	rate %	0%	0%	0%		25%	0%	20%		33%	0%	25%	
	< 30	0	0	0	0%	1	0	1	0%	0	0	0	0%
	30-50	0	0	0	0%	0	0	0	0%	2	0	2	50%
	> 50	0	0	0	0%	0	0	0	0%	0	0	0	0%

2021										2022		2023			
Romania		Women	Men	Total	Rate %	Women	Men	Total	Rate %	Women	Men	Total	Rate %		
	Entry	0	0	0		0	0	0		5	0	5			
	rate %	0%	0%	0%		0%	0%	0%		3%	0%	3%			
	< 30	0	0	0	0%	0	0	0	0%	0	0	0	0%		
	30-50	0	0	0	0%	0	0	0	0%	3	0	3	3%		
	> 50	0	0	0	0%	0	0	0	0%	2	0	2	2%		
	Exit	0	0	0		0	0	0		25	2	27			
	rate %	0%	0%	0%		0%	0%	0%		16%	6%	15%			
	< 30	0	0	0	0%	0	0	0	0%	0	0	0	0%		
	30-50	0	0	0	0%	0	0	0	0%	13	2	15	15%		
> 50	0	0	0	0%	0	0	0	0%	12	0	12	14%			

## GRI 401-3 Parental leave

	Women	Men	Total
Total number of employees that were entitled to parental leave	61	36	97
Total number of employees that took parental leave	61	36	97
Total number of employees that returned to work in the reporting period after parental leave ended	32	36	68
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	30	33	63
Return to work rate	52%	100%	70%

## GRI 403-9 Number and rate of recordable work-related injuries, with high-consequence or fatalities, by country

### NUMBER AND RATE OF INJURIES PER MILLION HOURS WORKED - GROUP

Here are the incidents that occurred during the home-to-work commute not organized by the Group companies (commuting, not included in the rate calculation), work-related accidents lasting more than 24 hours, those resulting in severe consequences (180 days or more), and fatalities and/or permanent injuries.

Employees Number of events	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Commuting</b>	--	--	--	--	--	--	8	10	18
Managers	--	--	--	--	--	--	0	1	1
Middle managers	--	--	--	--	--	--	0	1	1
Office workers	--	--	--	--	--	--	8	1	9
Production workers	--	--	--	--	--	--	0	7	7
<b>Total injuries *</b>	--	--	5	--	--	5	3	8	11
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	1	0	1
Office workers *	--	--	--	--	--	--	2	0	2
Production workers	--	--	--	--	--	--	0	8	8
<b>Fatalities and/or permanent injuries</b>	--	--	0	--	--	0	0	0	0
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	0	0	0
Office workers	--	--	--	--	--	--	0	0	0
Production workers	--	--	--	--	--	--	0	0	0
<b>Injuries &gt; 180</b>	--	--	0	--	--	1	0	1	1
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	0	0	0
Office workers	--	--	--	--	--	--	0	0	0
Production workers	--	--	--	--	--	--	0	1	1
<b>Injuries &lt; 180</b>	--	--	5	--	--	4	3	7	10
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	1	0	1
Office workers *	--	--	--	--	--	--	2	0	2
Production workers	--	--	--	--	--	--	0	7	7
<b>Hours worked</b>	--	--	1,175,025	--	--	1,504,757	1,211,203	1,103,493	2,314,696
Managers	--	--	--	--	--	--	29,279	107,623	136,902
Middle managers	--	--	--	--	--	--	109,277	142,832	252,109
Office workers	--	--	--	--	--	--	700,670	264,650	965,320
Production workers	--	--	--	--	--	--	371,977	588,388	960,365
<b>Days lost</b>	--	--	68	--	--	419	30	359	389
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	3	0	3
Office workers *	--	--	--	--	--	--	27	0	27
Production workers	--	--	--	--	--	--	0	359	359

\* The data for 2021 and 2022 have been updated due to the reclassification of some accidental events.

Employees Injury rate	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total injuries *</b>	--	--	<b>4.3</b>	--	--	<b>3.3</b>	<b>2.5</b>	<b>7.2</b>	<b>4.8</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	9.2	0.0	4.0
Office workers *	--	--	--	--	--	--	2.9	0.0	2.1
Production workers	--	--	--	--	--	--	0.0	13.6	8.3
<b>Injuries &gt; 180</b>	--	--	<b>0.0</b>	--	--	<b>0.7</b>	<b>0.0</b>	<b>0.9</b>	<b>0.4</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers	--	--	--	--	--	--	0.0	0.0	0.0
Production workers	--	--	--	--	--	--	0.0	1.7	1.0
<b>Injuries &lt; 180 *</b>	--	--	<b>4.3</b>	--	--	<b>2.7</b>	<b>2.5</b>	<b>6.3</b>	<b>4.3</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	9.2	0.0	4.0
Office workers *	--	--	--	--	--	--	2.9	0.0	2.1
Production workers	--	--	--	--	--	--	0.0	11.9	7.3

\* The data for 2021 and 2022 have been updated due to the reclassification of some accidental events.

Employees Occupational diseases	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Deaths due to occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>
<b>Cases of occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>

Non-employees	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total injuries</b>	--	--	<b>0</b>	--	--	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
Fatalities	--	--	0	--	--	0	0	0	0
Other injuries	--	--	0	--	--	0	0	2	2
<b>Hours worked</b>	--	--	<b>60,052</b>	--	--	<b>59,119</b>	<b>15,303</b>	<b>66,964</b>	<b>82,266</b>
<b>Frequency index</b>	--	--	<b>0</b>	--	--	<b>0</b>	<b>0</b>	<b>30</b>	<b>30</b>
Injuries > 180	--	--	0	--	--	0	0	0	0
Injuries < 180	--	--	0	--	--	0	0	30	30
<b>Deaths due to occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>
<b>Cases of occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>

## NUMBER AND RATE OF INJURIES PER MILLION HOURS WORKED - ITALY

Employees Number of events	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Commuting</b>	--	--	--	--	--	--	<b>6</b>	<b>3</b>	<b>9</b>
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	0	0	0
Office workers	--	--	--	--	--	--	6	0	6
Production workers	--	--	--	--	--	--	0	3	3
<b>Total injuries *</b>	--	--	<b>5</b>	--	--	<b>4</b>	<b>1</b>	<b>8</b>	<b>9</b>
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	0	0	0
Office workers *	--	--	--	--	--	--	1	0	1
Production workers	--	--	--	--	--	--	0	8	8
<b>Fatalities and/or permanent injuries</b>	--	--	<b>0</b>	--	--	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Managers	--	--	--	--	--	0	0	0	0
Middle managers	--	--	--	--	--	--	0	0	0
Office workers	--	--	--	--	--	--	0	0	0
Production workers	--	--	--	--	--	--	0	0	0
<b>Injuries &gt; 180</b>	--	--	<b>0</b>	--	--	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	0	0	0
Office workers	--	--	--	--	--	--	0	0	0
Production workers	--	--	--	--	--	--	0	1	1
<b>Injuries &lt; 180</b>	--	--	<b>5</b>	--	--	<b>3</b>	<b>1</b>	<b>7</b>	<b>8</b>
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	0	0	0
Office workers *	--	--	--	--	--	--	1	0	1
Production workers	--	--	--	--	--	--	0	7	7
<b>Hours worked</b>	--	--	<b>1,131,633</b>	--	--	<b>1,451,325</b>	<b>877,997</b>	<b>1,000,103</b>	<b>1,878,100</b>
Managers	--	--	--	--	--	--	25,338	103,574	128,912
Middle managers	--	--	--	--	--	--	84,518	123,862	208,380
Office workers	--	--	--	--	--	--	658,129	247,023	905,152
Production workers	--	--	--	--	--	--	110,012	525,644	635,656
<b>Days lost</b>	--	--	<b>0</b>	--	--	<b>192</b>	<b>13</b>	<b>359</b>	<b>372</b>
Managers	--	--	--	--	--	--	0	0	0
Middle managers	--	--	--	--	--	--	0	0	0
Office workers *	--	--	--	--	--	--	13	0	13
Production workers	--	--	--	--	--	--	0	359	359

\* The data for 2021 and 2022 have been updated due to the reclassification of some accidental events.

**Employees  
Injury rate**

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total injuries *</b>	--	--	<b>4.4</b>	--	--	<b>2.8</b>	<b>1.1</b>	<b>8.0</b>	<b>4.8</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers *	--	--	--	--	--	--	1.5	0.0	1.1
Production workers	--	--	--	--	--	--	0.0	15.2	12.6
<b>Injuries &gt; 180</b>	--	--	<b>0.0</b>	--	--	<b>0.7</b>	<b>0.0</b>	<b>1.0</b>	<b>0.5</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers	--	--	--	--	--	--	0.0	0.0	0.0
Production workers	--	--	--	--	--	--	0.0	1.9	1.6
<b>Injuries &lt; 180 *</b>	--	--	<b>4.4</b>	--	--	<b>2.1</b>	<b>1.1</b>	<b>7.0</b>	<b>4.3</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers *	--	--	--	--	--	--	1.5	0.0	1.1
Production workers	--	--	--	--	--	--	0.0	13.3	11.0

\* The data for 2021 and 2022 have been updated due to the reclassification of some accidental events.

**Employees  
Occupational  
diseases**

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Deaths due to occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>
<b>Cases of occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>

**Non-employees**

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total injuries</b>	--	--	<b>0</b>	--	--	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
Fatalities	--	--	0	--	--	0	0	0	0
Other injuries	--	--	0	--	--	0	0	2	2
<b>Hours worked</b>	--	--	<b>60,052</b>	--	--	<b>57,752</b>	<b>15,303</b>	<b>66,964</b>	<b>82,266</b>
<b>Frequency index</b>	--	--	<b>33</b>	--	--	<b>0</b>	<b>0</b>	<b>30</b>	<b>30</b>
Injuries > 180	--	--	0	--	--	0	0	0	0
Injuries < 180	--	--	33	--	--	0	0	30	30
<b>Deaths due to occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>
<b>Cases of occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>





**Employees**  
**Injury rate**

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total injuries</b>	--	--	<b>0.0</b>	--	--	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers	--	--	--	--	--	--	0.0	0.0	0.0
Production workers	--	--	--	--	--	--	0.0	0.0	0.0
<b>Injuries &gt; 180</b>	--	--	<b>0.0</b>	--	--	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers	--	--	--	--	--	--	0.0	0.0	0.0
Production workers	--	--	--	--	--	--	0.0	0.0	0.0
<b>Injuries &lt; 180</b>	--	--	<b>0.0</b>	--	--	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers	--	--	--	--	--	--	0.0	0.0	0.0
Production workers	--	--	--	--	--	--	0.0	0.0	0.0

**Employees**  
**Occupational diseases**

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Deaths due to occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>
<b>Cases of occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>

**Non-employees**

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total injuries</b>	--	--	<b>0</b>	--	--	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fatalities	--	--	0	--	--	0	0	0	0
Other injuries	--	--	0	--	--	0	0	0	0
<b>Hours worked</b>	--	--	<b>0</b>	--	--	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Frequency index</b>	--	--	<b>0</b>	--	--	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Injuries > 180	--	--	0	--	--	0	0	0	0
Injuries < 180	--	--	0	--	--	0	0	0	0
<b>Deaths due to occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>
<b>Cases of occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>



<b>Employees Injury rate</b>			<b>2021</b>			<b>2022</b>			<b>2023</b>		
	Women	Men	Total	Women	Men	Total	Women	Men	Total		
<b>Total injuries</b>	--	--	<b>0.0</b>	--	--	<b>27.0</b>	<b>30.9</b>	<b>0.0</b>	<b>14.5</b>		
<i>Managers</i>	--	--	--	--	--	--	0.0	0.0	0.0		
<i>Middle managers</i>	--	--	--	--	--	--	173.9	0.0	66.0		
<i>Office workers</i>	--	--	--	--	--	--	0.0	0.0	0.0		
<i>Production workers</i>	--	--	--	--	--	--	0.0	0.0	0.0		
<b>Injuries &gt; 180</b>	--	--	<b>0.0</b>	--	--	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
<i>Managers</i>	--	--	--	--	--	--	0.0	0.0	0.0		
<i>Middle managers</i>	--	--	--	--	--	--	0.0	0.0	0.0		
<i>Office workers</i>	--	--	--	--	--	--	0.0	0.0	0.0		
<i>Production workers</i>	--	--	--	--	--	--	0.0	0.0	0.0		
<b>Injuries &lt; 180</b>	--	--	<b>0.0</b>	--	--	<b>27.0</b>	<b>30.9</b>	<b>0.0</b>	<b>14.5</b>		
<i>Managers</i>	--	--	--	--	--	--	0.0	0.0	0.0		
<i>Middle managers</i>	--	--	--	--	--	--	173.9	0.0	66.0		
<i>Office workers</i>	--	--	--	--	--	--	0.0	0.0	0.0		
<i>Production workers</i>	--	--	--	--	--	--	0.0	0.0	0.0		

<b>Employees Occupational diseases</b>			<b>2021</b>			<b>2022</b>			<b>2023</b>		
	Women	Men	Total	Women	Men	Total	Women	Men	Total		
<b>Deaths due to occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>		
<b>Cases of occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>		

<b>Non-employees</b>			<b>2021</b>			<b>2022</b>			<b>2023</b>		
	Women	Men	Total	Women	Men	Total	Women	Men	Total		
<b>Total injuries</b>	--	--	<b>0</b>	--	--	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<i>Fatalities</i>	--	--	<b>0</b>	--	--	<b>0</b>	0	0	0		
<i>Other injuries</i>	--	--	<b>0</b>	--	--	<b>0</b>	0	0	0		
<b>Hours worked</b>	--	--	<b>-</b>	--	--	<b>1,367</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Frequency index</b>	--	--	<b>0</b>	--	--	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<i>Injuries &gt; 180</i>	--	--	<b>0</b>	--	--	<b>0</b>	0	0	0		
<i>Injuries &lt; 180</i>	--	--	<b>0</b>	--	--	<b>0</b>	0	0	0		
<b>Deaths due to occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>		
<b>Cases of occupational disease</b>	--	--	<b>0</b>	--	--	<b>0</b>	--	--	<b>0</b>		



Employees Injury rate	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total injuries</b>	--	--	--	--	--	<b>0.0</b>	<b>143.2</b>	<b>0.0</b>	<b>104.7</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers	--	--	--	--	--	--	158.5	0.0	146.9
Production workers	--	--	--	--	--	--	0.0	0.0	0.0
<b>Injuries &gt; 180</b>	--	--	--	--	--	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers	--	--	--	--	--	--	0.0	0.0	0.0
Production workers	--	--	--	--	--	--	0.0	0.0	0.0
<b>Injuries &lt; 180</b>	--	--	--	--	--	<b>0.0</b>	<b>143.2</b>	<b>0.0</b>	<b>104.7</b>
Managers	--	--	--	--	--	--	0.0	0.0	0.0
Middle managers	--	--	--	--	--	--	0.0	0.0	0.0
Office workers	--	--	--	--	--	--	158.5	0.0	146.9
Production workers	--	--	--	--	--	--	0.0	0.0	0.0

Employees Occupational diseases	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Deaths due to occupational disease</b>	--	--	--	--	--	<b>0</b>	--	--	<b>0</b>
<b>Cases of occupational disease</b>	--	--	--	--	--	<b>0</b>	--	--	<b>0</b>

Non-employees	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total injuries</b>	--	--	--	--	--	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fatalities	--	--	--	--	--	0	0	0	0
Other injuries	--	--	--	--	--	0	0	0	0
<b>Hours worked</b>	--	--	--	--	--	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Frequency index</b>	--	--	--	--	--	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Injuries > 180	--	--	--	--	--	0	0	0	0
Injuries < 180	--	--	--	--	--	0	0	0	0
<b>Deaths due to occupational disease</b>	--	--	--	--	--	<b>0</b>	--	--	<b>0</b>
<b>Cases of occupational disease</b>	--	--	--	--	--	<b>0</b>	--	--	<b>0</b>





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## GRI 405-1b Diversity of employees

### NUMBER OF EMPLOYEES BY GENDER AND AGE GROUP

		2022		2023	
		n.	%	n.	%
<b>Managers</b>	<b>Total</b>	<b>60</b>		<b>72</b>	
	<b>Total</b>	<b>12</b>	<b>20%</b>	<b>14</b>	<b>19%</b>
<b>Manager - Women</b>	Under 30	0	0%	0	0%
	30-50	8	13%	10	14%
	Over 50	4	7%	4	6%
	<b>Total</b>	<b>48</b>	<b>80%</b>	<b>58</b>	<b>81%</b>
<b>Manager - Men</b>	Under 30	1	2%	1	1%
	30-50	30	50%	42	58%
	Over 50	17	28%	15	21%
<b>Middle managers</b>	<b>Total</b>	<b>91</b>		<b>113</b>	
	<b>Total</b>	<b>34</b>	<b>37%</b>	<b>45</b>	<b>40%</b>
<b>Middle Manager - Women</b>	Under 30	0	0%	2	2%
	30-50	22	24%	34	30%
	Over 50	12	13%	9	8%
	<b>Total</b>	<b>57</b>	<b>63%</b>	<b>68</b>	<b>60%</b>
<b>Middle Manager - Men</b>	Under 30	4	4%	4	4%
	30-50	41	45%	49	43%
	Over 50	12	13%	15	13%
<b>Office workers</b>	<b>Total</b>	<b>473</b>		<b>656</b>	
	<b>Total</b>	<b>357</b>	<b>75%</b>	<b>503</b>	<b>77%</b>
<b>Office workers - Women</b>	Under 30	101	21%	143	22%
	30-50	207	44%	297	45%
	Over 50	49	10%	63	10%
	<b>Total</b>	<b>116</b>	<b>25%</b>	<b>153</b>	<b>23%</b>
<b>Office workers - Men</b>	Under 30	20	4%	32	5%
	30-50	76	16%	96	15%
	Over 50	20	4%	25	4%
<b>Production workers</b>	<b>Total</b>	<b>346</b>		<b>388</b>	
	<b>Total</b>	<b>39</b>	<b>11%</b>	<b>75</b>	<b>19%</b>
<b>Production workers - Women</b>	Under 30	3	1%	6	2%
	30-50	24	7%	47	12%
	Over 50	12	3%	22	6%
	<b>Total</b>	<b>307</b>	<b>89%</b>	<b>313</b>	<b>81%</b>
<b>Production workers - Men</b>	Under 30	56	16%	51	13%
	30-50	202	58%	207	53%
	Over 50	49	14%	55	14%

## European Taxonomy

### Regulation (UE) 2020/852

The reporting has implemented the relevant updates introduced in 2023.

The volumes of turnover, capital expenditure and operating expenses that appear in the denominator of the indicators coincide with those reported in the 2023 Financial Report.

The values in the denominator correspond to net revenues for the turnover indicator, to increases in tangible and intangible assets considered before depreciation, depreciation and any revaluation for the capital expenditure indicator, and to non-capitalised direct costs related to research and development, building renovations, short-term rentals, maintenance and repairs of property, plant and machinery, and other direct expenses necessary for the continuous and effective operation of the assets for the operating expenses indicator.

The turnover volume relating to the aligned and eligible activity "Production of electricity using solar photovoltaic technology" includes the entire net revenues of the company Solar Rooftop S.r.l, approximately 25% of the net revenues of Rovale S.r.l - both controlled by Italgem S.p.A. - and a share attributable to the photovoltaic production of Italgem itself, equal to approximately 1% of its net revenues.

The turnover volume relating to the aligned and eligible activity "Production of electrical energy from hydroelectric energy" includes approximately 75% of the net revenues of the company Rovale S.r.l, the entirety of the net revenues of the companies Idrodezzo S.r.l and Idroenergy S.r.l, dedicated exclusively to hydroelectric production and also controlled by Italgem S.p.A., and the share of turnover attributable to hydroelectric production of Italgem itself (approximately 99%). These values were determined on the basis of the companies' analytical accounting for the 2023 financial year.

The assignment of capitalized (CapEx) and non-capitalized (OpEx) expenses to the numerator was conducted through a reconciliation between the accounting information collected by the management systems of the individual portfolio companies, the aligned and eligible activities and the respective description. With the exception of Italgem S.p.A. and its subsidiaries, which carry out activities that are eligible and aligned with climate objectives, or comply with the substantial contribution and DNSH (Do Not Significant Harm) criteria of the "Climate change mitigation" and "Climate change adaptation" objectives in compliance with the minimum guarantees safeguard, the remaining companies falling within the scope of consolidation of the Italmobiliare Group as of 31 December 2023 do not carry out activities eligible for any of the six environmental objectives and do not currently have CapEx plans aimed at increasing the share of aligned activities. The trend in CapEx and OpEx expenses is therefore attributable to the investments made by the companies, as part of their ESG Plans, with the aim of reducing the carbon footprint of the activities carried out, the strategic development objectives of the business and specific production and management needs.

	Proportion Turnover/ Total turnover		Proportion CapEx/total CapEx		Proportion di OpEx/total OpEx	
	Aligned	Eligible	Aligned	Eligible	Aligned	Eligible
CCM	8.4%	8.4%	19.5%	49.5%	9.3%	9.8%
CCA	8.4%	8.4%	19.5%	50.9%	9.3%	10.9%
WTR	-	-	-	-	-	-
CE	-	-	-	12.1%	-	0.003%
PPC	-	-	-	-	-	-
BIO	-	-	-	-	-	-

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Substantial contribution criteria										DNSH criteria ('Does Not Significantly Harm')																	
Economic Activities		Code	CapEx	Proporti on of CapEx, year 2023	Climate change mitigation			Climate change adaptation			Water		Pollution		Circular economy		Biodiversity		Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguard	Proportion of Taxonomy- aligned (A.1.) or eligible (A.2.) CapEx, year 2022	Category (enabling activity)
			€	%	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																											
A.1. Environmentally sustainable activities (Taxonomy-aligned)																											
Electricity generation using solar photovoltaic technology		CCM 4.1 CCA 4.1	3,646,000.00 €	7.2%	Y	Y													Y	Y	Y	Y	Y	Y	Y	0%	
Electricity generation from hydropower		CCM 4.5 CCA 4.5	6,169,000.00 €	12.3%	Y	Y													Y	Y	Y	Y	Y	Y	Y	20.6%	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			9,815,000.00 €	19.5%	100%	100%													Y	Y	Y	Y	Y	Y	Y	21%	E
Of which enabling																											
Of which transitional																											
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																											
Electricity generation using solar photovoltaic technology		CCM 4.1 CCA 4.1	428,690.00 €	0.9%	Y	Y																				%	
Transport by motorbikes, passenger cars and light commercial vehicles		CCM 6.5 CCA 6.5	918,909.84 €	1.8%	Y	Y																				0%	
Construction of new buildings		CCM 7.1 CCA 7.1 CE 3.1	4,159,395.12 €	8.3%	Y	Y									Y											9.22%	
Renovation of existing buildings		CCM 7.2 CCA 7.2 CE 3.2	1,921,415.90 €	3.8%	Y	Y									Y											2.95%	
Installation, maintenance and repair of energy efficiency equipment		CCM 7.3 CCA 7.3	580,511.18 €	1.2%	Y	Y																				1.19%	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		CCM 7.4 CCA 7.4	30,725.00 €	0.06%	Y	Y																				0%	
Installation, maintenance and repair of renewable energy technologies		CCM 7.6 CCA 7.6 CCM 7.7 CCA 7.7	823,805.00 €	1.6%	Y	Y																				2.83%	
Acquisition and ownership of buildings		CCM 7.7 CCA 7.7	6,228,890.37 €	12.4%	Y	Y																				2.22%	
Data-driven solutions for GHG emissions reductions		CCM 8.2 CCA 8.2	720,433.06 €	1.4%		Y																				0.88%	
Construction, extension and operation of water collection, treatment and supply systems		CE 5.1	5206.84 €	0.01%																							
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			15,817,982.30 €	31.4%																						19.76%	
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)			25,632,982.30 €	50.9%																						40.73%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																											
CapEx of Taxonomy-non-eligible activities			24,683,667.70 €	49.1%																							
TOTAL			50,316,650.00 €	100%																							

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**ITALMOBILIARE**  
INVESTMENT HOLDING

# REPORTING

# REPORTING

## Scope and methodology

The 2023 Sustainability Report was drawn up in accordance with the most recent "Reporting Standards" defined by the Global Reporting Initiative (GRI). The Group is already working to prepare the transition to the European Sustainability Reporting Standards (ESRS), which will be applied from 2024 reporting.

The Sustainability Report includes the services, data and information on the parent company Italmobiliare and on all the companies consolidated on a line-by-line basis in the Annual Report, excluding those which, due to the insignificance of the business (% NAV, assets, number of employees) or due to the absence of significant environmental, social or governance aspects or because of the type of business, are considered irrelevant in order to represent the Group's sustainable strategy.

In the event of changes to the scope of consolidation during the year, such as the acquisition or sale of companies or changes in the percentage of control, the data and information relating to these companies will in principle be included or excluded in accordance with the Annual Report or in any case in the following cases:

- For companies that entered the scope of consolidation in the first 6 months of the year, figures and information are normally included in the Sustainability Report for the entire year.
- For companies that entered the scope of consolidation in the last 6 months of the year, the figures and information are normally excluded from the Sustainability Report.
- For companies that were excluded from the scope of consolidation in the first 6 months of the year, the situation is considered case by case whether to include or exclude the figures and information in the Sustainability Report for the entire year.

For Portfolio Companies that are controlled but not yet consolidated and other affiliates, key figures and information are provided. The following table summarizes the evolution of the reporting perimeter, over years.

	Investment date	2021	2022	2023
<b>Parent Company and controlled Portfolio Companies</b>				
Italmobiliare		✓	✓	✓
Italgen	July 2016	✓	✓	✓
Clessidra	September 2016	✓	✓	✓
Caffè Borbone	May 2018	✓	✓	✓
Capitelli	December 2019	✓	✓	✓
Officina Profumo-Farmaceutica di Santa Maria Novella	January 2020	✓	✓	✓
Casa della Salute	December 2020	✓	✓	✓
Callmewine	December 2020	✓	✓	✓
SIDI Sport	October 2022		Info	✓
<b>Affiliated Portfolio Companies</b>				
Tecnica Group	November 2017	info	info	info
Iseo	October 2018	info	info	info
AGN ENERGIA	January 2019	info	info	info
Bene Assicurazioni	apr-22		info	info

Although fully controlled and consolidated, Franco Tosi Ventures, Crédit Mobilier de Monaco, Italmobiliare Servizi (only energy consumption is accounted), Punta Ala and SEPAC are not included, as their activities are not relevant

to the Group's sustainable strategy. Together they represent less than 5% of NAV, have a very limited number of employees, and have no significant environmental, social or governance aspects.

The scope of the economic and financial data and information in this Report is the same as that of the Consolidated Financial Statements of the Italmobiliare Group on 31 December 2023, but may vary according to the materiality of these topics for the various Group companies, as detailed in the document. Minor administrative and commercial offices, which are not relevant to the Group's sustainable strategy, are excluded.

		Italmobiliare Group and Parent Company		Consolidated Portfolio Companies							
		Group	Italmobiliare	Caffè Borbone	Officina SMN	Italgen	Casa della Salute	Capitelli	Callmewine	SIDI Sport	Clessidra
Governance	Economic result and shared value	✓									
	Governance and integrity	✓		✓	✓	✓	✓	✓	✓	✓	✓
	Responsible investments	✓									✓
	Procurement and supply chain	✓		✓	✓	✓	✓	✓	✓	✓	
Society	Human capital development	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Health, safety and wellbeing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Product and service stewardship	✓		✓	✓	✓	✓	✓	✓	✓	
	Market and community	✓		✓	✓	✓		✓	✓	✓	✓
Environment	Responsible use of resources	✓		✓	✓	✓	✓	✓	✓	✓	
	Low-carbon transition	✓		✓	✓	✓	✓	✓	✓	✓	✓
	Land and biodiversity					✓					

With specific reference to the accountings of the carbon footprint, the following categories were considered as material and included in calculations or estimates.

	Italmobiliare	Caffè Borbone	Officina SMN	Italgen	Casa della Salute	Capitelli	Callmewine	SIDI Sport	Clessidra
<b>Scope 1 direct emissions</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Scope 2 indirect emissions</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Scope 3 value chain emissions</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓
1 Purchased goods and services		✓	✓		✓	✓	✓	✓	
2 Capital goods					✓				
3 Fuel- and energy-related activities	✓	✓	✓	✓	✓	✓	✓	✓	✓
4 Upstream logistics		✓	✓		✓	✓	✓	✓	
5 Waste generated in operations		✓	✓	✓	✓	✓	✓	✓	
6 Business travel	✓	✓	✓	✓	✓	✓	✓	✓	✓
7 Employee commuting	✓	✓	✓	✓	✓	✓	✓	✓	✓
8 Upstream leased assets			✓				✓		
9 Downstream logistics		✓	✓			✓	✓	✓	
10 Processing of sold products		✓							
11 Use of sold products		✓	✓						
12 End-of-life treatment of products		✓	✓			✓	✓	✓	
13 Downstream leased assets									
14 Franchises									
15 Investments	✓								✓

Estimates were used as little as possible to give a true representation of performance and to ensure that the figures are reliable. Where estimates have been used, they are based on the best available methodologies and



appropriately reported. The data relating to the financial year 2021 and 2022 are reported for comparative purposes in order to facilitate the understanding of the performance trend.

For the years 2021 and 2022, some restatements of previously reported data were necessary to correct some past errors in data collection or to align the calculation methodologies to those used in 2023. Most restatements are not material. Some of them, detailed in the table below, are significant and have been highlighted in all the data tables concerned, including those concerning consolidation at Group level.

Company	Restated data	Explanation	Page
Italmobiliare Group	Water withdrawal, discharge, and consumption	2021 and 2022 data have been updated, adding Caffè Borbone's data in the accounts.	F35
All companies included in the carbon footprinting	GHG Scope 2 LB emissions	Since 2023, with retroactive effect, the emission factor source has been modified. Factors used are expressed in tCO <sub>2</sub> /kWh. However, the contribution of methane and nitrogen protoxide on total greenhouse gas emissions (CO <sub>2</sub> e) is marginal, according to the technical literature used as reference.	F126
Italmobiliare Group	GHG Scope 3 emissions Investments	2021 and 2022 data have been updated, considering the same scope used for 2023.	F36
Clessidra	GHG Scope 3 emissions Investments		F114
	Employees injuries at work	Reclassification of some accidental events occurred in 2021 and 2022.	F14, F30, F47, F129, F130, F131, F132
Caffè Borbone	GHG Scope 3 emissions Purchased goods and services	2021 and 2022 data, previously calculated using almost exclusively factors from scientific literature or sector studies, have been recalculated based on the best availability of primary data collected in 2023	F36, F51
Officina Profumo-Farmaceutica di Santa Maria Novella	GHG Scope 3 emissions Use of sold products		F36, F61

The "Supplementary Data" section is an integral part of this document. It contains the detailed information and data, in order to give complete evidence of the coverage of the GRI indicators associated with each theme that emerged as material. The Group has implemented a reporting process of non-financial information which involved the subsidiaries, both in the definition of material issues and by sharing the reporting model established by the Parent Company.

The **materiality matrix** is built as the weighted aggregation of the individual materiality matrices of Italmobiliare and each Portfolio Company. For each entity, the applied methodology provides for three evaluation elements:

- With the support of Italmobiliare Sustainability Department, the first-line functions rate the sustainability matters.
  - **Financial materiality:** risks or opportunities that have a material influence, or are likely to have a material influence, on the undertaking's cash flows, development, performance, position, cost of capital or access to finance in the short-, medium- and long-term time horizons.
  - **Impact materiality:** relevant actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term time horizons. Impacts include those linked to entities direct operations and value chain, also through their products, services or business relationships.
- The functions of the Holding examine the evaluation carried out by the Portfolio Company, proposing alternatives or additions, when necessary.
- The evaluation of the impact materiality is collected through dedicated questionnaires, interviews, or other engagement tools directly from the other relevant stakeholders for the specific Company.

Further to the perimeter and weighting adjustments, the 2023 update saw the refinement of the assessment of some particularly strategic topics, such as the low-carbon transition in line with the Group's decarbonisation commitment. The matrix was presented and discussed in the Sustainability and Social Responsibility Committee, approved by the Board of Directors and made operational by management. The data collected on the three evaluation levels are appropriately weighted and graphically represented (page F16). To make the matrix more communicative, material topics have been aggregated into macro-issues, following the reconciliation table hereunder.

Macro-issues	Material impacts	GRI standard	
Economic results and shared value	Continuity of creation of the economic value and safeguard of the capital soundness	201	Economic performance
	Fair distribution of the economic value to stakeholders (business partners, employees, clients, communities,...) Capability to mitigate related financial risks through a sustainable strategy, including climate action		
Governance and integrity	Compliance with the law, for example, as regards anti-corruption, antitrust, environment, human rights and labour Active contribution to the dissemination of ethics, legality, and sustainability along the value chain (e.g.: suppliers, clients)	205	Anti-corruption
		206	Anti-competitive behavior
		207	Tax
Procurement and supply chain	Selection of suppliers based on ethical criteria and environmental and social performances aligned with the Company Establishment and maintenance of solid and mutually advantageous partnerships with suppliers of goods and services, also considering local companies Shared attention to environmental, social and governance aspects with suppliers, and engagement in the implementation of responsible practices	204	Procurement practices
		407	Freedom of association and collective bargaining
		408	Child labor
		409	Forced or compulsory labor
Human capital development	Compliance with labour rights ( e.g. child labour, forced labour, freedom of association) Enhancement of gender equality and diversity in its different aspects, for example by ensuring non-discriminatory practices in terms of employees recruitment, management and remuneration Promotion of personal growth through skills mapping, continuous training, performance evaluation and development paths Provision of supplementary benefits and work-life balance opportunities	202	Market presence
		401	Employment
		402	Labor/management relations
		404	Training and education
		405	Diversity and equal opportunity
Health, safety and wellbeing	Support and compliance of the health and safety of employees and people accessing the workplace (suppliers, guests, clients)	401	Employment
		403	Occupational health and safety
Product and service stewardship	Compliance of products and services with regulations and voluntary codes, health, safety, environment, labelling, product/service communication and marketing Development of sustainable and innovative products and services, through attention to components, ingredients, production processes, packaging, distribution methods, and end-of-life management Promotion of responsible consumption and lifestyles conscious of social and environmental impacts	416	Customer health and safety
Market and community	Development and maintenance of strong relationships with markets, even through the communication of economic and ESG performances	417	Marketing and labeling
		418	Customer privacy
Responsible use of resources	Optimization and reduction in consumption of raw, associated process or for packaging materials, with a preference for renewable or recycled materials Optimization and reduction in thermal and electric energy consumption Optimization and reduction in direct and indirect water consumption, particularly if withdrawn from areas with water stress Containment of by-products and waste generation and promotion of their recovery and reuse	301	Materials
		302	Energy
		303	Water and effluents
		306	Waste
Low-carbon transition	Reduction of GHG emissions generated by company operations Reduction of GHG emissions generated by upstream and downstream companies (e.g. supply of raw materials, logistics, distribution and use of products) Contribution to energy transition and climate change mitigation through the production and use of energy from renewable sources	305	Emissions
Land and biodiversity	Prevention and mitigation of negative impacts generated by water discharge	304	Biodiversity

This Sustainability Report, which is drawn up on an annual basis, was approved by the Risks and Sustainability Committee of Italmobiliare S.p.A. at its meeting of February 21, 2024 and by the Board of Directors on March 7, 2024.

The Report is also subject to a limited review (or "limited assurance engagement" according with the criteria indicated by ISAE 3000 Revised) by Deloitte & Touche S.p.A. which, at the end of its work, releases a specific report on the consistency of the information provided in the consolidated non-financial statement prepared by Italmobiliare S.p.A. in accordance with Legislative Decree 254/2016.

This document is available at: <https://www.italmobiliare.it/en/sustainability/sustainability-report>. For information or clarification, contact the company at the email address [IR@Italmobiliare.it](mailto:IR@Italmobiliare.it).

## UN Global Compact: Communication On Progress (COP)



The Italmobiliare Group adheres to the United Nations Global Compact by means of a declaration of commitment - both formal and substantial - to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of protecting the environment and actively involved in every aspect of business integrity. To this end, Italmobiliare shares, supports and applies the 10 fundamental principles of the Global Compact in its sphere of influence and actively contributes to the achievement of the United Nations Sustainable Development Goals.

The Sustainability Report contains the information necessary for the Communication on Progress (COP), formally due to report on progresses in the implementation. The following table makes reference to the appropriate sections of the Report. The graph on page F15 details the direct and indirect contribution to the SDGs.

Principles of the Global Compact		Material topics and sections of the Report
HUMAN RIGHTS		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN HUMAN CAPITAL DEVELOPMENT HEALTH, SAFETY AND WELLBEING PRODUCT AND SERVICE STEWARDSHIP MARKET AND COMMUNITIES RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION LAND AND BIODIVERSITY
Principle 2	make sure that they are not complicit in human rights abuses.	
LABOUR		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN HUMAN CAPITAL DEVELOPMENT
Principle 4	the elimination of all forms of forced and compulsory labour;	
Principle 5	the effective elimination of child labour; and	
Principle 6	the elimination of discrimination in respect of employment and occupation.	
ENVIRONMENT		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	RESPONSIBLE INVESTMENTS PRODUCT AND SERVICE STEWARDSHIP RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION LAND AND BIODIVERSITY
Principle 8	undertake initiatives to promote greater environmental responsibility; and	
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	
ANTI-CORRUPTION		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN MARKET AND COMMUNITIES

## Non-Financial Report (NFR)

The Sustainability Report contains the information necessary to meet the requirements of the consolidated non-financial report (NFR) in compliance with Legislative Decree 254/16. As required by Art. 5 of the Decree itself, is published separately from the management report.

The document reports on the issues deemed relevant and foresees by Art. 3 and by Art. 4 of Legislative Decree 254/2016 with reference to the 2022 financial year (from 1 January to 31 December), to the extent necessary to ensure the understanding of the business activity, its trend, results, social and environmental impacts.

The definition of the relevant issues for the Italmobiliare Group and its stakeholders took place on the basis of the structured materiality analysis process described in the “Strategy, materiality and SDGs” paragraph of this document.

The following table summarises the main elements.

Themes requested by Legislative Decree 254/16	Material topics and sections of the Report
a) The business model for the management and organization of the company's activities, including any organization and management models adopted pursuant to article 6, paragraph 1, letter a), of legislative decree 231, also with reference to the management of the aforementioned issues	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN
b) The policies enforced by the company, including those related to due diligence, the results achieved and the key performance indicators of non-financial nature	
c) The policies enforced by the company, including those related to due diligence, the results achieved and the key performance indicators of non-financial nature	
Environment	
a) The use of energy resources, distinguishing between those produced from renewable and non-renewable sources, and the use of water resources	RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION LAND AND BIODIVERSITY
b) Greenhouse gas emissions and polluting emissions into the atmosphere	
c) The impact, where possible on the basis of hypotheses or realistic scenarios even in the medium term, on the environment as well as on health and safety, associated with risk factors or other relevant environmental and health risk factors	
Social aspects related to personnel and respect for human rights	
c) The impact, where possible on the basis of hypotheses or realistic scenarios even in the medium term, on the environment as well as on health and safety, associated with risk factors or other relevant environmental and health risk factors	HUMAN CAPITAL DEVELOPMENT HEALTH, SAFETY AND WELLBEING PRODUCT AND SERVICE STEWARDSHIP MARKET AND COMMUNITIES
d) Social aspects and aspects relating to personnel management, including the actions taken to guarantee gender equality, the measures aimed at implementing the conventions of international and supranational organizations on the subject, and the ways in which dialogue with the social partners	
e) Respect for human rights, the measures adopted to prevent violations, as well as the actions taken to prevent discriminatory attitudes and actions	
Fight against active and passive corruption	
f) Fight against both active and passive corruption, with indication of the tools adopted for this purpose	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS

## GRI standards

		Page / Remarks	Omissions
<b>GRI 2</b>	<b>General Disclosures 2021</b>		
2-1	Organizational details	F11	
2-2	Entities included in the organization's sustainability reporting	F148	
2-3	Reporting period, frequency and contact point	F148	
2-4	Restatements of information	F150	
2-5	External assurance	F159	
2-6	Activities, value chain and other business relationships	F11, F124	
2-7	Employees	F122	
2-8	Workers who are not employees	F123	
2-9	Governance structure and composition	F18, Report on Corporate Governance and the Ownership Structure, II. Board of Directors - "Composition"	
2-10	Nomination and selection of the highest governance body	Report on Corporate Governance and the Ownership Structure, II. Board of Directors - "Appointment and replacement of Directors"	
2-11	Chair of the highest governance body	Report on Corporate Governance and the Ownership Structure, II. Board of Directors - "Composition"	
2-12	Role of the highest governance body in overseeing the management of impacts	F18, F19	
2-13	Delegation of responsibility for managing impacts	F18, F19	
2-14	Role of the highest governance body in sustainability reporting	F18	
2-15	Conflicts of interest	Report on Corporate Governance and the Ownership Structure 2023, VI. Codes of conduct, procedures and other corporate governance practices, "Directors' interests and transactions with related parties"	
2-16	Communication of critical concerns	F19, F21	
2-17	Collective knowledge of the highest governance body	Report on Corporate Governance and the Ownership Structure, II. Board of Directors - "Role and duties"	
2-18	Evaluation of the performance of the highest governance body	Report on Corporate Governance and the Ownership Structure, II. Board of Directors - "Role and duties"; Remuneration Report 2023, II, Report on the Remuneration Policy 2023	
2-19	Remuneration policies	Remuneration Report 2023, II, Report on the Remuneration Policy 2023	
2-20	Process to determine remuneration	Remuneration Report 2023, II, Report on the Remuneration Policy 2023	
2-21	Annual total compensation ratio	F19, F125 - Global annual remuneration received during the year by employees present as at 31/12/2023, including the fixed component and variable remuneration from overtime work, allowances, benefits and performance-related bonuses. The remuneration of people with part-time employment contracts and of people hired during the year was calculated in terms of Full Time Equivalent.	2-21 b not reported. Data currently not available at Group level, the company is committed to developing a structured system for future reporting.
2-22	Statement on sustainable development strategy	F10, Letter to stakeholders	
2-23	Policy commitments	F19	
2-24	Embedding policy commitments	F19	
2-25	Processes to remediate negative impacts	F19	
2-26	Mechanisms for seeking advice and raising concerns	F19	
2-27	Compliance with laws and regulations	F19	
2-28	Membership associations	F33	
2-29	Approach to stakeholder engagement	F31	
2-30	Collective bargaining agreements	F29, F125	

		Page / Remarks	Omissions
<b>GRI 3</b>	<b>MATERIAL TOPICS 2021</b>		
3-1	Process to determine material topics	F149	
3-2	List of material topics	F16, F43, F53, F63, F74, F82, F92, F99, F107	
	<b>ECONOMIC RESULTS AND SHARED VALUE</b>		
3-3	Management of material topics	F17, F150	
<b>GRI 201</b>	<b>Economic performance 2016</b>		
201-1	Direct economic value generated and distributed	F17	
201-4	Financial assistance received from government	F17	
	<b>GOVERNANCE AND INTEGRITY</b>		
3-3	Management of material topics	F18, F44, F54, F64, F75, F83, F93, F100, F108, F150	
<b>GRI 205</b>	<b>Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	F18	
205-2	Communication and training about anti-corruption policies and procedures	F125	
205-3	Confirmed incidents of corruption and actions taken	F20	
<b>GRI 206</b>	<b>Anti-competitive behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	F21	
<b>GRI 207</b>	<b>Tax 2019</b>		
207-1	Approach to tax	F18	
207-2	Tax governance, control, and risk management	F20	
207-3	Stakeholder engagement and management of concerns related to tax	F18	
207-4	Country-by-country reporting	F20	
	<b>RESPONSIBLE INVESTMENTS</b>		
3-3	Management of material topics	F26, F109, F150	
	<b>PROCUREMENT AND SUPPLY CHAIN</b>		
3-3	Management of material topics	F31, F150	
<b>GRI 204</b>	<b>Procurement practices 2016</b>		
204-1	Proportion of spending on local suppliers	F124	
<b>GRI 308</b>	<b>Supplier environmental assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	F45, F55, F65, F76, F84, F93, F100	
<b>GRI 414</b>	<b>Supplier social assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	F45, F55, F65, F76, F84, F93, F100	
	<b>HUMAN CAPITAL DEVELOPMENT</b>		
3-3	Management of material topics	F29, F39, F46, F56, F66, F77, F85, F95, F102, F112, F150	
<b>GRI 201</b>	<b>Economic performance 2016</b>		
201-3	Defined benefit plan obligations and other retirement plans	F39, F66	
<b>GRI 202</b>	<b>Market presence 2016</b>		
202-2	Proportion of senior management hired from the local community	F29	
<b>GRI 401</b>	<b>Employment 2016</b>		
401-1	New employee hires and employee turnover	F127, F128	
401-3	Parental leave	F128	
<b>GRI 404</b>	<b>Training and education 2016</b>		
404-1	Average hours of training per year per employee	F29, F39, F46, F56, F66, F77, F85, F94, F101, F111, F141	
404-2	Programs for upgrading employee skills and transition assistance programs	F141	
404-3	Percentage of employees receiving regular performance and career development reviews	F29, F39, F46, F56, F66, F77, F85, F94, F101, F111	
<b>GRI 405</b>	<b>Diversity and equal opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	F28, F142, Report on Corporate Governance and the Ownership Structure, II. Board of Directors - "Composition"	

		Page / Remarks	Omissions
<b>GRI 406</b>	<b>Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	In 2023 there were no episodes of discrimination	
	<b>HEALTH, SAFETY AND WELLBEING</b>		
3-3	Management of material topics	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112, F150	
<b>GRI 401</b>	<b>Employment 2016</b>		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	F40	
<b>GRI 403</b>	<b>Occupational health and safety 2018</b>		
403-1	Occupational health and safety management system	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112	
403-2	Hazard identification, risk assessment, and incident investigation	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112	
403-3	Occupational health services	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112	
403-4	Worker participation, consultation, and communication on occupational health and safety	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112	
403-5	Worker training on occupational health and safety	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112	
403-6	Promotion of worker health	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112	
403-8	Workers covered by occupational health and safety management system	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112	
403-9	Work-related injuries	F30, F40, F47, F57, F67, F78, F86, F95, F102, F112 da F129 a F140	
403-10	Work-related ill health	da F129 a F140	
	<b>PRODUCT AND SERVICE STEWARDSHIP</b>		
3-3	Management of material topics	F30, F47, F57, F67, F78, F86, F95, F102, F150	
<b>GRI 416</b>	<b>Customer health and safety 2016</b>		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2023 there were no episodes of non-compliance with regulations and / or voluntary codes.	
	<b>MARKET AND COMMUNITIES</b>		
3-3	Management of material topics	F31, F48, F58, F68, F87, F96, F103, F112, F150	
<b>GRI 417</b>	<b>Marketing and labeling 2016</b>		
417-2	Incidents of non-compliance concerning product and service information and labeling	In 2023 there were no episodes of non-compliance with regulations and / or voluntary codes.	
417-3	Incidents of non-compliance concerning marketing communications	In 2023 there were no episodes of non-compliance with regulations and / or voluntary codes.	
<b>GRI 418</b>	<b>Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning marketing communications	F32	
	<b>USO RESPONSABILE DELLE RISORSE</b>		
3-3	Management of material topics	F49, F59, F68, F78, F88, F96, F103, F150	
<b>GRI 301</b>	<b>Materials 2016</b>		
301-1	Materials used by weight or volume	F34, F49, F59, F88, F103	
301-2	Recycled input materials used	F34, F49, F59, F88, F103	
<b>GRI 302</b>	<b>Energy 2016</b>		
302-1	Energy consumption within the organization	F35, F50, F60, F69, F79, F89, F104	
<b>GRI 303</b>	<b>Water and effluents 2018</b>		
303-1	Interactions with water as shared resources	F35, F50, F60, F69, F79, F89, F104	
303-2	Management of water discharge and related impacts	F35, F50, F60, F69, F79, F89, F104	
303-3	Water withdrawal	F35, F50, F60, F69, F79, F89, F104	
303-4	Water discharge	F35, F50, F60, F69, F79, F89, F104	
303-5	Water consumption	F35, F50, F60, F69, F79, F89, F104	



		Page / Remarks	Omissions
<b>GRI 306</b>	<b>Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	F34, F49, F59, F70, F80, F88, F103	
306-2	Management of significant waste-related impacts	F34, F49, F59, F70, F80, F88, F104	
306-3	Waste generated	F34, F49, F59, F70, F80, F88, F105	
	<b>TRANSIZIONE LOW-CARBON</b>		
3-3	Management of material impacts	F36, F51, F61, F71, F80, F90, F96, F105, F114, F150	
<b>GRI 305</b>	<b>Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	F36, F51, F61, F71, F80, F90, F96, F105, F114	
305-2	Energy indirect (Scope 2) GHG emissions	F36, F51, F61, F71, F80, F90, F96, F105, F114	
305-3	Other indirect (Scope 3) GHG emissions	F36, F51, F61, F71, F80, F90, F96, F105, F114	
305-4	GHG emissions intensity	F36, F51, F61, F71, F80, F90, F96, F105	
	<b>LAND AND BIODIVERSITY</b>		
3-3	Management of material topics	F72, F150	
<b>GRI 304</b>	<b>Biodiversity 2016</b>		
304-2	Significant impacts of activities, products, and services on biodiversity	F72	



Deloitte & Touche S.p.A.  
Via Tortona, 25  
20144 Milano  
Italia

Tel: +39 02 83322111  
Fax: +39 02 83322112  
www.deloitte.it

**INDEPENDENT AUDITOR'S REPORT  
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,  
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016  
AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018**

To the Board of Directors of  
Italmobiliare S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5, paragraph 1, letter g) of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Italmobiliare S.p.A. and its subsidiaries (hereinafter "Italmobiliare Group" or "Group") as of December 31, 2023 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 7, 2024 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "European Taxonomy - Regulation (EU) 2020/852".

**Responsibility of the Directors and the Board of Statutory Auditors for the NFS**

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI - *Global Reporting Initiative* (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT03049560166

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## Deloitte.

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### Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this assurance engagement, our auditing firm applied *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Italmobiliare Group;
4. understanding of the following matters:
  - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;

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- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a);

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Italmobiliare S.p.A. and with the employees of the subsidiaries Caffè Borbone S.r.l., Officina Profumo Farmaceutica di Santa Maria Novella S.p.A. and SIDI Sport S.r.l. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
  - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies and sites, Milano site for Italmobiliare S.p.A., Caivano (NA) site and production plant for Caffè Borbone S.r.l., Firenze site for Officina Profumo Farmaceutica di Santa Maria Novella S.p.A. and Maser (TV) site and production plant for SIDI Sport S.r.l., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

### Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Italmobiliare Group as of December 31, 2023 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

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Our conclusion on the NFS of the Italmobiliare Group does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "European Taxonomy - Regulation (EU) 2020/852".

DELOITTE & TOUCHE S.p.A.

Signed by  
**Massimiliano Semprini**  
Partner

Milan, Italy  
March 13, 2024

*This report has been translated into the English language solely for the convenience of international readers.*

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