



**ITALMOBILIARE**  
INVESTMENT HOLDING

Annual  
Report

Sustainability  
Report

2021





# Annual Report

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## Sustainability Report

CONSOLIDATED  
NON-FINANCIAL STATEMENT

IN ACCORDANCE WITH THE LEGISLATIVE  
DECREE NO. 254/2016

### **2021 Annual Report**

reviewed by the Board of Directors on March 8, 2022

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

## Presentation

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### GENERAL INFORMATION

Net Asset Value	A6
Our History	A8
Our Investments	A10
Corporate Bodies	A23

### DIRECTORS' REPORT

General information	B4
Italmobiliare Group	B11
Italmobiliare S.p.A.	B18
Caffè Borbone	B25
Officina Profumo-Farmaceutica di Santa Maria Novella	B29
Sirap	B32
Italgen	B34
Casa della Salute	B38
Capitelli	B41
Callmewine	B45
Tecnica Group	B48
Autogas Nord - AGN Energia	B51
Iseo	B54
Other companies	B57
Clessidra Group	B57
Main financial assets of Italmobiliare S.p.A.	B58
Other significant information on the Group	B59
Outlook	B62
Annex	B65

### REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE

**C1**

### ITALMOBILIARE GROUP– CONSOLIDATED FINANCIAL STATEMENTS

Financial statements	D2
Notes	D7
Annex	D97
Certification pursuant to art. 154-bis paragraph 5 CLF	D101
Report of the Independent Auditors	D102

### ITALMOBILIARE GROUP– SEPARATE FINANCIAL STATEMENTS

Financial statements	E2
Notes	E6
Proposal for approval of the financial statements and allocation of the profit for the year	E56
Annexes	E59
Certification pursuant to art. 154-bis paragraph 5 CLF	E67
Report of the Board of Statutory Auditors	E69
Report of the Independent Auditors	E81

# Sustainability Report

## ITALMOBILIARE GROUP

### Strategic profile

Highlights  
Strategy, materiality and contribution to SDGs  
Economic result and shared value

### Governance

Governance and integrity  
Responsible investments

### Society

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

### Environment

Responsible use of resources  
Low-carbon transition

## ITALMOBILIARE

Italmobiliare  
Human capital development  
Health, safety and wellbeing

## PORTFOLIO COMPANIES controlled

### Caffè Borbone

Materiality and contribution to SDGs  
Governance and integrity  
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

### Officina Profumo-Farmaceutica di Santa Maria Novella

Materiality and contribution to SDGs  
Governance and integrity  
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

### Italgen

Materiality and contribution to SDGs  
Governance and integrity  
Procurement and supply chain  
Human capital development  
Health, safety and wellbeing  
Service stewardship  
Market and communities  
Responsible use of resources  
Low-carbon transition  
Land and biodiversity

### F8

F13 Materiality and contribution to SDGs  
F14 Governance and integrity  
F18 Procurement and supply chain  
F20 Human capital development  
F20 Health, safety and wellbeing  
F22 Service stewardship  
F23 Responsible use of resources  
F23 Low-carbon transition

### F25

F25 **Capitelli**  
Materiality and contribution to SDGs  
F26 Governance and integrity  
F26 Procurement and supply chain

### F28

F28 Human capital development  
F29 Health, safety and wellbeing  
Product and service stewardship  
Market and communities

### F32

F32 Responsible use of resources  
F32 Low-carbon transition

### F33

F33 **Callmewine**  
Materiality and contribution to SDGs  
Governance and integrity  
Procurement and supply chain

### F36

F36 Human capital development  
F37 Health, safety and wellbeing  
F38 Product and service stewardship  
F39 Market and communities

### F40

F40 Responsible use of resources  
F40 Low-carbon transition

### F41

F41 **Clessidra**  
Materiality and contribution to SDGs  
F42 Governance and integrity

### F43

F43 Responsible investments  
F45 Human capital development  
F46 Health, safety and wellbeing  
F46 Market and communities

### F47

F47 Low-carbon transition  
F48

### F48

F48 **PORTFOLIO COMPANIES affiliated**  
F49 **Tecnica Group**

### F49

F49 **Autogas Nord - AGN Energia**  
F50 **Iseo**

### F51

F51

### F52

F52

### F53

F53

### F54

F54

### F55

F55

### F56

F56

### F57

F57

### F57

F57

### F58

F58

### F59

F59

### F59

F59

### F60

F61

F62

F62

F63

F64

F64

F65

F65

### F66

F67

F68

F68

F69

F70

F70

F71

F72

F73

### F74

F75

F76

F76

F77

F77

F78

F78

F79

F79

### F80

F81

F82

F83

F85

F85

F86

F87

F87

F87

F87

F90

F92

F93

## SUPPLEMENTARY DATA

## F95

### REPORTING

F106 Scope and methodology F106

F110 UN Global Compact: Communication On Progress (COP) F110

F111 Non-financial report (NFR) F111

F112 GRI standards F112

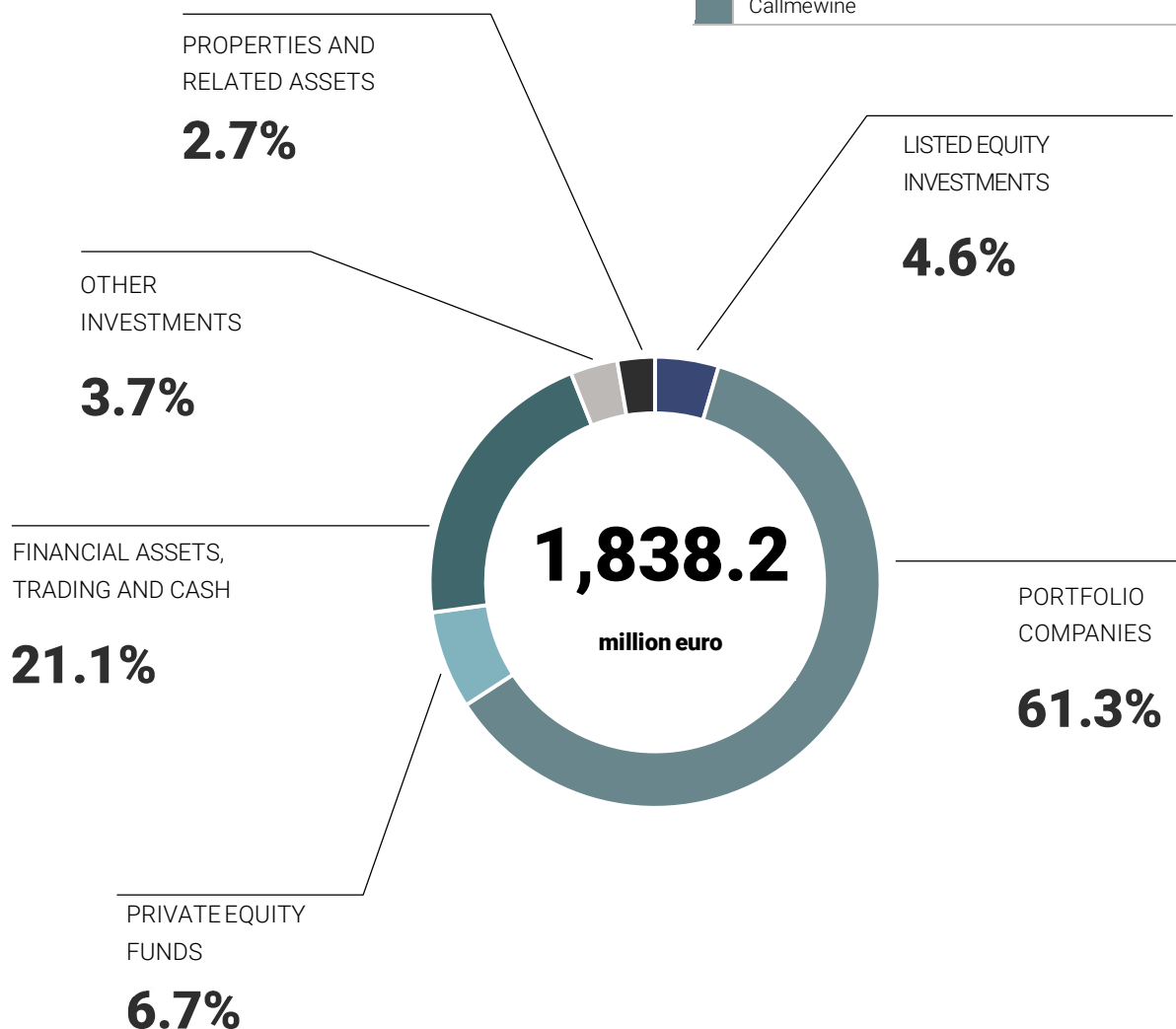
F117 Report of the Independent Auditors F117



## Net Asset Value at December 31, 2020

### Changes in the portfolio composition

Officina Profumo-Farmaceutica di Santa Maria Novella	IN
Casa della Salute	IN
Callmewine	IN



NAV PER SHARE

**43.5€**

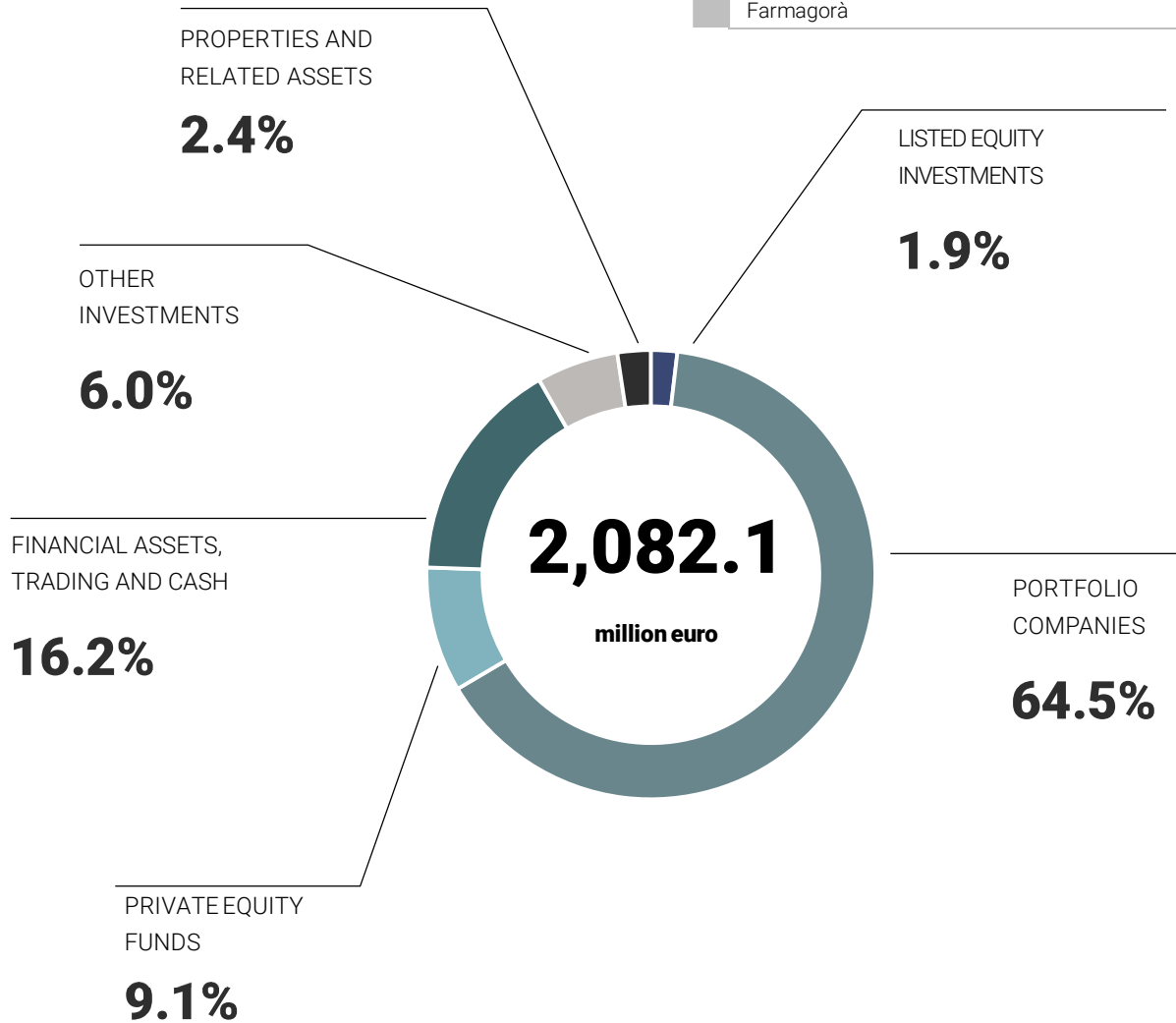
	(million euro)
Listed equity investments	84.0
Portfolio Companies	1,126.1
Private equity funds*	122.8
Financial assets, trading and cash	387.2
Other investments*	68.8
Properties and related assets	49.3
<b>Total NAV at December 31, 2020</b>	<b>1,838.2</b>

\* the figure differs from what was published in 2020 as Dokimè, New Flour and Farmagorà have been reclassified from Private equity funds to Other investments.

## Net Asset Value at December 31, 2021

### Changes in the portfolio composition

Sirap Exit from the food plastic packaging sector by disposing Sirap Group's assets	OUT
Botter	IN
Farmagorà	IN



NAV PER SHARE

**49.2€**

	(million euro)
Listed equity investments	38.7
Portfolio Companies	1,342.8
Private equity funds	188.5
Financial assets, trading and cash	337.5
Other investments	124.8
Properties and related assets	49.8
<b>Total NAV at December 31, 2021</b>	<b>2,082.1</b>

## Our History

### 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 8 banking institutions that later became Istituto Bancario Italiano) and public transport (SAB Autoservizi).

Took a stake in Franco Tosi, an industrial company in the electromechanical sector.

*Franco Tosi*

### 1970s - 80s

It acquired 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.



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.



### 2000s - 2015s

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 Italgem 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% 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 Nord - 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

During the year, 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.

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

Finalisation of the acquisition of a 19.99% interest in Bene Assicurazioni, subject to approval by IVASS.

## Our Investments

**ITALMOBILIARE**  
INVESTMENT HOLDING

INVESTMENT  
HOLDING

Italmobiliare Investment Holding S.p.A., founded in 1946 and listed on the Milan stock exchange in 1980, 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 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.

### STRATEGY AND SUSTAINABILITY

Acting as a preferential strategic partner through majority or minority shareholdings, Italmobiliare accompanies the development of companies that represent Italian excellence.

Italmobiliare does not undertake direct investments of a purely financial, speculative nature or with a marked use of debt. Instead, it offers an alternative approach to “buy-out” operations, in favour of opportunities built on the sharing of long-term objectives and managing the flow of investments and disposals in order to guarantee the Group's sustainable success.

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

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.

#### CONSOLIDATED REVENUE

492.3 mn €

(324.9 mn € in 2020)

#### CONSOLIDATED PROFIT

164.5 mn €

(103.5 mn € in 2020)

848

PERSONS

#### Italmobiliare

60%

CAFFÈ  
**BORBONE**  
magica emozione

**Caffè Borbone**  
www.caffeborbone.it

100%



**Officina Profumo-Farmaceutica  
di Santa Maria Novella**  
www.smnovella.com

100%

**italgen**  
passion for energy

**Italgen**  
www.italgen.it

84,63%

**Casa  
Salute**

**Casa della Salute**  
www.casasalute.eu

80%

**CAPITELLI**  
FONDATAZIONE DAL 1918

**Capitelli**  
www.cottocapitelli.com

80% \*

**Callmewine**

**Callmewine**  
www.callmewine.com

40%



**Tecnica Group**  
www.tecnicagroup.com

30%

**AGN  
ENERGIA**

**Autogas Nord - AGN Energia**  
www.agnenergia.com

39,24% \*\*

**ISEO**  
ULTIMATE ACCESS  
TECHNOLOGIES

**Iseo**  
www.iseo.com

100%

**CLESSIDRA**  
Holding

**Clessidra Holding**  
www.clessidragroup.it

\* 60% at 31.12.2021

\*\* 39.28% at 31.12.2021

## KEY CONSOLIDATE FIGURES

(in millions of euro)	2021	2020 (*)	Change %
<b>Revenue and income</b>	<b>492.3</b>	<b>324.9</b>	<b>51.5</b>
<b>Gross operating profit (EBITDA)</b>	<b>170.5</b>	<b>81.3</b>	<b>&gt;100%</b>
% of revenue	34.6	25.0	
Amortization and depreciation	(25.0)	(16.8)	48.8
Impairment losses on non-current assets	(0.3)	(6.0)	(95.0)
<b>Operating profit (EBIT)</b>	<b>145.2</b>	<b>58.5</b>	<b>&gt;100%</b>
% of revenue	29.5	18.0	
Net finance income (costs)	(1.9)	(3.2)	(40.6)
Impairment losses on financial assets		(0.8)	n.s.
Share of profit/(loss) of equity-accounted associates	29.6	15.0	97.3
<b>Profit/(loss) before tax</b>	<b>172.9</b>	<b>69.5</b>	<b>&gt;100%</b>
% of revenue	35.1	21.4	
Income tax	(48.8)	28.8	>100%
<b>Profit/(loss) for the year relating to continuing operations</b>	<b>124.1</b>	<b>98.3</b>	<b>26.2</b>
Profit relating to assets classified as held for sale	40.4	5.2	>100%
<b>Profit/(loss) for the year</b>	<b>164.5</b>	<b>103.5</b>	<b>58.9</b>
attributable to:			
<b>- Owners of the parent company</b>	<b>139.7</b>	<b>68.3</b>	<b>&gt;100%</b>
- Non-controlling interests	24.8	35.2	(29.5)
Cash flows from operating activities	72.0	88.8	(18.9)
Cash flows from investing activities	197.8	285.6	(30.7)

n.s. not significant

(\*) Figures relating to 2020 were restated following the reclassification of Sirap Group according to IFRS 5.

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	1,637.9	1,524.1
Equity attributable to owners of the parent company	1,459.6	1,330.4
Net financial position	354.0	320.8
Employees (headcount) at the end of the year	848	2,058

## PERFORMANCE OF THE MAIN GROUP COMPANIES

(in millions of euro)	Revenue			EBITDA		
	Dec. 31, 2021	Dec. 31, 2020	Change %	Dec. 31, 2021	Dec. 31, 2020	Change %
Italmobiliare	110.8	67.9	63.2	76.2	8.4	>100
<b>Portfolio companies</b>						
Caffè Borbone	252.9	219.3	15.3	83.1	75.1	10.7
Officina Profumo-Farmaceutica di Santa Maria Novella <sup>1</sup>	30.0	22.6	32.7	8.2	3.0	>100
Italgen	45.3	30.2	50.0	23.0	23.6	(2.5)
Casa della Salute <sup>1</sup>	25.8	16.5	56.4	2.5	1.0	>100
Capitelli	17.5	14.8	18.2	3.9	3.8	2.6
Callmewine <sup>1</sup>	17.2	12.4	38.7	(0.8)	0.5	n.s.
Tecnica Group	465.9	382.5	21.8	78.9	59.4	32.8
Autogas Nord - AGN Energia	571.5	438.1	30.4	56.2	50.7	10.9
Iseo	152.5	128.4	18.8	22.4	13.7	63.5
<b>Total portfolio companies</b>	<b>1,578.6</b>	<b>1,264.8</b>	<b>24.8</b>	<b>277.4</b>	<b>230.8</b>	<b>20.2</b>

n.s. not significant

1. The figures 2020 have been prepared according to national accounting principles (ITA GAAP).

The information in the table relates to the reporting packages, prepared according to IFRS, of each company/group regardless of the date of acquisition of control by Italmobiliare and the percentage held.

Bear in mind that Tecnica Group, Autogas Nord - AGN Energia and Iseo have been included in the consolidated financial statements of the Italmobiliare Group using the equity method.



## PORTFOLIO COMPANIES

NAV 1,342.8 €mn 64.5%



## CAFFÈ BORBONE

60%  
INTERESTREVENUE  
252.9 mn €  
(219.3 mn € in 2020)EBITDA  
83.1 mn €  
(75.1 mn € in 2020)261  
PERSONS

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 coffee pots and coffee in beans.

For the company, the link with its origins is an element of considerable importance: Naples is the city where the brand was born and where espresso is history. A unique and lively place, which Caffè Borbone also supports by marrying cultural projects and initiatives, especially linked to youngsters, such as the playful-didactic paths organised at the Città della Scienza to promote the "good practices" of recycling and reusing raw materials. Also dedicated to small children is the "Caffè del Birbantello" project, which aims to offer them an educational and creative opportunity that educates and enhances their attitudes. Caffè Borbone also participates in the Neapolitan Coffee Academy project for the training of operators in the sector, aimed above all at young people.

Adding sustainable value to a recognised quality product is a clear line of strategy for Caffè Borbone: excellent coffee, produced with a sense of global responsibility and able to promote Italian social, cultural and artistic values. Caffè Borbone is partner and official supplier of La Scala Theatre in Milan, of the San Carlo Theatre in Naples and of the Theatre of the Maggio Musicale Fiorentino.

## SEGMENT

Food

## YEAR OF INVESTMENT

2018

## STRATEGY AND SUSTAINABILITY

Sustainability inspires Caffè Borbone's strategy: a virtuous approach, which concerns the entire value chain, from the procurement of raw materials to the products' end of life.

Quality raw materials responsibly selected on the supply chain, modern and innovative processing methods and special attention to the recyclability of the packaging combine to offer consumers the best of the Neapolitan coffee tradition through the passion of Caffè Borbone: a quality recognised time after time by the experts of the International Taste Institute and by consumers in the Quality Award.

Attention to the environment is a main theme for Caffè Borbone. It was the first Italian company to offer coffee lovers the compostable pod, which when disposed of together with organic waste can be used for the production of compost, suitable for enriching the soil with vital elements. Today it is also the first to produce a wrapping that is recyclable as waste paper: a 100% nature-friendly pod, in order to offer the consumer an increasingly sustainable coffee break. The company is also offering consumers its "Don Carlo" compostable biopolymer capsule that can be disposed of as organic waste. It has a filter paper top, which allows natural extraction of the coffee.

## OFFICINA PROFUMO-FARMACEUTICA DI SANTA MARIA NOVELLA



Officina Profumo-Farmaceutica di Santa Maria Novella: 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.

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

The Officina Profumo-Farmaceutica di Santa Maria Novella, with its bewitching centuries-old heritage, 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, respecting nature, grace, uniqueness and tradition. An ancient savoir faire which, by virtue of its roots that are so "essential", is still contemporary today.

### 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, Santa Maria Novella has been - and continues to be - a laboratory of scientific, technological, cultural and iconographic research and innovation. The sense of connection with nature that originates in the friars' botanical garden today gains new momentum in a responsible approach to global challenges, inspired by the beauty and well-being of each individual, of society as a whole and of the entire planet.

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.

With over 300 of its own stores and corners present in various countries around the world, as well as digital channels, 61% of sales are made in the EMEA area, 18% in the USA and the other 21% in Asia, particularly South Korea and Japan.

**100%**  
INTEREST

**REVENUE**  
**30.0 mn €**  
(22.6 mn € in 2020)

**EBITDA**  
**8.2 mn €**  
(3.0 mn € in 2020)

**144**  
PERSONS



**100%**  
INTEREST

REVENUE  
**45.3 mn €**  
(30.2 mn € in 2020)

EBITDA  
**23.0 mn €**  
(23.6 mn € in 2020)

**67**  
PERSONS

## ITALGEN

Italgen operates in Italy as a producer and distributor of electricity from 100% renewable sources. The company manages 27 hydroelectric derivation concessions located in Lombardy, Piedmont and Veneto, with a total installed power of approximately 66 MW; it also owns a SEESEU-D configured transmission network with 300 km of power lines. Italgen is a minority partner of an important Italian group in the management of wind farms installed on the Black Sea coast in Bulgaria for a total of 18 MW. The energy produced annually (in the order of 325 GWh) is mainly sold on the National Electricity Exchange.

As part of its business development plan, in 2021 Italgen acquired two 100% shareholdings (in Idroenergy Srl and Idrodezzo Srl); it also established a newco in the photovoltaic sector (Solar Rooftop Srl) and completed the permitting for the construction of a photovoltaic park in Puglia.

As part of a long-term development strategy, Italgen has launched a research project in the field of developing unconventional solutions for energy transition (green hydrogen and other storage technologies) with the support of the Energy Department of Milan Polytechnic.

### 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 by building ladders for fish and other living organisms. Moreover, thanks to the installation of 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 protect the management of water resources.

A sense of responsibility towards the environment is also fundamental to a project to redevelop a site in a former industrial area of about 370,000 square metres in the province of Bari. An intervention with low soil consumption aimed at the construction of a new 5.5 MW photovoltaic park and the creation of a large naturalistic area for public use.

## CASA DELLA SALUTE

Casa della Salute is a network of specialist diagnostic, dental, physiokinesitherapy clinics, currently with a presence in Genoa (3 locations), Busalla (Ge), Sant'Olcese (Ge), Chiavari (Ge), La Spezia, Albenga (Sv), Savona, Alessandria and Sandigliano (Bi). Its aim has always been to help protect the right to health and to ensure that people had rapid access to high-quality healthcare.

The Clinic was born in 2014 as the first private centre for diagnostics and sports medicine, growing rapidly thanks to its high-quality healthcare service based on the optimisation of internal processes, the use of state-of-the-art technology and highly qualified medical staff.

At Casa della Salute, it is possible to obtain the following types of services: diagnostic imaging, laboratory analyses, specialist visits, sports medicine, aesthetic medicine, dentistry, physiotherapy and functional rehabilitation.

### SEGMENT

Healthcare

### YEAR OF INVESTMENT

2020

### STRATEGY AND SUSTAINABILITY

Casa della Salute is a network of outpatient clinics with the mission of providing a wide range of healthcare services, such as diagnostic imaging or physiotherapy, at affordable prices and with short waiting lists.

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.

Attention to people's well-being is also achieved through a profound sense of social responsibility, including health services for certain categories of patients that are either free or at beneficial prices.

Since 2019, the company has doubled its business perimeter with the opening of new centres, thereby consolidating its presence in Liguria and entering Piedmont. More new centres are expected to be opened in 2022.



**84.63%**  
INTEREST

REVENUE  
**25.8 mn €**  
(16.5 mn € in 2020)

EBITDA  
**2.5 mn €**  
(1.0 mn € in 2020)

**205**  
PERSONS



**80%**  
INTEREST

REVENUE  
**17.5 mn €**  
(14.8 mn € in 2020)

EBITDA  
**3.9 mn €**  
(3.8 mn € in 2020)

**35**  
PERSONS

## CAPITELLI

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 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 third 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 products mean that Capitelli could potentially see good growth in this sector.

The challenge won by Angelo Capitelli has been to repeat in the industrial process the craft processing of ham, fully respecting tradition: this has involved research and experimentation to rediscover an ancient processing method and offer a ham of times gone by.

Raw material from selected Italian farms that are part of the "Capitelli" supply chain in respect of animal well-being, selected directly on the slaughtering lines; brine made by an infusion of herbs and spices, as was done in the past, so as not to alter the fibre of the meat. The haunch is then slowly massaged before being cooked for 24 hours. Recovering the true flavours and values of the age-old Italian tradition of excellence.

## CALLMEWINE

Callmewine, established by Paolo Zanetti 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 about 10,000 labels on offer, ranging from the big names on the world wine scene to small producers, from the best-known spirits to more niche brands; a vast and heterogeneous selection that aims to have "wine for everyone", but managing to guide users in a conscious choice without disorienting them.

In fact, the website offers rich and fascinating contents, written by a team of young sommeliers and food and wine enthusiasts; the technical data sheets of the products are less cold and formal, especially as regards the craft wines, and storytelling about the wineries aims to relate the more human side of the producer. Social media aim to keep followers and customers updated any time there is something new: new entries in the catalogue, wineries and labels, new vintages, new product categories.

### SEGMENT

eCommerce wines and spirits

### YEAR OF INVESTMENT

2020

### STRATEGY AND SUSTAINABILITY

By developing the concept of the "personal online sommelier", Callmewine has managed to reach a growing public that uses an online platform not only to buy goods at competitive prices, but also to find advice in selecting the most suitable wines, whether for special occasions or for daily consumption.

Callmewine also features a selection of more than 2,100 certified craft, organic and biodynamic wines, with a particular interest in macerated wines, orange wines and those produced in amphora. The craft wines, represented online by a green leaf, are produced by small independent artisans who work their own vineyards according to principles of agriculture that are as natural as possible, completely excluding 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.

*Callmewine*

**80%**  
INTEREST

60% at- 31.12.2021

REVENUE

**17.2 mn €**  
(12.4 mn € in 2020)

EBITDA

**-0.8 mn €**  
(0.5 mn € in 2020)

**13**

PERSONS



## TECNICA GROUP

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 1960 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 80+ countries all over the world. 3,429 employees, including some 300 in Italy, mainly at the head office in Gaiaverde 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.

**40%**  
INTEREST

REVENUE  
**465.9 mn €**  
(382.5 mn € in 2020)

EBITDA  
**78.9 mn €**  
(59.4 mn € in 2020)

**3,429**  
PERSONS

### SEGMENT

Sport system

### YEAR OF INVESTMENT

2017

### STRATEGY AND SUSTAINABILITY

The Group's industrial strategy is focused on the consumer, 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.

Tecnica Group lives for the environment and protects it with targeted actions, such as optimising the use of non-renewable resources, plastic in particular. The lining of the inner shoe of its ski boots is made principally by using recycled material derived from plastic bottles, while other pilot initiatives involve its packaging: plastic bags in the packaging of ski boots in biodegradable material and the reduction of single-use packaging using multi-content boxes.

The durability of the products in itself mitigates the environmental footprint. All Tecnica products are 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. Not only, dedicated repair laboratories permit further creation of sustainable value.

As part of this commitment Tecnica launched its "Recycle Your Boots" initiative. A circular economy project that aims to contribute to protecting the planet by recycling used ski boots into secondary raw materials, thereby saving resources and reducing CO2 emissions. The Recycle Your Boots project has been adopted by the LIFE Programme, the EU's funding instrument for the environment and climate action and is effective across eight European countries from fall 2021.





## AUTOGAS NORD - AGN ENERGIA

AGN ENERGIA, which has been in the LPG market for more than 60 years, has established itself as a leader operating throughout the Italy in the domestic, agricultural, industrial and automotive sectors. A path that has continued over time, leading to diversification and expansion of its offer into all energy sectors: supply of natural gas and 100% 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.

### SEGMENT

Energy

### YEAR OF INVESTMENT

2019

### STRATEGY AND SUSTAINABILITY

AGN ENERGIA dedicates a great deal of effort to corporate social responsibility projects, as a tool for corporate growth and responsibility towards the community and the areas where it operates, through initiatives and collaborations strongly integrated with associations and realities operating in both the environmental and social fields.

Commitment to people is a central point and, alongside skills development, training, health and safety, the goal is to inject the idea of social responsibility more and more into the corporate culture.

As part of the energy transition, research and development projects have been launched with a view to identifying innovative and sustainable processes and solutions for the production of biogas and biofuels, so as to improve its environmental impact.

In general, a process of analysis has been undertaken to improve the company's performance and the development of a path based on sustainability, economic growth and social responsibility.



**30%**  
INTEREST

REVENUE  
**571.5 mn €**  
(438.1 mn € in 2020)

EBITDA  
**56.2 mn €**  
(50.7 mn € in 2020)

**559**  
PERSONS



**39.24%**  
INTEREST

39.28% at 31.12.2021

REVENUE  
**152.5 mn €**  
(128.4 mn € in 2020)

EBITDA  
**22.4 mn €**  
(13.7 mn € in 2020)

**1,125**  
PERSONS

## ISEO

ISEO is a leader in the design, production and sale of mechanical and electronic locks, solutions for security and access management. ISEO Serrature was founded in 1969 and the ISEO Group was founded in 1998 following the creation of marketing companies and the acquisition of complementary companies, in Italy and abroad. The main office is in Italy, in Pisogne (Brescia). ISEO operates through 14 companies, including 6 production sites in Italy, France, Germany, Spain, Romania and South Africa, with an international distribution network, generating 75% of its business abroad.

The portfolio of products, services and apps includes mechanical locking systems (cylinders and keys, locks, panic and emergency devices, door closers) and access management products and solutions that combine mechanics and electronics (electronic keys and cylinders, motorised locks, handles and electronic credential readers) connected and working with software and apps developed by ISEO and which can be operated by smartphone, fingerprint card and tag.

During 2021, ISEO redefined its marketing approach with the concept of Ultimate Access Technologies, a brand identity that communicates more effectively the wealth of content and value of the products and services that it offers customers and end-users.

ISEO's product range was further expanded during 2021 thanks to the acquisition of a majority shareholding in Sofia Locks, a start-up born at the Milan Polytechnic specialising in access management in situations involving PropTech (property technologies). The company was created to serve the new demand for safe and flexible management of spaces such as co-working and offices, residential and co-living environments, co-housing and social housing, as well as the world of retail and logistics.

### 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.

The Group 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.

Improving environmental performance remains one of ISEO's ongoing goals. The interventions that were planned have been completed and others which concern the production process, with even more responsible technical choices, and the efficiency of electrical systems, have been commenced. 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).

## 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 credit) 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 Operations, Compliance and Anti-Money Laundering activities, as well as coordination of the group's control functions, without prejudice to the decision-making autonomy of the individual companies.

### 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.

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



**100%**  
INTEREST

ASSETS UNDER  
MANAGEMENT  
~3.2 mn €

INVESTMENTS  
41

FUNDS CURRENTLY UNDER  
MANAGEMENT  
4

## PRIVATE EQUITY

NAV 188.5 €mn 9.1%



## INVESTMENTS

NAV 163.5 €mn 7.9%

HEIDELBERGCEMENT

Vontobel



## CASH AND OTHER ACTIVITIES

NAV 387.3 €mn 18.6%



FINANCIAL ASSETS,  
TRADING AND CASH



REAL ESTATE AND  
RELATED ACTIVITIES

## Corporate Bodies

### BOARD OF DIRECTORS

(Term ends on approval of financial statements at December 31, 2022)

Laura Zanetti	<b>1-7</b>	Chairman
Livio Strazzera	<b>7</b>	Deputy Chairman
Carlo Pesenti	<b>1-2</b>	Chief Executive Officer - Chief Operating Officer
Vittorio Bertazzoni	<b>1-3-6</b>	
Giorgio Bonomi	<b>4</b>	
Mirja Cartia d'Asero	<b>1-4-5-6</b>	
Valentina Casella (*)	<b>3-6</b>	
Marco Cipelletti	<b>6</b>	
Elsa Fornero	<b>1-5-6</b>	
Sebastiano Mazzoleni		
Luca Minoli		
Chiara Palmieri	<b>3-4-5-6</b>	

**1** Member of the Committee for Sustainability and Social Responsibility

**2** Chief Executive Officer in charge of setting up and maintaining the Internal Control and Risk Management System

**3** Member of the Remuneration and Nominations Committee

**4** Member of the Control and Risk Committee

**5** Member of the Committee for Transactions with Related Parties

**6** Independent director (pursuant to the Corporate Governance Code and Legislative Decree no. 58 February 24, 1998)

**7** Independent director (pursuant to Legislative Decree no. 58 February 24, 1998)

(\*) Co-opted by the Board of Directors on July 29, 2021, to replace Marinella Soldi who resigned from the Board, in office until the next Shareholders' Meeting.

### BOARD OF STATUTORY AUDITORS

(Term ends on approval of financial statements at December 31, 2022)

#### Standing Auditors

Pierluigi De Biasi	Chairman
Luciana Ravicini	
Gabriele Villa	

#### Alternate Auditors

Michele Casò
Maria Maddalena Gnudi
Tiziana Nesa

### FINANCIAL REPORTING MANAGER

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, Director and Statutory Auditor of various leading companies.

She is a member of the Executive Committee of Assonime.

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

#### **Livio Strazzerà – 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 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 Clessidra Private Equity SGR, the leading Italy-focused private equity firm, a member of the Board of Directors of Tecnica Group and Caffè Borbone, and Chairman of Officina Profumo-Farmaceutica di Santa Maria Novella (Italmobiliare Group Portfolio Companies). He is also Chairman 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.

**Vittorio Bertazzoni – Director since April 19, 2017**

Degree in Law from the University of Parma.

After graduation, he began his career at Arthur Andersen in audit, gaining international experience first in the USA, at the New York office, and later in Italy.

Subsequently, he worked with the Research Department of Mediobanca S.p.A.

He is currently Deputy Chairman and Chief Executive Officer of SMEG S.p.A., an Italian manufacturer of electrical household appliances.

He is also Deputy Chairman and Chief Executive Officer of ERFIN S.p.A.

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

Degree in Law - Milan State University.

He has practised as a lawyer for the last forty years.

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 non-performing loans platform for the US Varde Fund, which was sold and merged with Guber Banca, in which she acts as Head of Real Estate.

She is a Director of Zurich Investments Life S.p.A., Il Sole 24 Ore 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 Italian 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 in New York.

She is a partner at Casella e Associati 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.

Thirty years of work experience, including 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 ten years in the real estate sector.

Since May 2011, CEO of Galtrucco S.p.A., a real estate company based in Milan, and of two 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.

She is a Director of Buzzi Unicem S.p.A.

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 very active in the field of economic and financial education in the dual role of disseminator and researcher.

**Sebastiano Mazzoleni – Director since May 25, 2011**

Degree in Geology - Milan State University.

Master in Business Administration - Bocconi Business School, Milan.

He began his professional career in 1996 with CTG S.p.A. as the person in charge of assessing raw materials for cement production, coordinating work groups in Italy, France, Spain and Thailand.

In 2000, he moved to the Italcementi S.p.A. Marketing Division, with joint responsibility for drawing up new product marketing plans and benchmark analyses for development of competitive positioning models.

In 2003, he was involved in the creation of the new Group division "New Product Marketing", and was head of innovation for USA, Greece, Bulgaria, Turkey, Egypt, Thailand, Kazakhstan and India until 2009. Group manager in charge of the new project for the enhancement of recoverable resources.

Since 2010 he has been involved in non-profit, social entrepreneurship and consultancy on innovation.

**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 of the Hughes Hubbard & Reed law firm in New York from 1986 to 1987. First associate, then partner of the Ardito law firm from 1991.

Partner of the Dewey & LeBoeuf law firm from 2004 to 2012.

He has been Founder member of the Gattai, Minoli, Agostinelli & Partners law firm since 2013.

**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.

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.



## 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 forty articles on commercial, banking and bankruptcy law.

### **Luciana Ravicini**

Degree in Economics & Commerce - University of Brescia.

Certified Public Accountant in Brescia.

Registered Auditor.

She is a practising Certified Public Accountant and Registered Auditor.

Her professional assignments have allowed her to gain broad experience, notably in financial, fiduciary and industrial companies, and detailed knowledge of legal and tax matters.

She is currently Chairman of the Board of Statutory Auditors of Berna Ernesto S.p.A., BMSP S.p.A., Molemab S.p.A., Serum Italia S.p.A. and Iseo Serrature S.p.A.

She is Sole Statutory Auditor of Autobase S.r.l., Finsippe S.r.l. and Sige S.r.l.; she is a Standing Auditor of Almag S.p.A., AMSA S.p.A., Bival S.p.A., Brawo S.p.A., Carlo Tassara S.p.A., Metalcam Tools Steel S.p.A. and Terzo Salto S.r.l.

She is also a member of the Supervisory Body of Zoogamma S.p.A.

She has also gained experience as a Director in a company listed on the Milan Stock Exchange, where she chaired the Committee of Independent Directors and was a full member of the Audit and Risk Committee.

### **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 a Director and Member of the Executive Committee of Mediobanca S.p.A. and 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.



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# Annual Report





DIRECTORS'  
REPORT

# DIRECTORS' REPORT

## General Information

### INTRODUCTION

The Italmobiliare Group's consolidated financial statements for the year ended December 31, 2021, and the corresponding figures for 2020, have been prepared in compliance with International Financial Reporting Standards (IAS/IFRS).

During 2021, the consolidation area changed following Italmobiliare S.p.A.'s acquisition of a 13.69% stake in Bacco S.p.A., through the newly established company ITM Bacco S.r.l., owned by Italmobiliare at 60%, and the acquisition of the 29.81% of the stakes in Farmagorà S.r.l.; the acquisition by Italgem S.p.A., of 100% of Idroenergy S.r.l.; 100% of Idrodezzo S.r.l., and the establishment of Solar Roof S.r.l., again by Italgem; the sale of the investment in San Carlo S.p.A., by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.; the purchase of the residual 20% of the share capital of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A., through FT2 S.r.l.; the acquisition by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A., of Farmacia L.t.d.; the sale of all the operating companies belonging to the Sirap Group; the sale of 7.5% of Casa della Salute S.p.A.



## PERFORMANCE INDICATORS

The Group for several years has consistently used different performance indicators (which are not contemplated by the IAS/IFRS) for assisting to understand its consolidated financial data. In particular, the income statement presents the following intermediate indicators/results: gross operating profit/(loss)<sup>1</sup> and operating profit/(loss)<sup>2</sup>. Similar considerations apply to the statement of financial position with regards to the net financial debt, whose components are detailed in the specific section of the notes and the net asset value. Since the indicators used by the Group are not required by the IFRS, the criteria applied by us for calculating them may be different from the one used by other companies, therefore figures presented by us may not be comparable with those used by other groups (see Annex).

The financial performance indicators, which derive from the financial statements, determine the tables used for summarizing the Group's financial and economic performance, in relation to comparative amounts and to other amounts from the same year (e.g., changes with respect to the previous year in revenue, gross operating profit/(loss), operating profit/(loss) and changes of their incidence over revenue). The use of indicators not directly reflected in the financial statements (e.g., the exchange-rate effect on revenue and on profit or loss) and the presence of comments and analysis contributes to a better understanding of the amounts presented.

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. Furthermore, in the notes, in the net financial debt section are provided information about the economic and financial effects related to interest rates changes and exchange rates changes.

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 gain (loss) on derivatives", "Impairment losses on financial assets", "Share of profit/(loss) of equity-accounted associates" and "Income tax".

## NET ASSET VALUE

The Net Asset Value of Italmobiliare S.p.A., at December 31, 2021 (whose definition and reconciliation is provided in the Annex) excluding treasury shares, amounted to 2,082 million euro, showing an increase of 244 million euro (after paying dividends for 27,5 million euro) compared with December 31, 2020 (1,838 million euro) and against a capitalization of 1,374 million euro (1,237.1 million euro at December 31, 2020), which shows a discount on NAV of 33.9% (32.7% in 2020).

At December 31, 2021, the NAV per share, excluding treasury shares and after the payment of total dividends for 0.65 euro, amounted to 49.24 euro, showing an increase of 13.2% compared with December 31, 2020 (14.75% gross of dividends distributed).

The table below shows a brief description of the main changes in NAV in 2021:

1 "Portfolio companies" include the investments in Sirap Gema S.p.A., Italgem S.p.A., Caffè Borbone S.r.l., Clessidra Holding S.p.A., Tecnica Group S.p.A., Iseo Serrature S.p.A., Autogas Nord - AGN Energia S.p.A., Capitelli S.r.l., Officina Profumo-Farmaceutica di Santa Maria Novella S.r.l., Callmewine S.r.l., and Casa della Salute S.p.A.

2 The category called "Listed equity investments" includes the main shareholdings in listed companies (HeidelbergCement AG).

(in millions of euro)	Main changes NAV
Dividends received	30.7
Portfolio Companies <sup>1</sup>	169.9
Listed equity investments <sup>2</sup>	5.1
Other investments	13.7
Private equity funds	53.0
Financial assets, trading, cash and cash equivalents (*)	(1.1)
<b>Total increase of Net Asset Value</b>	<b>271.3</b>
Dividends paid	(27.5)
<b>Total increase of Net Asset Value net of dividends</b>	<b>243.8</b>

(\*) Also including the impact of costs relating to the holding company

The increase in Italmobiliare's NAV for 244 million euro compared with December 31, 2020 is mainly due to the overall increase in value of the Portfolio Companies (170 million euro based on the same consolidation area with an initial value of 1,126 million euro), the increase in value of other equity investments (13.7 million euro) and private equity funds (53 million euro), and to increase in listed equity investments (HeidelbergCement AG for 5.1 million euro including capital gains from disposals).

At December 31, 2021, after the transactions occurred during the period, NAV composition was as follows:

x\

(in millions of euro)	December 31, 2021	% of total	December 31, 2020 (**)	% of total	Change
Portfolio Companies <sup>1</sup>	1,342.8	64.5%	1,126.1	61.3%	216.6
Listed equity investments <sup>2</sup>	38.7	1.9%	84.0	4.6%	-45.3
Other investments	124.8	6.0%	68.8	3.7%	56.0
Private equity funds	188.5	9.1%	122.8	6.7%	65.7
Properties and related assets	49.8	2.4%	49.3	2.7%	0.5
Financial assets, trading, cash and cash equivalents	337.5	16.2%	387.2	21.1%	-49.7
<b>Total Net Asset Value (***)</b>	<b>2,082.1</b>	<b>35.5%</b>	<b>1,838.2</b>	<b>38.7%</b>	<b>243.8</b>

\*\* the figure differs from what was published in 2020 as Dokimè, New Flour and Farmagorà have been reclassified from Private equity funds to Other investments.

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

In addition to the 170 million euro increase in value of the Portfolio Companies, the acquisitions carried out during the year - another 20% of Officina Profumo-Farmaceutica di Santa Maria Novella (40 million euro), the capital increases or payments on capital account for Casa della Salute (2.6 million euro) and Clessidra (4.1 million euro) - lead to an overall increase in the value of the Portfolio Companies of 216.6 million euro, bringing their value to 1,342.8 million euro.



Moreover, the investments in ITM Bacco (Botter) (15.5 million euro), KKR Teemo Co-Investment LP (9 million euro), Ariston Holding NV (9.9 million euro), Farmagorà (3.8 million of euro) and the capital increases or payments towards a future capital increases of Florence InvestCo (4.1 million euro) combined with the increase in value of 13.7 million euro, bring the value of the other equity investments to 124.8 million euro.

At the same time, some of the HeidelbergCement AG shares were sold for an equivalent of 50.4 million euro offsetting the reduction in liquidity.

NAV calculation was computed by considering:

- the market price at December 31, 2021 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, whether sufficient information for the application of the methods envisaged by the International Private Equity and Venture Capital (IPEV) valuation guidelines is not available and/or their consistency can be considered immaterial, taking into account their net equity as resulting from the latest approved financial statements, determined according to IAS/IFRS or local accounting standards;
- the market value of real estate assets;
- the deferred tax effect.

The Independent Auditors have performed a Limited Assurance engagement based on ISAE 3000 to verify that valuation methods adopted by the Directors for calculating the NAV were in line with the IPEV guidelines.

## PERFORMANCE OF THE MAIN GROUP COMPANIES

(in millions of euro)	Revenue			Gross operating profit (EBITDA)			Fcf <sup>2</sup>
	Dec. 31, 2021	Dec. 31, 2020	Change %	Dec. 31, 2021	Dec. 31, 2020	Change %	2021 Actual
Italmobiliare	110.8	67.9	63.2	76.2	8.4	>100	n.s.
<b>Portfolio companies</b>							
Caffè Borbone	252.9	219.3	15.3	83.1	75.1	10.7	48.0
Officina Profumo-Farmaceutica di Santa Maria Novella <sup>1</sup>	30.0	22.6	32.7	8.2	3.0	>100	7.2
Italgen	45.3	30.2	50.0	23.0	23.6	(2.5)	15.5
Casa della Salute <sup>1</sup>	25.8	16.5	56.4	2.5	1.0	>100	(11.9)
Capitelli	17.5	14.8	18.2	3.9	3.8	2.6	1.7
Callmewine <sup>1</sup>	17.2	12.4	38.7	(0.8)	0.5	n.s.	(1.0)
Tecnica Group	465.9	382.5	21.8	78.9	59.4	32.8	57.2
Autogas Nord - AGN Energia	571.5	438.1	30.4	56.2	50.7	10.9	24.6
Iseo	152.5	128.4	18.8	22.4	13.7	63.5	13.9
<b>Total Portfolio companies</b>	<b>1,578.6</b>	<b>1,264.8</b>	<b>24.8</b>	<b>277.4</b>	<b>230.8</b>	<b>20.2</b>	<b>155.2</b>

n.s. not significant

1 The 2020 figures have been prepared according to national accounting principles (ITA GAAP).

2 Free cash flow is the difference between the net financial position at the end of the year and the net financial position at the end of the previous year, gross of dividends paid, capital increases or repayments, the impact of extraordinary operations and the effects of applying IFRS 16.

The information in the table relates to the reporting packages, prepared according to IFRS, of each company/group regardless of the date of acquisition of control by Italmobiliare and the percentage held.

Bear in mind that Tecnica Group, Autogas Nord AGN Energia and Iseo have been included in the consolidated financial statements of the Italmobiliare Group using the equity method.

Generally speaking, 2021 was a positive year for the Portfolio Companies of Italmobiliare, despite the impact of the health emergency still significant, in particular on Officina Profumo-Farmaceutica di Santa Maria Novella and Tecnica's winter sports business.

Looking at the pro-forma aggregate:

- 2021 revenue amounted to 1,578.6 million, showing a rise of 25% on 2020 and growth of over 15% for all Portfolio Companies. Compared with 2019, aggregate revenue in 2021 shows an improvement of 19%, confirming the considerable resilience of the portfolio with respect to the health emergency that has affected the last two years;
- Gross operating profit stood at 277.4 million euro, an improvement of 20% compared with the previous year (+26% neutralising the one-off impact on 2020 of closing the dispute between Italgen and the Egyptian authorities). Again in this case, the comparison with 2019 shows an increase in total gross operating profit of 32.4%.
- Positive cash flow of 155.2 million, gross of the payment of 44.6 million of dividends in 2021.

Looking at the individual companies for which reference should be made to the relevant sections for further details:

- In the food sector, Caffè Borbone closed the year with revenue of over 250 million euro, up by 15% compared with an excellent 2020 (+47% on 2019); gross operating margin of 83.1 million euro, with margins that remained at high levels despite the growth in the cost of raw materials in general and of coffee in particular. Capitelli is also growing, with revenue up 18% compared with 2020; gross operating profit is substantially in line with the previous year, despite the sharp increase in the meat of cost;
- In the energy sector, EBITDA has improved compared with the previous year for Autogas Nord (10%), despite the increase in the cost of LPG which explains part of the increase in revenue; Italgen has done well, capitalising on a positive year in terms of production and prices, closing with a gross operating profit up 76% compared with the previous year, neutralising the one-off impact linked to closure of the Egypt project (+10.5 million euro);

- In the industrial sector, Iseo closed the 2021 with much higher revenue and gross operating profit than in 2020, hit by the closure of the main factories during the first lockdown, as well as in pre-pandemic 2019 figures;
- The Tecnica Group's year was particularly brilliant, closing with revenue up 22% compared with the previous year and a gross operating profit of 78.9 million euro (+33%). Comparison with pre-pandemic 2019 figures is also very positive (revenue +10%, gross operating profit +53%); even though the result of the winter sports business in 2021 was penalised by the fact that the 2020/21 ski season was more or less cancelled in Europe, the Group's other brands are all showing marked growth;
- Despite the continuing impact of the pandemic on the retail business, Officina Profumo-Farmaceutica di Santa Maria Novella closed the year with revenue of 30 million euro, well above 2020 and substantially in line with pre-pandemic 2019 figures. Gross operating profit has improved significantly compared with the previous year, although still lower than 2019 due to the impact on margins of a lower proportion of the Retail business, as well as the investments made in marketing and organisational structure;
- Casa della Salute has launched its ambitious growth plan (3 clinics opened in 2021 and 2 in the first few months of 2022), with net revenue improving compared with the previous year (+56%, +36% like-for-like); gross operating profit is growing, even if weighed down by one-off costs linked to the new openings and accounting effects from applying IFRS. In 2021 Callmewine performed better than the excellent result posted in 2020, closing the year with revenue up 39%; the gross operating result, on the other hand, was negative because of the investments made in marketing and personnel in preparation for future growth.
- The pro-forma aggregate does not include the economic figures of the Sirap Group (whose operating companies were sold in 2021) considered as "Discontinued operations" in the consolidated financial statements of the Italmobiliare Group.

## SUMMARY OF RESULTS FOR THE FOURTH QUARTER

(in millions of euro)	Revenue			Gross operating profit (EBITDA)		
	4Q 2021	4Q 2020	Change %	4Q 2021	4Q 2020	Change %
Italmobiliare	13.4	17.2	(22.2)	4.7	15.8	(70.2)
<b>Portfolio companies</b>						
Caffè Borbone	66.2	63.5	4.3	15.7	22.7	(30.8)
Officina Profumo-Farmaceutica di Santa Maria Novella	9.9	6.2	59.7	1.3	(0.8)	n.s.
Italgen	15.5	8.6	80.2	7.7	14.3	n.s.
Casa della Salute	7.4	4.9	51.0	0.2	(1.3)	n.s.
Capitelli	5.1	4.1	24.4	0.9	1.0	(19.8)
Callmewine	5.7	4.6	23.9	(0.5)	0.1	n.s.
Tecnica Group	164.8	122.3	34.8	29.0	22.2	30.6
Autogas Nord - AGN Energia	209.0	136.7	52.9	21.4	17.8	20.3
Iseo	40.7	38.7	5.2	4.7	4.9	(4.1)
<b>Total portfolio companies</b>	<b>524.3</b>	<b>389.6</b>	<b>34.6</b>	<b>80.4</b>	<b>80.9</b>	<b>(0.6)</b>

n.s. not significant

Note that the quarterly figures have not been audited neither completely nor partially

With regards to the results of the sole fourth quarter:

- Revenue amounted to 524 million euro, up 35% compared with 2020. If we neutralise the strong increase in revenues of Italgen and Autogas Nord, largely attributable to the further growth in the cost of energy, the other portfolio companies closed the quarter with overall revenues up 15% on the previous year.
- The gross operating profit reached 80.4 million euro. Neutralising the one-off impact of closing Italgen's Egypt project, which increased the result for the fourth quarter of 2020 by 10.5 million euro, the operating profit increased by 13% compared with the previous year, despite contingent factors as detailed below in the report.

# Italmobiliare Group

## KEY CONSOLIDATED FIGURES

(in millions of euro)	2021	2020 (*)	Change %
<b>Revenue and income</b>	<b>492.3</b>	<b>324.9</b>	<b>51.5</b>
<b>Gross operating profit (EBITDA)</b>	<b>170.5</b>	<b>81.3</b>	<b>&gt;100%</b>
% of revenue	34.6	25.0	
Amortisation and depreciation	(25.0)	(16.8)	48.8
Impairment losses on non-current assets	(0.3)	(6.0)	(95.0)
<b>Operating profit (EBIT)</b>	<b>145.2</b>	<b>58.5</b>	<b>&gt;100%</b>
% of revenue	29.5	18.0	
Net finance income (costs)	(1.9)	(3.2)	(40.6)
Impairment losses on financial assets		(0.8)	n.s
Share of profit/(loss) of equity-accounted in associates	29.6	15.0	97.3
<b>Profit/(loss) before tax</b>	<b>172.9</b>	<b>69.5</b>	<b>&gt;100%</b>
% of revenue	35.1	21.4	
Income tax	(48.8)	28.8	>100%
<b>Profit/(loss) for the year relating to continuing operations</b>	<b>124.1</b>	<b>98.3</b>	<b>26.2</b>
Profit relating to assets classified as held for sale	40.4	5.2	>100%
<b>Profit/(loss) for the year</b>	<b>164.5</b>	<b>103.5</b>	<b>58.9</b>
attributable to:			
- <b>Owners of the parent company</b>	<b>139.7</b>	<b>68.3</b>	<b>&gt;100%</b>
- Non-controlling interests	24.8	35.2	(29.5)
Cash flows from operating activities	72.0	88.8	(18.9)
Cash flows from investing activities	197.8	285.6	(30.7)

n.s. not significant

\* Figures relating to 2020 were restated following the reclassification of Sirap Group according to IFRS 5.

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	1,637.9	1,524.1
Equity attributable to owners of the parent company	1,459.6	1,330.4
Net financial position	354.0	320.8
Employees (headcount) at the end of the year	848	2,058

- **Revenue and income:** 492.3 million euro compared with 324.9 million euro for the year ended December 31, 2020 (+51.5%);
- **Gross operating profit:** 170.5 million euro compared with 81.3 million euro for the year ended December 31, 2020 (>100%);
- **Operating profit:** 145.2 million euro compared with 58.5 million euro for the year ended December 31, 2020 (>100%);
- **Profit/(loss) before tax:** a profit of 172.9 million euro compared with 69.5 million euro for the year ended December 31, 2020 (>100%).

The positive change in Revenue and Income is mainly attributable to Caffè Borbone (+33.6 million euro) and the entry into the consolidation area of Casa della Salute (+25.8 million euro) and Callmewine (+17.2 million euro) and a positive performance recorded by Italmobiliare (+42.9 million euro).

At December 31, 2021 **total equity** was 1,637.9 million euro, while **equity attributable to the owners of the parent company** was 1,459.6 million euro, compared with 1,524.1 million euro and 1,330.4 million euro respectively at December 31, 2020.

In 2021 **capital expenditure** 197.8 million euro, showing a decrease compared with 2020 (285.6 million euro).

The consolidated **net financial position** at December 31, 2021 showed a positive balance of 354 million euro compared with 320.8 million euro at the end of 2020. The positive change of 33.2 million euro is mainly due to the improvement in the net financial position of Sirap Gema S.p.A. (+129.4 million euro) mainly due to the sale of some of its assets to the Faerch group, partially offset by the decrease of the net financial position of Italmobiliare (-49.7 million euro), the Clessidra Group (-57.0 million euro) and Casa della Salute (-18 million euro).

**Gross operating profit**, equal to 170.5 million euro, increased by 89.2 million euro compared with December 31, 2020 (positive for 81.3 million euro) mainly due to the better results of Italmobiliare (+68 million euro), Caffè Borbone (+8.0 million euro), Officina Profumo-Farmaceutica di Santa Maria Novella (+5.2 million euro) and Casa della Salute (+1.5 million euro).

**Operating profit**, after an increase in amortization and depreciation and impairment losses on non-current assets compared with 2020, was 145.2 million euro (positive for 58.5 million euro in 2020).

## FINANCE COSTS AND OTHER ITEMS

**Net finance costs** had a negative balance of 1.9 million euro, showing an increase of 1.3 million euro from December 31, 2020.

The caption did not include Italmobiliare's finance income and costs as they form part of the Company's core business and were therefore presented in the line items included in the gross operating profit.

**Impairment losses on financial assets** amounted to 0 (0.8 million euro in 2020).

**Share of profit/loss of equity-accounted associates** was positive for 29.6 million euro (15.0 million euro in 2020) thanks to positive contributions by the groups Tecnica (+8.7 million euro), Iseo (+3.9 million euro) and Autogas Nord (+ 2.7 million di euro) partially offset by the negative performance of Dokimè (-6.6 million euro).

## PROFIT FOR THE PERIOD

The Group generated a **profit before tax** of 172.9 million euro (positive for 69.5 million euro in 2020).

After negative taxes for 48.8 million euro (positive for 28.8 million euro in 2020), the Group's **consolidated profit for the year** totalled 164.5 million euro (of which 139.7 million euro attributable to the owners of the parent company), compared with the consolidated profit of 103.5 million for the year ended at December 31, 2020 (of which 68.3 million euro attributable to the owners of the parent company).

## REVENUE AND OPERATING PROFIT FOR 2021

### CONTRIBUTION TO CONSOLIDATED REVENUE AND INCOME

(net of intragroup eliminations)

(in millions of euro)	2021		2020 (*)		Variation	
		%		%	%	% <sup>1</sup>
<b>Business segments</b>						
Italmobiliare	82.7	16.8	38.8	11.9	<i>n.s.</i>	<i>n.s.</i>
Caffè Borbone	252.9	51.4	219.2	67.5	15.3	15.3
Officina Profumo-Farmaceutica di Santa Maria Novella	29.9	6.1	6.4	2.0	<i>n.s.</i>	<i>n.s.</i>
Sirap	-	-	-	-	-	-
Italgen	45.3	9.2	30.2	9.3	50.0	50.0
Casa della Salute	25.8	5.2	0.0	0.0	100.0	0.0
Capitelli	17.5	3.6	14.8	4.6	18.3	18.3
Callmewine	17.2	3.5	-	-	100.0	-
Other Companies <sup>2</sup>	21.0	4.3	15.4	4.7	36.0	36.0
<b>Total</b>	<b>492.3</b>	<b>100.0</b>	<b>324.9</b>	<b>100.0</b>	<b>51.5</b>	<b>37.9</b>

(\*) The 2020 figures differ from those published because of the presentation of the Sirap Group.

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

2 The figures refer principally to Clessidra.

### BREAKDOWN OF CONSOLIDATED PROFIT BY SEGMENT

(in millions of euro)	December 2021	% of total	December 2020	% of total
Italmobiliare	53.1	38.0	31.6	46.3
Caffè Borbone	37.4	26.8	90.5	>100
Officina Profumo-Farmaceutica di Santa Maria Novella	2.5	1.8	(0.8)	(1.2)
Sirap	44.7	32.0	4.5	6.6
Italgen	12.6	9.0	11.3	16.5
Casa della Salute	(0.7)	(0.5)	0.0	0.0
Capitelli	0.7	0.5	2.2	3.2
Callmewine	(0.6)	(0.4)	0.0	0.0
Tecnica Group	12.7	9.1	4.0	5.9
Autogas Nord - AGN Energia	5.6	4.0	2.8	4.1
Iseo	4.6	3.3	0.7	1.0
Other companies	(0.8)	(0.6)	5.3	7.8
Elimination of dividends and intragroup gains/losses	(32.1)	(23.0)	(83.8)	>100
<b>Profit/(loss) for the year attributable to owners of the parent company</b>	<b>139.7</b>	<b>100.0</b>	<b>68.3</b>	<b>100.0</b>

## STATEMENT OF COMPREHENSIVE INCOME

In 2021, the components of the comprehensive income from continuing operations had a positive balance of 18.8 million euro (negative for 26.0 million euro in 2020 restated), mainly determined by positive adjustments to assets carried at FVTOCI for a total of 17.5 million euro, attributable to the positive performance of Bacco (8.7 million euro), Fin. Priv. (5.2 million euro) and HeidelbergCement (4.0 million euro). Considering the profit for the year of 164.5 million euro and the above items, total comprehensive income in 2021 was positive for 188.0 million euro (positive in 2020 for 74.8 million euro).

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

## CONDENSED STATEMENT OF FINANCIAL POSITION

(in millions of euro)	December 31, 2021	December 31, 2020
Property, plant & equipment and investment property	188.7	167.5
Intangible assets	553.3	553.6
Other non-current assets	558.1	483.7
<b>Non-current assets</b>	<b>1,300.1</b>	<b>1,204.8</b>
<b>Current assets</b>	<b>697.0</b>	<b>608.8</b>
Assets classified as held for sale	0.1	131.4
<b>Total assets</b>	<b>1,997.2</b>	<b>1,945.0</b>
Equity attributable to owners of the parent company	1,459.6	1,330.4
Non-controlling interests	178.3	193.7
<b>Total equity</b>	<b>1,637.9</b>	<b>1,524.1</b>
Non-current liabilities	128.8	177.6
Current liabilities	230.5	183.2
<b>Total liabilities</b>	<b>359.3</b>	<b>360.8</b>
Liabilities directly linked to discontinued operations		60.1
<b>Total equity and liabilities</b>	<b>1,997.2</b>	<b>1,945.0</b>

## EQUITY

**Total equity** at December 31, 2021 was 1,637.9 million euro, up 113.8 million euro from December 31, 2020. The overall change was due to:

- positive change in the profit for the period for 134.5 million euro;
- positive change in the FVTOCI reserve for 17.5 million euro, net of deferred tax;
- positive change in the exchange-rate reserve for 6.5 million euro;
- negative change for dividends paid for 39.9 million euro.

## NET FINANCIAL POSITION

On December 31, 2021 the **consolidated net financial position** showed a positive balance of 354.0 million euro, up by 33.2 million euro on the figure on December 31, 2020 (positive for 320.8 million euro).

Cash flows for the period show a positive balance of 33.2 million euro, mainly due to investments in non-current financial assets for 134.9 million euro, partially offset by disposals of non-current assets for 245.0 million euro. Furthermore, there were dividends paid for 39.9 million euro and positive proceeds from operating activities for 72.0 million euro.



**BREAKDOWN OF THE NET FINANCIAL POSITION**

<b>(In millions of euro)</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Current financial assets	496.2	456.5
Current financial liabilities	(84.7)	(67.9)
Non-current financial assets	11.8	35.2
Non-current financial liabilities	(69.4)	(83.2)
NFP of assets held for sale	0.1	(19.8)
<b>Net financial position</b>	<b>354.0</b>	<b>320.8</b>

A breakdown of the "Consolidated 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**

<b>(In millions of euro)</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Net financial position at the beginning of year</b>	<b>320.8</b>	<b>475.2</b>
Cash flows from operating activities	72.0	88.8
Capital expenditure:		
<i>PPE, investment property and intangible assets</i>	(62.9)	(35.2)
<i>Non-current financial assets</i>	(134.9)	(249.6)
Cash flows from investing activities	(197.8)	(284.8)
Proceeds from disposal of non-current assets	245.0	123.0
Dividends paid	(39.9)	(84.0)
Translation and structure differences	(10.5)	(15.4)
Other	(62.9)	6.5
<b>Net cash flows for the year</b>	<b>5.9</b>	<b>(165.9)</b>
Cash flows relating to assets classified as held for sale	27.3	11.5
<b>Net financial position at the end of year</b>	<b>354.0</b>	<b>320.8</b>

## CAPITAL EXPENDITURE

(in millions of euro)	Investments in non-current financial assets		Investments in PPE and investment property		Investments in intangible assets		Total capital expenditure	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Business segments</b>								
Italmobiliare <sup>1</sup>	67.9	60.4	0.5	1.6			68.4	62.0
Caffè Borbone			11.2	13.4	0.6	0.2	11.8	13.6
Officina Profumo-Farmaceutica di Santa Maria Novella	42.0	162.9	6.7	0.5	0.2		48.9	163.4
Sirap			2.5	14.0		0.4	2.5	14.4
Italgen	9.5		5.3	4.6	0.5		15.3	4.6
Capitelli			1.0	1.0	0.1		1.1	1.0
Casa della Salute	0.1		26.9		0.7		27.7	-
Callmewine		13.2	0.4				0.4	13.2
Tecnica Group							-	-
Autogas Nord - AGN Energia								
Iseo							-	-
Other companies <sup>2</sup>	19.3	13.1	1.8	0.5	4.1	0.1	25.2	13.7
Inter-segment eliminations			(0.3)	(0.3)			(0.3)	(0.3)
<b>Total capital expenditure (*)</b>	<b>138.8</b>	<b>249.6</b>	<b>56.0</b>	<b>35.3</b>	<b>6.2</b>	<b>0.7</b>	<b>201.0</b>	<b>285.6</b>

<sup>1</sup> The 2020 figure includes Florence InvestCO, Casa della Salute and CCC Holding Europe. The 2021 figure include Ariston Holding N.V., Florence InvestCo, CCP3 and KKR Teemo.

<sup>2</sup> The figure includes Clessidra Factoring.

(\*) Total capital expenditure is shown gross of payables for investments equal to 3.2 million euro.

Group capital expenditure during the year amounted to 201.0 million euro, showing a significant decrease from 2020 (285.6 million euro).

Capital expenditure in non-current financial assets amounted to 138.8 million euro (249.6 million euro in 2020) and are mainly related to Officina Profumo-Farmaceutica di Santa Maria Novella (42 million euro) and Italmobiliare (67.9 million euro).

Capital expenditure on property, plant and equipment and investment properties amounted to 56 million euro and referred mainly to Casa della Salute for 26.9 million euro, Caffè Borbone for 11.2 million euro and Officina Profumo-Farmaceutica Santa Maria Novella for 6.7 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 COMPANY

(in millions of euro)	December 31, 2021	
<b>Profit for the year of the parent company Italmobiliare S.p.A.</b>		<b>53.1</b>
Consolidation adjustments		
• Profit for the year of consolidated companies (Groupshare)		97.0
• Adjustment to the carrying amount of equity-accounted investees		24.2
• Derecognition of dividends in the year		(27.7)
• Derecognition of intercompany gains or losses and other changes		(7.4)
• Reversal of write-downs in consolidated equity investments		0.5
<b>Profit for the year attributable to owners of the parent company</b>		<b>139.7</b>
<b>Equity of the parent company Italmobiliare S.p.A.</b>		<b>1,320.8</b>
• Derecognition of the carrying amount of consolidated equity investments		
	<i>in fully consolidated companies</i>	(794.6)
	<i>in equity-accounted associates and subsidiaries</i>	(177.6)
• Recognition of equity of consolidated equity investments		(972.2)
	<i>in fully consolidated companies</i>	847.1
	<i>in equity-accounted associates and subsidiaries</i>	153.0
• Gains allocated to equity of subsidiaries and associates		126.3
• Elimination of intragroup transactions and other changes		(15.4)
<b>Consolidated equity attributable to owners of the parent company</b>		<b>1,459.6</b>

## RISKS AND UNCERTAINTIES

Risks and uncertainties are examined in the sections of the individual segments, since they are different and specific for each Group segment.

## INFORMATION ON PERSONNEL AND THE ENVIRONMENT

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

## Italmobiliare S.p.A.



### BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	2021	2020	Change %
<b>Revenue and income</b>	<b>110.8</b>	<b>67.9</b>	<b>63.2</b>
<b>Gross operating profit (EBITDA)</b>	<b>76.2</b>	<b>8.4</b>	<b>&gt;100%</b>
% of revenue	68.8	12.4	
Amortization and depreciation	(0.8)	(0.7)	<b>14.3</b>
<b>Operating profit (EBIT)</b>	<b>75.4</b>	<b>7.7</b>	<b>&gt;100%</b>
% of revenue	68.1	11.3	
Net finance costs	(0.0)	(0.1)	(70.9)
Impairment of financial assets	(0.4)	18.5	n.s.
<b>Profit/(loss) before tax</b>	<b>74.9</b>	<b>26.1</b>	<b>&gt;100%</b>
% of revenue	67.7	38.4	
Income tax	(21.8)	5.4	n.s.
<b>Profit/(loss) for the year</b>	<b>53.1</b>	<b>31.5</b>	<b>68.7</b>

n.s. not significant

(in millions of euro)	December 31, 2021	December 31, 2020
Equity	1,320.8	1,280.2
Net financial position	337.5	387.2
Employees (headcount) at the end of the year	43	38

**Revenue and income** for the year amounted to 110.8 million euro (67.9 million euro in 2020), and consisted mainly of dividends from equity investments (32.4 million euro), gains and fair value gains on equity investments, funds and securities (64.0 million euro), other finance income (13.3 million euro) and revenue from services provided (1.1 million euro).

## RESULTS IN ACCORDANCE WITH THE FINANCIAL MODEL

Given the specific nature of the Company, to allow a full understanding of the Company's performance, the table below sets out its results in the format normally used for financial companies. The model reflects the following classification:

- "Net gains (losses) on equity investments" which includes, regarding FVTOCI equity investments, the dividends received; on the other hand, regarding the investments in subsidiaries and associates, the item includes both dividends and gains/losses realized on sales, as well as any impairment losses/value 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" includes personnel expense and operating expenses for the financial structure, net of amounts recovered from other Group companies or third parties.

(million euro)	2021	2020	Change %
Net gains (losses) on equity investments	31.9	48.8	(34.6)
Net gains on investments of cash and cash equivalents	70.4	7.5	>100%
<b>Total finance income/costs</b>	<b>102.3</b>	<b>56.3</b>	<b>81.8</b>
Other expenses	(27.4)	(30.2)	(9.3)
Income tax	(21.8)	5.4	n.s.
<b>Profit/(loss) for the year</b>	<b>53.1</b>	<b>31.5</b>	<b>68.7</b>

n.s. not significant

Net income and charges from equity investments are positive for 31.9 million euro, showing a decrease of over 16.9 million euro compared with 48.8 million euro on December 31, 2020, due to the write-down/revaluation of certain investments (negative balance of 0.4 million euro on December 31, 2021 against +18.6 million euro on December 31, 2020) and the increase in dividends (+2.1 million euro).

Net gains and losses on investments of cash and cash equivalents, on the other hand, have increased by 63.0 million euro, due to the increase in profitability of investments and private equity funds.

Other income and expense are negative for 27.4 million euro, showing a decrease of 2.7 million euro compared with the previous year, which included higher costs outside of the normal business.

Taxes are negative for 21.8 million euro compared with positive 5.4 million euro in 2020. The change is mainly due to current income taxes for the year of 11 million euro and the accrual of a provision for risks of 11 million euro to cover a tax dispute that is explained in the relevant paragraph.

Equity of 1,320.8 million euro increased by 40.6 million euro compared with the previous year, mainly due to the positive change in the FVTOCI reserve for 14 million euro, the profit for the year for 53.1 million euro, net of the distribution of dividends for 27.5 million euro.

## SIGNIFICANT EVENTS DURING THE PERIOD

The economic situation in 2021 continued to be affected by the health emergency caused by the Covid-19 pandemic, but varying in intensity according to the period, even if in a more favourable global macroeconomic scenario. The state of uncertainty has also spread into the first part of 2022 with some improvements at a global level.

Italmobiliare has continued to apply all safety and control measures in favour of employees, both at the Holding Company and at the Portfolio Companies, to limit possible occasions for contagion and to ensure continuity of production and commercial activities. The measures taken to support the Portfolio Companies and the responsiveness shown by them in such a complex situation, allowed us to achieve satisfactory results while limiting the impacts of the pandemic.

In all companies, initiatives for the development of alternative commercial channels (e-commerce) have continued to cope with the restrictions affecting traditional distribution channels, forms of flexibility of production cycles to limit possible inventory imbalances and a careful rescheduling of investment flows.

The high level of diversification by sector and geography of Italmobiliare's portfolio, proactive risk management, strategic support and the application of management and governance best practices made it possible to take advantage of opportunities at a time of significant economic recovery and positive financial market performances that were a major feature of 2021.

In January 2021, Sirap's main assets in Italy, Poland and Spain were sold to the Faerch Group - a Danish company that is a leader in the food packaging sector - based on an enterprise value of approximately 162 million euro.

In February 2021 Sirap and Zeus Packaging - an Irish company that operates in the distribution of packaging products - then signed a binding agreement for the sale of the Petruzalek Group and the German subsidiary of the Sirap Group (Sirap GmbH), based on an enterprise value of around 12 million euro. The deal, which was subject to usual conditions precedent, was completed in April.

In March 2021 Italmobiliare, already an investor in the Clessidra Capital Partners 3 fund, participated as one of the fund's co-investors in the operation which saw the acquisition by the Clessidra Capital Partners 3 fund of a majority stake in Botter S.p.A., a Venetian company that is one of the major exporters of Italian wine in the world, owned by the Botter family and DeA Capital. Italmobiliare's investment - initially of 36 million euro for 31% interest - is in support of Clessidra's project, which has identified Botter as the cornerstone of an initiative to consolidate the wine sector: a strategy of targeted acquisitions with the idea of creating an Italian leader in this sector with strong growth potential in new markets. In May 2021, Italmobiliare subscribed to a further capital increase in Botter S.p.A., for 7.7 million euro. In July, part of the co-investment (at book value) was sold to Clessidra's Fund IV and the remaining 13.69% was sold to ITM Bacco, a Group company.

On July 27, 2021, Marinella Soldi resigned as an independent director following her appointment as the new President of RAI, the Italian state broadcaster. On July 29 the Board of Directors co-opted Valentina Casella to replace her.

On October 11, Italmobiliare S.p.A., completed its purchase of the residual 20% of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. This will allow Italmobiliare to operate with greater strategic flexibility in the company's development path with the acceleration of international expansion.

On October 16, 2021, Italmobiliare sold 158.250 shares of Casa della Salute S.p.A., to Bootes for 1.9 million euro which did not lead a recognition of a capital gain or loss as the investment was sold at book value, reducing its stake from 92.5% to 84.63%

In November 2021, the subsidiary Sirap Gema S.p.A., completed its sale of Sirap France to the Happy Group. In this way, Italmobiliare has completed its plan to exit from the food packaging sector. The process, which started in January 2021 with by selling the assets in Italy, Poland and Spain, as mentioned above, continued with the sale of the Petruzalek Group and Sirap GmbH (in February 2021) and Sirap UK (in November 2021). The cash generated by these sales including costs to sell (145

million euro) has been added to Italmobiliare's cash resources, ready to be allocated to future investments according to the holding company's diversification strategy.

On November 17, Italmobiliare finalized the agreement to buy 19.99% of Bene Assicurazioni, continuing its diversification of investments in Italian companies of excellence. The execution of the deal is subject to the approval by IVASS - the Insurance Supervisory Authority. Italmobiliare's enter into the company's share capital will take place through an investment of 40 million euro made by capital increase, which will give it 19.99% of Bene Assicurazioni.

## ITALMOBILIARE NET FINANCIAL POSITION

(in millions of euro)	December 31, 2021	December 31, 2020
<b>Current financial assets</b>	<b>334.9</b>	<b>367.3</b>
Current financial liabilities	(6.9)	(7.0)
<b>Current net financial position</b>	<b>328.0</b>	<b>360.3</b>
Non-current financial assets	9.6	27.1
Non-current financial liabilities	(0.1)	(0.2)
<b>Non-current net financial position</b>	<b>9.5</b>	<b>26.9</b>
<b>Net Financial Position</b>	<b>337.5</b>	<b>387.2</b>

On December 31, 2021 the net financial position of Italmobiliare S.p.A., decreased by 49.67 million euro, going from 387.2 million euro at December 31, 2020 to 337.5 million euro at the end of December 2021. The main flows include the investment as co-investor of the Clessidra Capital Partners 3 fund in the acquisition of Casa Vinicola Botter Carlo & C. S.p.A., through a vehicle company Bacco (-43.6 million euro) and the subsequent sales of shares (+31.7 million euro), the purchase of the residual 20% of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. (-40 million euro) through the newco FT2, the investments in private equity funds (-39.14 million euro) and reimbursements (+32.26 million euro), the outlay for other investments (-27.72 million euro) and portfolio companies (-7.2 million euro), partially offset by the sale of HeidelbergCement shares (+50.45 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.



## RISKS AND UNCERTAINTIES

An integrated analysis of the main risk factors and related mitigation measures was carried out during the year. Several analyses were performed, specifically:

- a quantitative analysis of the risk levels and correlation among the various companies belonging to the Italmobiliare investment portfolio as a whole.
- bottom-up analysis of Group-specific risk factors 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. Compared with 2020, the evolution of the general situation, the in-depth analyses carried out during the year and the effect of the actions taken have led to changes in the exposure to risk issues (e.g., increased raw materials risk, reduction in the risk related to the health emergency and organisational structure).

Furthermore, among the issues that are widespread among Group companies, environmental issues take on a significant value, especially from a strategic point of view, as well as so-called cyber risk. In this regard, to supplement normal activities in 2021, the company put in place a mapping activity of the level of exposure to Cyber Security Risk for the Group in order to identify areas for improvement and define a plan for the future activities for interventions to strengthen or adopt organizational procedural and technological measures to mitigate the risk. In this regard, it is worth remembering that both the Company and its main subsidiaries have taken out into a cyber risk insurance policy to protect against any viral IT risks to which they could be subjected. Regarding environmental issues, the Group has implemented a new policy that involves assessing environmental risk before making new investments.

### **Holding Company risks**

As mentioned previously, in the face of the health emergency caused by the Covid-19 pandemic Italmobiliare has continued to apply all safety and control measures in favour of employees, both at the Holding Company and at the Portfolio Companies, to limit possible occasions for contagion and to ensure continuity of production and commercial activities. The Holding Company's operations were guaranteed during 2021 with remote working as the preferred approach.

As in the previous year, the constant monitoring of risks, the actions taken in support of the Portfolio Companies and the reactivity shown by them made it possible to limit the impacts of the pandemic, despite its persistence, especially for the retail world.

In all companies, initiatives for the development of alternative commercial channels (e-commerce) have continued with improvements, in order to cope with the slow recovery by traditional distribution channels, forms of flexibility of production cycles to limit possible inventory imbalances and a careful rescheduling of investment flows.

In the meantime, financial risk management made it possible to mitigate the impact of the negative performance of world markets on Italmobiliare's portfolio: also thanks to effective diversification both by sector and by exposure to various geographical areas, it has shown considerable resilience, despite all the difficulties.

In the process of managing its investments and selecting further investments, particular attention was paid to the analysis and management of risks - including the risks deriving from the prolongation of the effects of the pandemic - to sector diversification, also based on the acceleration of macro-trends imposed by the pandemic situation and to the particular analysis of aspects such as their technological evolution and the sustainability of their 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 adverse change 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**

Under coordination by the Internal Audit Department, which is responsible for risk management, the process of assessment was further refined in 2021 with a more detailed view of the medium/long-term trends suggested and with an ESG methodological approach based on the results of the materiality analyses. The assessment of climate risk was particularly detailed for all the portfolio companies, carried out in 2021 according to the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), also suggested by the European Securities and Markets Authority (ESMA). For further details, please refer to the 2021 Sustainability Report, page F21.

### **Financing risks**

Access to the capital market and to other forms of financing, and related costs, depends on the Company's creditworthiness and on the prevailing general economic 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. The volatility of the markets and, in particular, contractions in the volumes of trading in the presence of systemic events mean, however, that there is no guarantee that divestment strategies can be executed as and when planned.

During 2021, as part of the risk management process, a specific study was carried out on the portfolio companies' debt sustainability risk and their ability to generate cash and cash equivalents, from which no anomalous situations emerged.

### **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 the currency risk. Although exposure constitutes a factor of diversification of the overall risk, hedging transactions are arranged as market opportunities arise. Despite these hedges, sudden fluctuations in exchange rates could have a negative impact on the Company's financial position and results of operations.

### **Legal and tax risks**

Suitable provisions have been accrued with regard to existing legal and tax risks and their related economic effects. 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., signed insurance 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 problems.

On December 31, 2021, the Company had 43 employees, with the increase of 5 persons compared with the end of 2020.

## **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 B61.

## **OUTLOOK**

The business outlook for Italmobiliare S.p.A., is explained in the relevant section on page B62.

## Caffè Borbone

(60% INTEREST)



### BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	2021	2020	Change %
<b>Revenue and income</b>	<b>252.9</b>	<b>219.3</b>	<b>15.3</b>
<b>Gross operating profit (EBITDA)</b>	<b>83.1</b>	<b>75.1</b>	<b>10.7</b>
% of revenue	32.9	34.2	
Amortization and depreciation	(10.2)	(9.1)	12.1
<b>Operating profit (EBIT)</b>	<b>72.9</b>	<b>66.0</b>	<b>10.5</b>
% of revenue	28.8	30.1	
Net finance income (costs)	7.4	(1.9)	n.s.
<b>Profit/(loss) before tax</b>	<b>80.3</b>	<b>64.1</b>	<b>25.3</b>
% of revenue	31.8	29.2	
Income tax	(16.8)	26.4	n.s.
<b>Profit/(loss) for the year</b>	<b>63.5</b>	<b>90.5</b>	<b>(29.8)</b>
Capital expenditure	11.7	13.4	(12.7)

n.s. not significant

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	379.8	346.2
Net financial position	8.0	(11.8)
Free Cash Flow	48.0	39.8
Employees (headcount) at the end of the year	261	218

2021 was a positive year for Caffè Borbone: in addition to confirming its growth trajectory, as commented on below in greater detail, the company took several steps to prepare for future growth. In particular:

- In the first few months of 2021, reorganisation of the sales force was completed to ensure an even stronger presence in the company's main distribution channels;
- In September 2021, management was further strengthened with the appointment of Marco Schiavon as General Manager. He has had 25 years of experience in leading companies in the world of Consumer Goods and a great deal of expertise in internationalisation and digital sales channels;
- In December 2021, Caffè Borbone completed the insourcing of its online channel, which was previously managed by MFS Web S.r.l., controlled 50% by Caffè Borbone and 50% by a third party shareholder. In particular, it is worth remembering that MFS Web operates both in the packaging of coffee pods and capsules ("Production Branch") and in the online distribution of pods ("Online Branch"); in July 2021, the Board of Directors of MFS Web approved the plan to split the company, spinning off the Online Branch to Caffè Borbone and the Production Branch to the third-party shareholder. The effects on this year's financial statements are explained in greater detail below.

Turning to the numbers, Caffè Borbone closed 2021 with revenue of 252.9 million euro, up 15% on the previous year and 47% on 2019. Looking only at the fourth quarter, the growth compared with the previous year comes to 4.3%, with the slowdown attributable in part to the excellent Q4 performance in 2020; comparing Q4 2021 with the same period of 2019 shows growth of 43%, similar to what was achieved in the whole of 2021.

Analysing the distribution channels, the Large-Scale Retail channel is growing at above average rates (+52% on 2020), gaining further share in a mono-portion coffee market that has seen its rate of growth slow down compared with the recent past (+7% on 2020, source: Nielsen); encouraging signs are coming from abroad with growth of 37%, even though volumes are still residual in proportion to the total. At product level, single-dose coffee is still the main product; sales of coffee beans have improved (+30% compared with the previous period, which suffered a slowdown in the Ho.Re.Ca. channel due to the health emergency).

Gross operating profit was 83.1 million euro, up by 11% compared with 2020; margins of 32.9%, substantially in line with the previous year despite the increase in the weight of raw materials in general and coffee in particular. In this regard, Q4 saw an acceleration in the rising trend of raw materials, with a short-term impact on margins, penalised by costs unrelated to operations.

Net of amortisation and depreciation, which have gone up slightly, operating profit was 72.9 million euro, up 10.5% compared with 2020.

The balance of finance income and costs is positive for 7.4 million euro (-1.9 million at December 31, 2020), positively influenced by dividends for 1.1 million euro paid by the subsidiary MFS Web S.r.l., and by the capital gain of 6.5 million euro realised on the sale of the Production Branch of MFS Web S.r.l., in exchange for control of the online branch.

Income tax was negative for 16.8 million euro. It should be remembered that in 2020 the company decided to realign the statutory and fiscal value of intangible assets for 323 million euro (in particular, Trademarks, customer list and goodwill) pursuant to art. 110, paragraph eight of Legislative Decree no. 104/2020, making the amortisation on these items deductible against payment of a substitute tax of 3%; this decision had a one-off positive impact on 2020 tax of 41.2 million euro, being the sum of the deferred tax assets released (on brands and the customer list) for 50.9 million euro and the substitute tax payable for 9.7 million euro. Following publication of the 2022 Budget Law, the company revised the approach it had taken the previous year, confirming the step-up of brands and the customer list (169.5 million euro) but waiving the step-up of goodwill (153.8 million euro); this decision had a positive one-off impact on 2021 tax of 4.6 million euro by eliminating the substitute tax on goodwill.

The profit for 2021 amounted to 63.5 million euro, with a decrease compared with 2020 which is explained by this one-off impact on taxes for 2020; neutralising this impact in both the years, the profit is 19% up on 2020.

The net financial position at December 31, 2021 is positive for 8.0 million euro, with positive cash generation during the year of 48.0 million euro, gross of dividends paid in 2021 (30 million euro) and the impact of the MFS Web transaction (positive for 1.3 million euro) as described above.

## RISKS AND UNCERTAINTIES

As mentioned in the previous reports, the Caffè Borbone business is exposed to two main areas of risk and uncertainty: trends in commodity prices on the coffee bean procurement market and competitive pressure on market prices.

The cost of the raw material increased over the course of 2021. Generally speaking, the coffee bean 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 raw coffee beans is in any case less significant in the single-dose segment given the lower incidence on the cost of the finished product. The company has tried to limit the amount of this increase that is passed on the final selling price.

At market level, the high margins available 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.

## 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 support of the Italmobiliare Group's commitment to the Global Compact, in 2021 Caffè Borbone adopted a new Code of Ethics and Sustainability Policies inspired by its Ten Principles and the promotion of the Sustainable Development Goals.

Attention to the management of internal social aspects ensures the protection of workers' health and the continuity of production activities, guaranteeing the health protocols that were necessary because of the persistence of the pandemic and supporting the provision of training at all levels.

Despite the continuous efforts of all the social partners, there were five accidents at work, but none of them serious. To improve operations, Caffè Borbone planned the entry of new dedicated resources and the adoption of a methodological approach aimed at creating a complete safety culture.

In the environmental field, the audit of the management system according to the ISO 14001 standard was completed. The certificate is expected to be issued in the first few months of 2022. Moreover, to mitigate its carbon footprint, the Caivano plant has begun to use guaranteed renewable electricity, which will become the only source in 2022.

Detailed qualitative and quantitative information on sustainable governance, social aspects and environmental initiatives of Caffè Borbone are explained in the Sustainability Report.

## HUMAN RESOURCES AND ORGANIZATION

In 2021, the workforce grew by 43 units, going from 218 to 261 employees, mainly new hires for the production area and the e-commerce area following the completion of the insourcing of the company's website.

## LITIGATION AND DISPUTES PENDING

The company is not involved in any significant dispute that needs to be mentioned in this report.

## OUTLOOK

The company expects to continue its recent growth trend in 2022 as well. The first few weeks of the year show a possible slowdown in the growth of the single-portion coffee market in Italy, which will hopefully be offset during the year by the planned launch of new products and an increase in foreign sales.

In terms of margins, management will monitor the evolution of raw material costs in general and those of coffee in particular. It should be noted that in early 2022 the price of Robusta coffee decreased compared after the strong growth recorded in 2021, but nevertheless, remains extremely volatile.



## Officina Profumo-Farmaceutica di Santa Maria Novella

(100% INTEREST THROUGH THE  
NEWCO FT2 S.r.l.)



### BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	2021	2020 (*)	Change %
<b>Revenue and income</b>	<b>30.0</b>	<b>22.6</b>	<b>32.7</b>
<b>Gross operating profit (EBITDA)</b>	<b>8.2</b>	<b>3.0</b>	<b>&gt;100%</b>
% of revenue	27.3	13.3	
Amortization and depreciation	(3.6)	(2.2)	63.6
<b>Operating profit (EBIT)</b>	<b>4.6</b>	<b>0.8</b>	<b>&gt;100%</b>
% of revenue	15.3	3.5	
Net finance income (costs)	(0.9)	(0.7)	28.6
<b>Profit/(loss) before tax</b>	<b>3.7</b>	<b>0.1</b>	<b>&gt;100%</b>
% of revenue	12.3	0.4	
Income tax	(1.2)	(0.1)	n.s.
<b>Profit/(loss) for the year</b>	<b>2.5</b>	<b>(0.0)</b>	<b>n.s.</b>
Capital expenditure	6.9	6.2	11.3

n.s. not significant

(\*) 2020 figures refer to the consolidated financial statements of FT2 S.r.l., and Officina Profumo-Farmaceutica di Santa Maria Novella and have been consolidated in Italmobiliare using the equity methods starting from the 1st of January and on a line-by-line basis from October as the acquisition took place in two stages. The figures have been prepared according to national accounting standards (ITA GAAP) and reclassified according to Group formats.

2021 figures refer to the consolidated financial statements of FT2 S.r.l., and Officina Profumo-Farmaceutica di Santa Maria Novella and have been prepared according to the international Financial Reporting Standards

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	197.6	166.6
Net financial position	12.8	10.1
Free Cash Flow	7.2	2.8
Employees (headcount) at the end of the year	144	117

Officina Profumo-Farmaceutica di Santa Maria Novella closed the year with positive results, despite the fact that the impact of the health emergency was still material in terms of the mix of sales channels and margins.

In October, Italmobiliare finalised its purchase of the residual 20% of Officina Profumo-Farmaceutica di Santa Maria Novella through the newco FT2 S.r.l.

During 2021, the company reorganised its structure by focusing again on the beauty business:

- In May, the company sold its entire shareholding in San Carlo S.p.A., a subsidiary that operates in the bottled water sector, for 1.8 million euro. The transaction did not have a significant impact on the revenue and gross operating profit of Officina Profumo-Farmaceutica di Santa Maria Novella.
- In July, the company completed its acquisition of 100% of the British company Farmacia Ltd, the exclusive distributor of Officina Profumo-Farmaceutica di Santa Maria Novella products in the UK, for 1.9 million euro.

2021 consolidated turnover amounted to 30.0 million euro, +33% on the previous year, mainly thanks to the recovery of the direct retail channel and to the positive performance of the wholesale channel driven by the Asian market. Top line results stand at values very close to 2019, although with a different mix of channels: the increase in sales through e-commerce and wholesale channels almost offset the contraction in direct retail turnover, particularly of the shop in Via della Scala in Florence, heavily penalised by the pandemic.

Gross operating profit came to 8.2 million euro. Given that the 2020 figure was calculated according to national accounting standards, whereas the one for 2021 is based on IFRS, a like-for-like comparison between the two years is not possible.

During the year there was an improvement in the operating result, mainly thanks to a different mix of sales channels, i.e., the recovery of direct retail. This positive trend partially offset the higher indirect costs incurred in 2021 to support business development. In particular, management concentrated on marketing initiatives, which focused on the digital channel and on preparations for the celebration of its 800th anniversary, and on strengthening the organisational structure.

The increase in the margin is attributable to a lower incidence of production costs, a recovery by the direct retail channel and sales of perfume, which typically have high margins. This positive trend partially offset by the investments made in 2021 in marketing cost (which focused on the digital sphere and preparations for the 800th anniversary) and to reinforce the organisational structure.

At December 31, 2021, the net financial position amounts to 12.8 million euro (10.1 million euro at December 31, 2020). The net financial position has been significantly affected by the application of IFRS 16. At the end of the year, lease liabilities amounted to 14 million euro, of which 4 million for new store openings (i.e., the store in Via Tornabuoni in Florence). Looking at the cash flow and neutralising the impact of the extraordinary transactions mentioned above and the impact resulting from the application of IFRS 16 we have a positive cash generation of around 7 million euro.

## RISKS AND UNCERTAINTIES

Officina Profumo-Farmaceutica di Santa Maria Novella operates in what is mainly a consumer goods business, which means that it is very much influenced by macroeconomic trends and fluctuations in consumer spending. As mentioned previously, the company returned to pre-Covid levels of turnover in 2021, albeit with a different mix of channels. Considering the current trend of the pandemic and, in particular, the expected evolution of tourism, a rebalancing of the channel mix is expected over the coming year, with a higher proportion of revenue from direct retail sales.



In line with the goal of further developing the digital channel, in 2021 the company's management implemented a new e-commerce platform with more appealing and user-friendly content.

Lastly, the company is exposed to the risks associated with the healthiness of products issued for consumption. So, to mitigate this risk, particularly accurate control procedures are in place to ensure full compliance and safety in terms of product quality.

## 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 support of the Italmobiliare Group's commitment to the Global Compact, in 2021 Officina Profumo-Farmaceutica di Santa Maria Novella adopted a new Code of Ethics and Sustainability Policies inspired by its Ten Principles and the promotion of the Sustainable Development Goals.

Attention to the management of internal social aspects ensures the protection of workers' health and the continuity of production activities, guaranteeing the health protocols that were necessary because of the persistence of the pandemic and supporting the provision of training at all levels.

There was only 1 minor accident at work. 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.

In 2021, the Florence plant used exclusively renewable electricity, derived from photovoltaic self-production and from the purchase of guarantee of origin certificates.

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 ORGANIZATION

Nel 2021 the workforce grew from 117 to 144 employees. In particular, as part of the activities to strengthen the organizational structure during the year, a new Chief Marketing Officer and the new Chief Financial Officer joined top management.

## LITIGATION AND DISPUTES PENDING

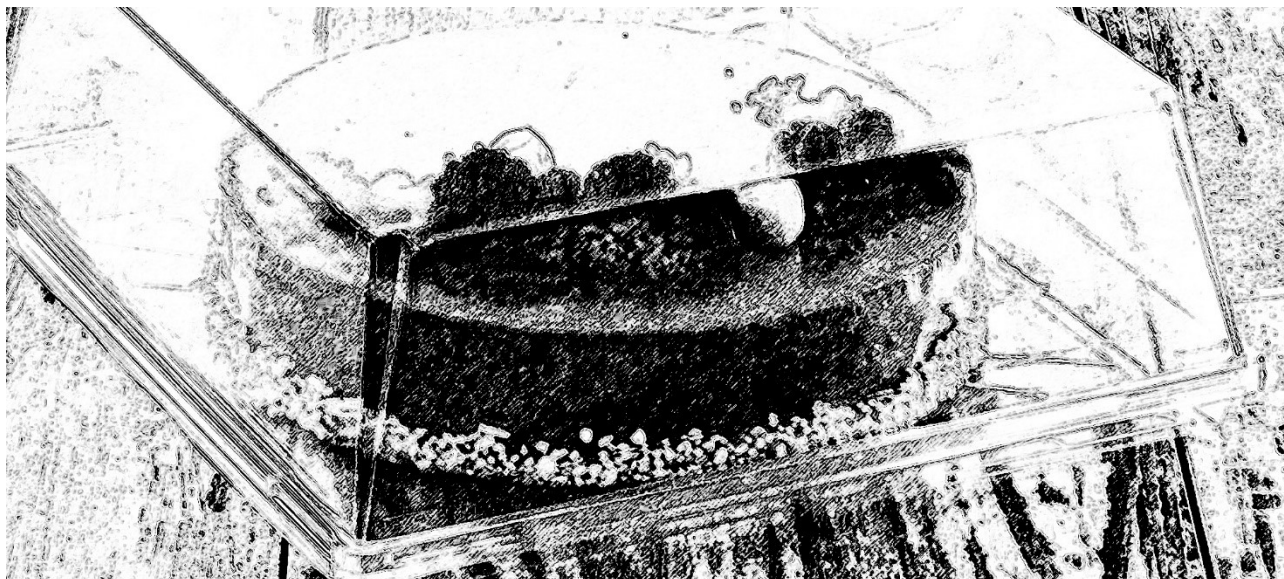
The company is not involved in any significant dispute that needs to be mentioned in this report.

## OUTLOOK

For 2022, the company expects ambitious growth in both the direct-to-consumer and wholesale channels. In addition to the resumption of direct retail trade linked to normalisation of the pandemic situation, Officina Profumo-Farmaceutica di Santa Maria Novella has undertaken numerous projects for business development in the commercial, marketing and product development sectors.

## Sirap

(100% INTEREST)



### BUSINESS AND FINANCIAL PERFORMANCE

The figures in the table refer to the Sirap Group.

Noted that as a result of the transactions detailed in the following paragraph, the 2020 figures have not been exposed as they are not comparable.

(in millions of euro)	2021
<b>Revenue and income</b>	<b>52.2</b>
<b>Gross operating profit (EBITDA)</b>	<b>1.1</b>
% of revenue	2.1
Amortization and depreciation	(3.3)
Impairment losses of non-current assets	-
<b>Operating profit (EBIT)</b>	<b>(2.2)</b>
% of revenue	-4.2
Net finance costs	0.1
<b>Profit/(loss) before tax</b>	<b>(2.1)</b>
% of revenue	-4.0
Income tax	(1.0)
<b>Profit/(loss) for the year relating to continuing operations</b>	<b>(3.1)</b>
Profit relating to discontinued operations	47.8
<b>Profit/(loss) for the year</b>	<b>44.7</b>
Capital expenditure	-

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	83.5	35.9
Net financial position	84.7	(64.6)
Employees (headcount) at the end of the year	3	1,369

As mentioned in previous quarterly reports, 2021 saw radical changes in the corporate structure of the Sirap Group, implementing Italmobiliare's strategic decision to move out of this sector. In fact, during the year four extraordinary sale transactions were completed, involving four different industrial buyers, confirming the Italmobiliare Group's ability to enhance its assets. Overall, the extraordinary transactions recorded an enterprise value of approximately 200 million euro, with an equity value of more than 80 million euro.

Specifically, Sirap:

- on January 4, 2021 sold its assets in Italy, Poland and Spain to Faerch;
- on April 30, 2021 completed the sale of the Petruzalek Group and Sirap GmbH to Zeus Packaging;
- on November 12, 2021 sold Sirap UK to the PFF Group;
- on November 30, 2021 sold Sirap France, the Group's last industrial asset, to the Happy Group.

Furthermore, it is worth recalling that during the course of 2021:

- on February 21, Sirap sold the building in San Vito al Tagliamento, previously used as a factory that was closed at the end of 2020, generating a capital gain net of transaction costs of 1.1 million euro;
- on April 30, Sirap paid the European Commission the balance due to close the antitrust dispute mentioned in previous reports;
- In September, Sirap completed the liquidation of the Italian subsidiary Universal Imballaggi, thereby collecting the proceeds from the sale of the building in Palermo, which was previously used as a factory that was closed in 2018.

As a result of all these extraordinary transactions, at the end of 2021 the scope of the Sirap Group is limited to the Italian company (Sirap Gema), which operates merely in the management of cash and cash equivalents and residual deferred collections related to the above sales. In the short term it will be maintained among Italmobiliare's portfolio companies, with a further simplified governance and structure, to manage deferred collections and any claims that will arise from the above extraordinary transactions.

Sirap's net financial position at December 31, 2021 was positive for 84.7 million euro, including deferred collections of 3.2 million euro linked to some of the extraordinary transactions. Following the approval of Sirap's 2021 financial statements, the majority of the liquidity will be distributed to Italmobiliare, in the form of both dividends and reduction of share capital.

## LITIGATION AND DISPUTES PENDING

With reference to the dispute that was pending before the European Commission - for a description please refer to what has been amply illustrated in previous directors' reports with proceedings most recently pending before the EU Court of Justice (Case C-694/19) - it should be noted that on April 15, 2021 the Court issued a ruling rejecting the appeal presented by the appellants against the ruling of the Court of the European Union which confirmed the sanction imposed by the Commission. On April 30, Sirap paid the European Commission the remaining part of the fine (22 million euro) that was due.



## Italgen

(100% INTEREST)



### BUSINESS AND FINANCIAL PERFORMANCE

The figures in the table refer to the Italgen Group.

(in millions of euro)	2021	2020	Change %
<b>Revenue and income</b>	<b>45.3</b>	<b>30.2</b>	<b>50.0</b>
<b>Gross operating profit (EBITDA)</b>	<b>23.0</b>	<b>23.6</b>	<b>2.7</b>
% of revenue	50.8	78.1	
Amortization and depreciation	(5.1)	(4.0)	26.1
Impairment losses on non-current assets	0.0	(6.1)	n.s.
<b>Operating profit (EBIT)</b>	<b>17.9</b>	<b>13.5</b>	<b>32.3</b>
% of revenue	39.5	44.7	
Net finance income (costs)	(0.3)	(0.6)	41.0
Share of profit (loss) of equity-accounted associates	0.3	0.3	5.2
<b>Profit/(loss) before tax</b>	<b>17.9</b>	<b>13.2</b>	<b>34.7</b>
% of revenue	39.5	43.7	
Income tax	(5.3)	(2.1)	n.s.
<b>Profit/(loss) for the year</b>	<b>12.6</b>	<b>11.1</b>	<b>12.5</b>
Capital expenditure	5.7	4.6	23.9

n.s. not significant

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	37.4	29.7
Net financial position	(18.7)	(10.2)
Free Cash Flow	15.5	17.1
Employees (headcount) at the end of the year	67	70

As mentioned in the previous reports, Italgas's 2021 was marked by two acquisitions that confirm the Group's strategic decision to further strengthen its position in the production of renewable energy, particularly in the hydroelectric sector. In particular:

- On June 29, 2021, Italgas bought 100% of Idroenergy S.r.l., giving it control over 8 hydroelectric plants between the provinces of Verbano-Cusio-Ossola and Vercelli, producing an expected annual output of approximately 19 GWh. The deal has a maximum enterprise value of 15.1 million euro if the objectives set by an earn-out mechanism are achieved in full;
- On September 16, 2021, Italgas bought 100% of Idrodezzo S.r.l., giving it control over 2 hydroelectric plants in Val di Scalve (Bergamo), producing an expected annual output of approximately 5 GWh. The deal has an enterprise value of 8.0 million euro.

The Italgas Group's hydroelectric energy production was 315.5 GWh, a decrease compared with 318.3 GWh the previous year, the highest level in the last 5 years; excluding the impact of the new acquisitions, hydroelectric production comes to 309 GWh, which is in any case higher than the historical average of the last ten years.

The unit revenue from production is equal to 87.5 €/MWh, substantially doubling the level recorded the previous year (43.3 €/MWh); the upward trend in the price of energy, already mentioned in previous quarterly reports, accelerated even more in Q4 2021, reaching new all-time highs since the start of the power exchange.

In 2021, the Italgas Group's revenue amounted to 45.3 million euro, a strong increase compared with the previous year; neutralising the impact of the new acquisitions, revenue comes to 44.1 million euro, up by 13.9 million euro (+46%) on 2020.

Gross operating profit amounted to 23.0 million euro, including 1.3 million euro of non-recurring costs, mainly attributable to new acquisitions and higher allocations; neutralising them, gross operating profit was 24.3 million euro.

Comparing this with the previous year, it is worth recalling that the gross operating profit in 2020 was affected by the positive one-off impact for 10.5 million euro of the agreement signed with the Egyptian authorities to reimburse the costs incurred in developing a wind farm in that country and costs unrelated to operations for 0.8 million euro; neutralising these non-recurring effects in both periods, the result improves by 10.4 million euro (+75%). This growth in revenue was in fact only partially offset by an increase in pass-through revenues without any impact on the company's margins (1.7 million euro) and by the growth in fixed costs (3.0 million euro, mainly attributable for 1.3 million euro at 50% to the increase in regional rents and the cost of supplying free electricity to the Regions) and for 0.5 million euro to the new acquisitions.

Also taking into account depreciation and amortisation of 5.1 million euro, a slight increase compared with 2020 due to the investments made during the year, the operating result for 2021 was 17.9 million euro, an increase of 4.4 million euro compared with the previous year. It should be recalled that the previous year's impairment losses refer to the write-down of the Egyptian assets following the agreement with the Egyptian authorities.

In 2021, the Italgas Group's profit amounted to 12.6 million euro.

Capital investments amounted to 5.7 million euro, up on the previous year and mainly attributable to the revamping projects completed at the Villa di Serio substation and at the Comenduno and Ponte Nembro power stations.

The net financial debt of the Italgas Group amounted to -18.7 million euro at the end of 2021, already net of the distribution of dividends for 4.8 million euro in the second quarter of 2021 and the one-off impact of the new acquisitions for 18.9 million euro. Note that compared with what was said in the previous quarterly report, a non-core asset was sold for 1.5 million euro. Neutralising both dividends and extraordinary transactions, cash generation in the period was positive for 15.5 million euro.

## RISKS AND UNCERTAINTIES

The Italgem Group is exposed to the rainfall risk, which can deviate significantly from the historical average in every single year with a direct impact on production volumes, as well as to price risk for non-subsidised production. In recent years, the Company has reduced its fixed cost base in order to be less exposed in the event of particularly dry years; with regards to price risk, the Company has already activated a hedging strategy by selling part of the non-subsidised production on the fixed price market. In fact, to date, the level of coverage over 2022 stands at more than 56% of non-subsidised production.

With regards to the Italian activities of the Italgem Group, as already reported in last year's report, the Vaprio, Mazzunno and Mezzoldo plants (with an installed capacity of 33 MW, out of a Group total of 66 MW) have an average annual nominal power in excess of 3,000 kW. They are therefore subject to the so-called Simplification Decree, which governs the conditions of large-scale hydroelectric concessions and provides for a public tender for awarding the concession on expiry. Pending more precise indications from the legislator, it is worth recalling that for the three plants in question, operations on a provisional basis has been extended until December 31, 2022. Further provisions regarding these tenders will be issued upon completion of the conversion into law of the so-called "Competition Bill", currently being examined by the competent committees of the Italian Senate.

Particular attention is being given to the possible entry into force of the so-called Support Decree III (CDM 21/01/22), which introduces compensation mechanisms on the price of energy from renewable sources.

This decree provides that from 1 February 2022 to 31 December 2022 for energy companies, the price of energy will be set as the average price for the last 10 years. This regulatory change would result in a significant reduction in revenue and consequently in margins compared with 2021 and the first few months of 2022. Management is currently monitoring the evolution of the parliamentary process.

## SUSTAINABILITY

Italgem 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 support of the Italmobiliare Group's commitment to the Global Compact, in 2021 Italgem adopted a new Code of Ethics and Sustainability Policies inspired by its Ten Principles and the promotion of the Sustainable Development Goals.

As the pandemic emergency continued, in 2021 remote working was occasionally used by managers, administrative employees and technicians not directly involved in production or in running the plants. Despite a systemic and advanced approach to safety management, far beyond simple legislative compliance, there was 1 accident at work after many years without any.

In the environmental field, sensitive aspects continue to be handled well, starting with the management of water resources and attention to the local areas and their biodiversity, as evidenced by the fact that the company's has maintained its ISO 14001 certification.

Detailed qualitative and quantitative information on Italgem'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, 2021 Italgas had 67 employees showing a decrease of 3 people compared with December 31, 2020 as part of efficiency measures at head office. The new operations did not lead to any new hires.

## LITIGATION AND DISPUTES PENDING

Italgas is involved in tax and administrative proceedings and in legal actions related to the normal performance of its activities. Any liabilities are adequately covered by the provision for risks in the balance sheet.

In addition to the provision for risks set aside in the financial statements, it is possible that Italgas may sustain other liabilities in the future, in addition to the amounts already provided for, due to uncertainties about possible regulatory developments in the energy sector, as well as the final outcome of certain proceedings still pending, particularly those connected to the so-called "surcharges" for the provisional operation of the large hydroelectric branches and reimbursement of the additional excise duties on electricity.

## OUTLOOK

For 2022, the company expects a slight decrease in output compared with the previous year, partly because 2021 featured above average rainfall, as mentioned in the introduction, and partly due to the extremely dry start to 2022; however, the lower rainfall will be partially compensated by the entry into operation of the new plants and by ongoing investments. In this regard, the company expects to start operating three new green field photovoltaic projects in 2022, with an installed capacity of more than 7 MW.

In terms of margins, if the price set by the Support Decree III is confirmed, it would lead to a reduction in unit margins compared with the previous year.



## Casa della Salute

(84.63% INTEREST)



### BUSINESS AND FINANCIAL PERFORMANCE

The figures in the table refer to the Casa della Salute group, which consists of Casa della Salute S.p.A., e BEA Biella S.p.A.

(\*) The figures have been prepared according to national accounting standards (ITA GAAP) and reclassified according to Group formats; they have not been consolidated at December 31, 2020 as the acquisition took place in the last quarter of the year.

The 2021 figures have been prepared in compliance with the International Financial Reporting Standards (IFRS).

(in millions of euro)	2021	2020 (*)	Change %
<b>Revenue and income</b>	<b>25.8</b>	<b>16.5</b>	<b>56.4</b>
<b>Gross operating profit (EBITDA)</b>	<b>2.5</b>	<b>1.0</b>	<b>&gt;100%</b>
% of revenue	9.7	6.1	
Amortization and depreciation	(2.7)	(1.4)	92.9
<b>Operating profit (EBIT)</b>	<b>(0.2)</b>	<b>(0.4)</b>	<b>(50.0)</b>
% of revenue	(0.8)	(2.4)	
Net finance income (costs)	(0.6)	(0.1)	> 100%
<b>Profit/(loss) before tax</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>60.0</b>
% of revenue	(3.1)	(3.0)	
Income tax	(0.0)	(0.1)	(58,0)
<b>Profit/(loss) for the year</b>	<b>(0.8)</b>	<b>(0.6)</b>	<b>40.3</b>
Capital expenditure	27.6	n.a.	

n.a. not available

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	7.8	0.8
Net financial position	(34.3)	(16.5)
Free Cash Flow	(11.9)	n.s.
Employees (headcount) at the end of the year	205	122

n.s. not significant



During 2021 Casa della Salute strengthened its leadership position in Ligurian private healthcare. The following should be noted in particular:

- The opening in April 2021 of the first privately managed vaccination hub for the Covid-19 emergency, which made a decisive contribution to the Ligurian vaccination campaign with 174,000 jabs given as of December 31, 2021, confirming the virtuous nature of public-private collaboration in the health sector;
- The opening of two new clinics in Chiavari (September 8, 2021) and La Spezia (September 27, 2021).

During the last quarter, the investments were more or less completed for the Savona and Genoa MSC centres, which will start operating in the first few months of 2022.

Furthermore, it is worth remembering that on October 16, 2021 Italmobiliare sold 158.250 shares in Casa della Salute S.p.A., to Bootes, reducing its stake from 92.5% to 84.63%; the sale was made at book value.

Casa della Salute closed 2021 with revenue of € 25.8 million, up 56% on the previous year; neutralising the impact of the new openings, the growth compared with 2020 is equal to +36%. In terms of performance, the growth in revenue is driven by outpatient clinics (+55% compared with 2020) and surgery (+76%), whereas diagnostic and dental services were still impacted by the ongoing pandemic, even though they were better than in 2020.

The gross operating profit stood at 2.5 million euro, including non-recurring costs due to new openings for 0.8 million euro and the one-off impact of the transition to IFRS for 0.6 million euro; neutralising them, net operating profit was 3.9 million euro, with a margin of 15% of sales.

Comparing this with the previous year, it should be noted that in 2020 the gross operating profit included costs related to Covid-19 for 0.3 million euro and one-off costs for Italmobiliare's entry into the shareholder structure for 1.0 million euro; in addition, the income statement for 2020 was drawn up according to Italian accounting standards, with a difference in terms of gross operating profit compared with IFRS (used from 2021) put at 0.3 million euro. Neutralising these effects, recurring gross operating profit for 2020 was equal to 2.0 million euro; the recurring gross operating profit for 2021 is equal to 3.9 million euro, more or less doubling the previous year's figure.

Depreciation and amortisation rose to 2.7 million euro, partly due to the capital investments made during the year and partly to the impact of the change in accounting standards compared with 2020.

The net result for 2021 is a loss of 0.8 million euro, explained by the non-recurring costs that affected the year.

Investments of 27.6 million euro, of which 12.2 million euro due to the transition related to the recognition of payables for leases pursuant to IFRS 16. Neutralising the accounting impacts, investments come to 15.4 million euro, linked to the opening of new clinics as mentioned in the introduction and to new machines bought for the existing clinics.

The net financial position at December 31, 2021 was negative for 34.3 million euro. Neutralising the impacts due to the transition to IFRS (10.9 million euro) and the increase in capital carried out in the last quarter of 2021 (5.0 million euro), cash generation was negative for 11.9 million euro and attributable to the investments made during the year.

## RISKS AND UNCERTAINTIES

The company has an ambitious plan to open new clinics, both in Liguria and in other Italian regions, though it is exposed to possible delays caused by Public Administration obligations during the opening process (e.g., receipt of information regarding the compatibility of the intended use of a property with the zoning plan, 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.

Furthermore, due to the nature of the business, the company is exposed to the risk of possible cyber 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 further mitigating this risk with a plan to strengthen its organisational and technological safeguards.

## 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 support of the Italmobiliare Group's commitment to the Global Compact, in 2021 Casa della Salute adopted a Code of Ethics and Sustainability Policies inspired by its Ten Principles and the promotion of the Sustainable Development Goals.

There were no accidents at work involving company personnel. The qualitative and health and safety supervision of all the offices remains of a high level, thanks to an intense audit plan 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.

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

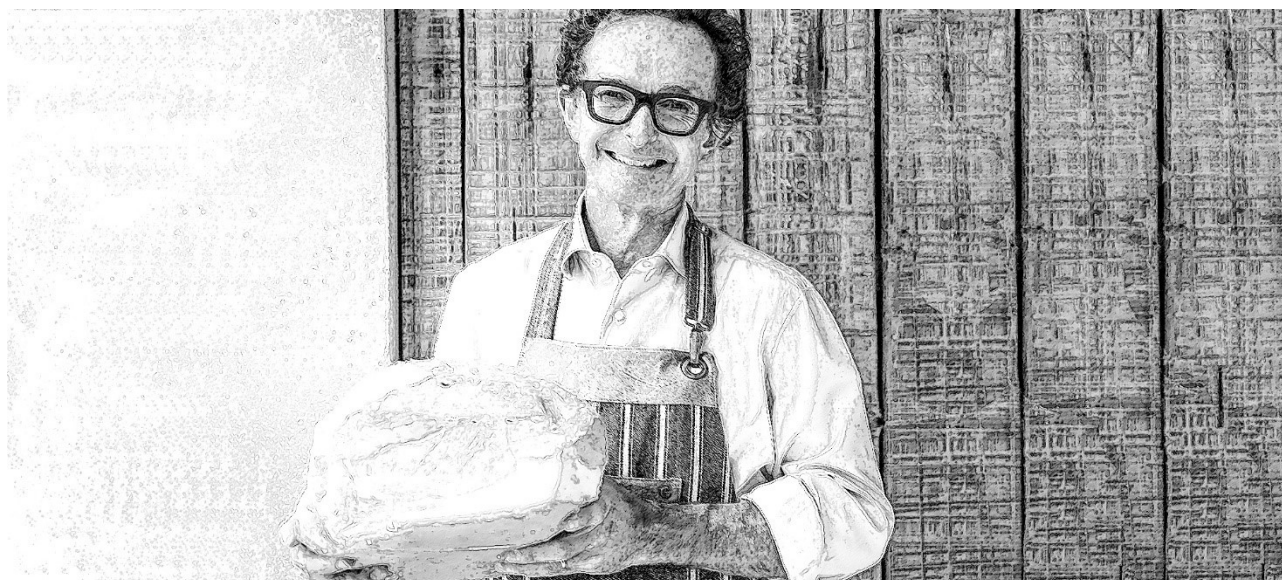
## OUTLOOK

For 2022, the company expects to continue its revenue growth trajectory, thanks to the opening of new clinics planned for this year and to the increase in revenue earned by the existing clinics; the positive trend in revenue in the first few weeks of 2022 corroborates these expectations also on a like-for-like basis.

In terms of margins, the company expects a significant increase in its gross operating profit, thanks to the incremental revenue generated by expanding the business and the lower proportion of non-recurring costs that have impacted the last two years.

## Capitelli

(80% INTEREST)



### BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	2021	2020	Change %
<b>Revenue and income</b>	<b>17.5</b>	<b>14.8</b>	<b>18.2</b>
<b>Gross operating profit (EBITDA)</b>	<b>3.9</b>	<b>3.8</b>	<b>2.6</b>
% of revenue	22.3	25.7	
Amortization and depreciation	(0.9)	(0.8)	12.5
<b>Operating profit (EBIT)</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>
% of revenue	17.1	20.3	
Net finance income (costs)	0.0	0.1	n.s.
<b>Profit/(loss) before tax</b>	<b>3.0</b>	<b>3.1</b>	<b>(3.2)</b>
% of revenue	17.1	20.9	
Income tax	0.1	(0.8)	n.s.
<b>Profit/(loss) for the year</b>	<b>3.1</b>	<b>2.3</b>	<b>34.8</b>
Capital expenditure	1.2	1.0	

n.s. not significant

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	20.9	19.8
Net financial position	2.1	3.7
Free Cash Flow	1.7	2.0
Employees (headcount) at the end of the year	35	34

As explained in greater detail below, Capitelli closed 2021 with positive numbers, especially in light of the complicated market context; if in previous reports the impact of Covid on the company's business has already been commented on, mainly related to the slowdown in the Ho.re.Ca. channel and the ban on doing tastings in supermarkets, in the second half of 2021 the rising trend in the cost of raw material (pork) accelerated, having remained at low levels in previous periods.

In particular, revenue for the period amounted to 17.5 million euro, up 18.2% compared with 2020. Analysing the products, "San Giovanni" cooked ham is confirmed as the company's flagship product, with growth compared with 2020 above the company's average; "Giovanna" (bacon cooked in three different ways) also enjoyed above average growth, confirming the product's potential. At channel level, large-scale retail trade is confirmed as the main distribution channel; the Ho.re.Ca. channel is recovering, although still far from its potential due to the restrictions caused by the pandemic.

Neutralising these effects, gross operating profit comes to 3.9 million euro with a margin of 22.3% of sales. Comparison with the previous year shows a slight decrease, given that the gross operating profit included costs unrelated to operations for 0.2 million euro, mainly attributable to the reverse merger with the newco FT1 S.r.l. (used for the acquisition by Italmobiliare). The reduction in margins, however, is explained by the increase in the cost of raw material, which in the previous year fell to levels below the historical average; there was also an increase in marketing costs, also in support of the company's future growth plan.

Net of depreciation and amortisation, which are substantially constant, operating profit came to 3.0 million euro, in line with the previous year.

Taxes are positive for 0.1 million euro, including a positive one-off impact of 0,9 million euro linked to the Company's decision to realign the statutory and fiscal value of goodwill pursuant to art. 15, paragraph 10, of Legislative Decree 185/2008. In particular, this decision involved paying a substitute tax of 1.3 million euro and will make it possible to obtain tax savings of 2.2 million euro in the five-year period 2022-2026, already recognised in the income statement for 2021 as deferred tax assets.

The net profit of Capitelli amounted to 3.1 million euro, an increase compared with the previous year, mainly due to the one-off impact on tax.

Investments during the year amounted to 1.2 million euro, in line with the previous year but well above the company's historical average due to continuation of the production capacity expansion plan launched by the company in 2020.

The net financial position at December 31, 2021 was positive for 2.1 million euro, already net of 2.0 million euro of dividends distributed in Q2 and 1.3 million euro of substitute tax. Neutralising these two effects, cash generation is positive for 1.7 million euro, despite the significant level of capital investment.

## RISKS AND UNCERTAINTIES

The main risk for Capitelli undoubtedly concerns the procurement of pork, its raw material, both in terms of its cost and in terms of its quality:

- On the one hand, it is normal for the price of pork to suffer considerable volatility, though this has been exacerbated in recent years by extreme events, such as the swine flu in 2019, the pandemic in 2020 and the swine fever in the first few months of 2022, the impact of which is explained below;
- On the other hand, procuring high quality raw material is essential to support the excellent positioning of the company's products and is becoming increasingly critical also for specific issues in the sector (e.g., the situation of the Parma Ham circuit).

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. From a medium to long-term perspective, the plan is to offer to its partners multi-

year agreements at a fixed price, which would help to limit the fluctuation in the cost of raw materials for a certain period of time.

Moving on to swine fever, as is generally known, in early 2022, some infected wild boars were reported in Italy, with a possible risk of contagion to the pig population; to date, mitigating action by the Government and the European Community, including the creation of a red zone from which the export of pork products is prohibited, have not impacted the company's business, except for indirect repercussions in terms of further nervousness about the cost of raw material. The company is obviously monitoring the situation closely.

## 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 support of the Italmobiliare Group's commitment to the Global Compact, in 2021 Capitelli adopted a Code of Ethics and Sustainability Policies inspired by its Ten Principles and the promotion of the Sustainable Development Goals.

In 2021, an organic review of the corporate organisation model was carried out, which saw a formalisation of internal functions and responsibilities, the enhancement of female roles and the definition of the main internal procedures in conjunction with the renewal of company information systems.

There was only one accident at work in 2021. Capitelli has included in its 2022 ESG Plan the adoption of a methodological approach aimed at creating a complete safety culture.

In 2021 the heating and refrigeration systems were completely renovated with the adoption of highly efficient energy solutions, which entered full capacity at the beginning of 2022. A photovoltaic system is active at the plant, used directly by the production plants.

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

At December 31, 2021, Capitelli had 35 employees, 1 more than 2020.

## LITIGATION AND DISPUTES PENDING

The company is not involved in any other disputes that are of such significance to be described in this report.

## OUTLOOK

The company managed to grow thanks to the positive trend in 2021, confirming the appreciation of the end customer for its products. This allowed the company to look to the future with confidence, as demonstrated by the plan to expand the production capacity.

For 2022, the company expects an increase in volumes as there should be a gradual easing of the pandemic's impact on Ho.Re.Ca. and Large-Scale Retail; the first few weeks of 2022 confirm this expectation, with growth rates higher than in the past. Furthermore, the increase in the cost of raw materials has pushed the company to raise its list price in early 2022, which will boost sales revenue.

Looking at margins, the company expects them to remain substantially constant, with the increase in revenue offset by the increase in the cost of raw material and by the increase in fixed costs due to the increase in utility costs. As mentioned previously, management is carefully monitoring the evolution of swine fever in Italy, which could impact both volumes and the cost of raw material.



## Callmewine

(60% INTEREST)



### BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	2021	2020 (*)	Change %
<b>Revenue and income</b>	<b>17.2</b>	<b>12.4</b>	<b>38.7</b>
<b>Gross operating profit (EBITDA)</b>	<b>(0.8)</b>	<b>0.5</b>	<b>n.s.</b>
% of revenue	(4.7)	4.0	
Amortization and depreciation	(0.3)	0.0	n.s.
<b>Operating profit (EBIT)</b>	<b>(1.1)</b>	<b>0.5</b>	<b>n.s.</b>
% of revenue	(6.4)	4.0	
Net finance income (costs)	0.0	0.0	n.s.
<b>Profit/(loss) before tax</b>	<b>(1.1)</b>	<b>0.5</b>	<b>n.s.</b>
% of revenue	(6.4)	4.0	
Income tax (expense)	0.3	(0.1)	n.s.
<b>Profit/(loss) for the year</b>	<b>(0.8)</b>	<b>0.4</b>	<b>n.s.</b>
Capital expenditure	0.4	n.a.	

n.s. not significant

n.a. not available

(\*) The figures have been prepared according to national accounting standards (ITA GAAP) and reclassified according to Group formats; they have not been consolidated at December 31, 2020 as the acquisition took place in the last quarter of the year.

The figures refer to the consolidated financial statements of FT3 S.r.l. and Callmewine.

The 2021 figures have been prepared in compliance with the International Financial Reporting Standards (IFRS).

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	12.6	4.7
Net financial position	3.5	4.8
Free Cash Flow	(1.0)	n.s.
Employees (headcount) at the end of the year	13	9



Callmewine closed 2021 with revenue of 17.2 million euro, up 39% compared with the previous year (+4.8 million euro); the result is even more positive when compared with pre-pandemic 2019, with turnover almost tripled.

Looking at the online wine market, in 2020 the pandemic certainly helped to change the consumption habits of end customers and accelerate the growth trend; in 2021 the positive trend was confirmed, albeit with lower growth rates looking at public traffic data, demonstrating the existence of an interesting market window for e-commerce players dedicated to this category, such as Callmewine.

The gross operating result for the period was a loss of 0.8 million euro. Of this, 0.2 million euro was due to the theft at the warehouse in February 2021. However, the company is insured and compensation should be received in 2022. Neutralising this effect, the gross operating result is a loss of 0.6 million euro, which is 1.3 million euro lower than the previous year; it should be recalled that the income statement for 2020 shown in the table was drawn up according to Italian accounting standards (versus IFRS from 2021), but it is substantially comparable given the specific nature of the company's business.

While there has been growth in revenue and a slight improvement in product margins compared with the previous year, marketing costs have also increased (the first TV advertising campaign took place in Q4), as have personnel costs, both in preparation for the company's future structural growth.

Considering amortisation and depreciation of 0.3 million euro, higher than the previous year but only due to the effect of the applying IFRS, the operating result was a loss of 1.1 million euro.

Taxes are positive for 0.3 million euro due to the effect of joining the Italmobiliare Group's tax consolidation.

The net loss for 2021 therefore comes to 0.8 million euro.

The net financial position at December 31, 2021 was positive for 3.5 million euro; neutralising the accounting impact of adopting IFRS, cash absorption in the year came to 1.0 million euro, attributable to the investments in marketing and personnel, as well as the growth in working capital.

## RISKS AND UNCERTAINTIES

Callmewine operates in a segment that is growing fast, but with few barriers to entry; this has led to an increase over time in the number of small players active in this segment, with aggressive and unsustainable short-term pricing policies. To cope with the risk associated with this market structure, Callmewine has implemented various initiatives to establish a distinctive positioning and strengthen its brand awareness, over the years becoming one of the market leaders.

The increase in the cost of raw materials is also having an impact on the cost of wine and on packaging and shipping costs. The risk is felt more as the competitive situation mentioned above could make it harder to pass on all increases to end-consumers; the company's management carefully monitors the sustainability of product margins, with increasing attention to end-customer pricing policies and wine purchase strategies.

## 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 support of the Italmobiliare Group's commitment to the Global Compact, in 2021 Callmewine adopted a Code of Ethics and Sustainability Policies inspired by its Ten Principles and the promotion of the Sustainable Development Goals.

2021 saw an important reorganisation of its work activities, with the addition of new resources and a new organisation chart. Callmewine promotes the health, safety and well-being of all employees, creating and keeping its offices and other workplaces safe as an essential condition for the professional growth and enhancement of its resources. There have been no accidents at work.

In terms of the environment, Callmewine pays particular attention to packaging, using only cardboard, mostly recycled, and without using polystyrene or other plastics. The 2022 ESG Plan provides for a careful study for new solutions that are even more sustainable.

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

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In February 2022 FT3 S.r.l., raised its stake in Callmewine S.r.l., by acquiring a further 20% of the capital from the minority shareholders, raising its stake from 60% to 80%.

## OUTLOOK

In 2022, the company expects to continue its recent growth trajectory; in addition to focusing on its core business (online wine sales to end-customers in Italy), growth will be supported by the opening of new channels and greater attention to foreign markets. The first few weeks of 2022 saw substantially constant revenue compared with 2021, but in management's opinion they are being negatively impacted by specific economic factors (e.g., diffusion of the Omicron variant, reflections of the war in Ukraine on end-customers propensity to buy).

In terms of margins, a negative gross operating result is also expected in 2022, as the investments in personnel and marketing will continue

## Tecnica Group

(40%INTEREST)



### BUSINESS AND FINANCIAL PERFORMANCE

The figures in the table refer to the Tecnica Group.

(in millions of euro)	2021	2020	Change %
<b>Revenue and income</b>	<b>465.9</b>	<b>382.5</b>	<b>21.8</b>
<b>Gross operating profit (EBITDA)</b>	<b>78.9</b>	<b>59.4</b>	<b>32.8</b>
% of revenue	16.9	15.5	
Amortisation and depreciation	(21.9)	(21.2)	3.3
<b>Operating profit (EBIT)</b>	<b>57.0</b>	<b>38.2</b>	<b>49.2</b>
% of revenue	12.2	10.0	
Net finance income (costs)	(3.7)	(11.5)	(67.8)
Share of profit (loss) of equity-accounted investees	(0.3)	(0.6)	(50.0)
<b>Profit/(loss) before tax</b>	<b>53.0</b>	<b>26.1</b>	<b>n.s.</b>
% of revenue	11.4	6.8	
Income tax	(13.0)	(10.1)	28.7
<b>Profit/(loss) for the year</b>	<b>40.0</b>	<b>16.0</b>	<b>n.s.</b>
Capital expenditure	21.9	15.7	39.5

n.s. not significant

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	96.2	68.5
Equity attributable to owners of the parent company	71.6	45.1
Net financial position	(126.3)	(171.1)
Free Cash Flow	57.2	50.0
Employees (headcount) at the end of the year	3,429	3,135

In December 2021, the Tecnica Group acquired a further 5% of the LOWA brand, bringing the interest to 80%. Overall, 2021 saw a good performance compared with the previous year in terms of both revenue and profit margins, even surpassing pre-Covid results. In particular:

- The uncertainties regarding the development of the ski season and the limitations due to the pandemic situation negatively influenced the results of the winter brands which, even if they saw double-digit growth compared with the previous year, have still not reached pre-Covid results;
- All the other brands, on the other hand, recorded positive performances compared with both 2020 and 2019.

The Tecnica Group's 2021 closed with revenue of 465.9 million euro, an increase of 22% compared with the previous year and of 10% on the pre-Covid period. Looking at the individual brands, LOWA outperformed the group average and contributed over 50% of the overall increase in turnover. As mentioned previously, the winter brands (Tecnica/Blizzard and Nordica) are growing steadily (+12% compared with 2020), but without returning to pre-Covid 19 levels. Rollerblade, which closed the year with revenue up by more than 20% compared with 2020, continues to capitalise on the positive momentum of the entire category of inline skates. Moon Boot is growing steadily, more than doubling its turnover compared with the previous year, reaping the first fruits of the ongoing project to revitalise the brand.

The gross operating profit was 78.9 million euro compared with 59.4 million euro the previous year, with an improvement in the margin of 32.8 percentage points on 2020 and 4.8 on 2019. The growth is driven not only by the increase in revenue, but also by the steps taken by management to hold down fixed costs.

Amortisation and depreciation amounted to 21.9 million euro, in line with the previous year. The operating result came in at 57 million euro, an improvement of 18.8 million euro on 2020.

Finance income and costs were negative for 3.7 million euro, an improvement compared with the previous year mainly due to the trend in the exchange rate delta of the American market and benefits deriving from the reduction in debt.

The consolidated profit of the Tecnica Group in 2021 was equal to 40.0 million euro, a significant improvement mainly thanks to the increase in sales that was more than proportional to the increase in costs and the exchange rate effect.

Investments amounted to 21.9 million euro, an increase compared with the previous year mainly in support of brand development.

The net financial position at December 31, 2021 was negative for 126.3 million euro, an improvement of approximately 45 million euro compared with the end of 2020 thanks to good cash generation, especially at LOWA, and the trends in working capital. Cash flow is positive for approximately 57.2 million euro, neutralising the impact of the extraordinary purchase of 5% of LOWA for 13.4 million euro.

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

The Tecnica Group has located part of its production for winter sports brands in Ukraine. In particular, it owns a ski factory in Chop (near the border of Hungary and Slovakia) and makes use of some external partners for the production of boot components. It is worth considering that production is not concentrated in Ukraine, as the Tecnica Group uses another ski factory in Austria and makes use of various subcontractors in other European countries.

So far, the Ukrainian crisis has had a limited impact on society and to date limited risks are expected for both the factory and its partners. Despite this, considering the uncertain evolution of the situation, the company is considering a contingency plan.

## OUTLOOK

In line with the good results of 2021 and considering the trend in the first few months of the year, the company expects ambitious growth for 2022, in terms of both turnover and profit margins. In particular, the company is expecting a full recovery of the winter sports brands (Tecnica/Blizzard and Nordica), which until 2021 were negatively affected by the pandemic, and continuation of the positive trend for the other brands in the catalogue.

## Autogas Nord - AGN Energia

(30% INTEREST)



### BUSINESS AND FINANCIAL PERFORMANCE

(in millions of euro)	2021*	2020	Change %
<b>Revenue and income</b>	<b>571.5</b>	<b>438.1</b>	<b>30.4</b>
<b>Gross operating profit (EBITDA)</b>	<b>56.2</b>	<b>50.7</b>	<b>10.9</b>
% of revenue	9.8	11.6	
Amortisation and depreciation	(27.4)	(26.5)	3.4
<b>Operating profit (EBIT)</b>	<b>28.8</b>	<b>24.2</b>	<b>19.0</b>
% of revenue	5.0	5.5	
Net finance income (costs)	(0.3)	0.0	n.s.
Share of profit (loss) of equity-accounted investees	1.8	0.3	>100%
<b>Profit/(loss) before tax</b>	<b>30.3</b>	<b>24.5</b>	<b>23.7</b>
% of revenue	5.3	5.6	
Income tax	(5.9)	(4.2)	40.1
<b>Profit/(loss) for the year</b>	<b>24.4</b>	<b>20.3</b>	<b>20.3</b>
Capital expenditure	25.1	19.0	32.1

The figures in the table refer to the Autogas - AGN Energia Group.

\* The 2021 figures refer to the company's statutory IFRS financial statements and do not differ significantly from the figures in the consolidated reporting package.

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	190.9	169.8
Equity attributable to owners of the parent company	190.4	169.2
Net financial position	(106.5)	(124.7)
Free Cash Flow	24.6	18.5
Employees (headcount) at the end of the year	559	555



2021 closed with positive results, despite a decidedly challenging market context. On top of the extended impact of the pandemic on the consumption of the customer segments most exposed (e.g., restaurants and hotels) came the hike in the price of LPG and natural gas/electricity, with reflections on the company's numbers that are explained in greater detail below. It is also worth remembering how:

- In July 2021, Autogas completed its absorption of the subsidiaries Chiurlo Gas S.r.l., and Pa.La.Gas S.r.l., continuing the rationalisation process already undertaken in previous years;
- Also in July 2021, Autogas acquired Fuema, a company operating in the field of metered gas tanks, for 1.4 million euro.

Turning to the Group's income statement, 2021 closed with an increase in turnover of 571.5 million euro, strong growth compared with the previous year (+30%) mainly due to the rise in the cost of LPG, natural gas and electricity, which reflected in terms of revenue but without any real impact on the company's margins.

Looking at volumes, which are a better reflection of real growth on the part of the individual businesses, the retail volumes of LPG grew by 8% compared with 2020, returning to the levels of pre-pandemic 2019. As regards the "new" businesses, the volumes of electricity and natural gas grew by 4% and 8% respectively compared with 2020, despite the company's strategic decision to reduce the proportion of industrial customers. Lastly, there was an encouraging growth in revenue from energy efficiency and technical gases, though they remain residual on the total.

In 2021, the Autogas Group recorded a value added margin of 132.8 million euro, an increase of 9.0 million euro compared with 2020 (+7%); the attention to pricing made it possible to substantially maintain unit margins at the same level as the previous year, despite the challenging situation to do with raw materials explained in the introduction.

Gross operating profit stood at 56.2 million euro, up by 5.5% compared with the previous year (+10.8%). The growth in the value added margin was only partially offset by an increase in variable costs linked to higher volumes and by an increase in personnel costs.

Net of amortisation and depreciation of 27.4 million euro, the operating result for the year amounted to 28.8 million euro, another marked improvement on 2020.

Finance income and costs more or less balance out, thanks to the positive impact of 0.7 million euro of hedging against the increase in the cost of raw material for LPG. It should be remembered that the 2020 figure included the capital gain realised on the sale of Clodiagas.

The consolidated net result of the Autogas Group was positive for 24.4 million euro, 4.1 million up on 2020.

Investments amounted to 25.1 million euro, of which approximately 2 million euro due to interventions for which the company made use of the earthquake bonus that allows the recovery of 85% of the expenditure in future years.

At December 31, 2021 the net financial position was negative for 106.5 million euro, with positive cash generation during the year of 24.6 million euro, before the payment of dividends for 4.6 million euro and the purchase of Fuema for 1.4 million euro. It should be noted that this cash generation was achieved despite the increase in the cost of raw materials being reflected in an absorption of working capital equal to 12 million euro and despite the fact that the main operating indicators are improving (e.g., DSO).



## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There are no significant events to report.

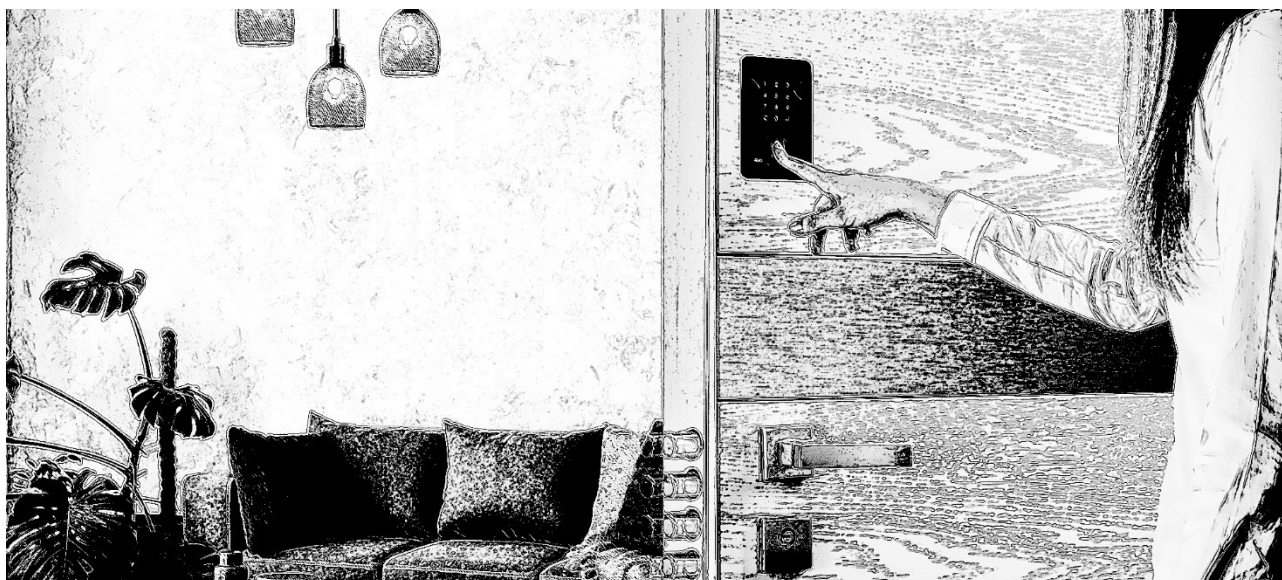
## OUTLOOK

The first few weeks of 2022 recorded a slight decline in retail LPG sales volumes compared with 2021, mainly because temperatures remained above average. Hoping that the weather conditions of the last quarter of 2022 will be different from those of the first few months, management expects LPG volumes for the entire year to be substantially in line with last year. On the other hand, growth is expected from the new businesses, more accentuated in terms of energy efficiency (also thanks to the existing pipeline not fully materialised in the 2021 income statement) and technical gases.

In terms of margins, the company carefully monitors the trend in the cost of LPG, which has further increased due to the current geopolitical situation linked to the war in Ukraine and could impact the company's margins in the short term; on average, management is confident in the company's ability to maintain current margins.

## Iseo

(39.28% INTEREST)



### BUSINESS AND FINANCIAL PERFORMANCE

The figures in the table refer to the Iseo Group.

(in millions of euro)	2021	2020	Change %
<b>Revenue and income</b>	<b>152.5</b>	<b>128.4</b>	<b>18.8</b>
<b>Gross operating profit (EBITDA)</b>	<b>22.4</b>	<b>13.7</b>	<b>63.5</b>
% of revenue	14.7	10.7	
Amortisation and depreciation	(7.7)	(7.6)	1.3
<b>Operating profit (EBIT)</b>	<b>14.7</b>	<b>6.1</b>	<b>&gt;100%</b>
% of revenue	9.6	4.8	
Net finance income (costs)	(0.1)	(0.3)	(66.7)
<b>Profit/(loss) before tax</b>	<b>14.6</b>	<b>5.8</b>	<b>&gt;100%</b>
% of revenue	9.6	4.5	
Income tax	(2.6)	(1.7)	52.9
<b>Profit/(loss) for the year</b>	<b>12.0</b>	<b>4.1</b>	<b>&gt;100%</b>
Capital expenditure	8.7	5.0	74.0

(in millions of euro)	December 31, 2021	December 31, 2020
Total equity	72.2	66.9
Equity attributable to owners of the parent company	70.1	64.8
Net financial position	(16.9)	(19.7)
Free Cash Flow	13.9	16.1
Employees (headcount) at the end of the year	1,125	1,147

For the Iseo Group, 2021 was the second year of the business plan drawn up by the company's new management. The main goals achieved included the following:

- reorganisation of the Italian production activities, which were consolidated at the Pisogne site with the closure of the smaller plants at San Cesario sul Panaro (December 2020) and Rovellasca (July 2021);
- the acquisition in October 2021 of Sofia S.r.l., a company that offers advanced synergic access management services for the further development of the electronic side of the Iseo Group's business. The agreement gives Iseo immediate control of Sofia (with 55%) and an option to purchase the other 45% when the 2025 financial statements are approved;
- the definition of a new brand identity for the Group, which led to a new positioning as "ISEO - Ultimate access technologies" which underlines the innovative nature of the Group's solutions. This was communicated to end-customers and the main sales channels through a detailed media plan.

Turning to the numbers, 2021 closed with a turnover of 152.5 million euro, an increase of 19% compared with the previous year. The comparison with 2019 is also positive with growth of 7%, demonstrating the Group's resilience even during the pandemic.

In terms of products, the mechanical sector, which represents the bulk of the business, is up by 13% compared with 2020, substantially returning to the same levels as 2019 (+1%); the electronic segment, on the other hand, closed the year with an increase of 57% compared with the previous period (+49% compared with 2019), thanks to the increasingly robust pipeline of projects in this area. At a geographical level, all of the Group's main markets recorded an increase in turnover compared with both 2020 and 2019, with the exception of the Middle East, which historically has always been more volatile; two countries that are growing faster than the Group average are France (+21% vs the previous year) and Spain (+20%).

In 2021, the gross operating profit came to 22.4 million euro, a sharp increase compared with 2020 (+64%) and well above 2019 (+46%); this result includes non-recurring costs of 1.6 million euro, mainly attributable to early retirement incentives, which if neutralised would bring the gross operating profit to 24.0 million euro. It should be remembered that the 2020 figure included costs and expenses that were unrelated to operations for approximately 3.0 million euro; without these expenses, the gross operating profit would have been 16.7 million euro. In the comparison between the two years, net of non-recurring costs, the increase in gross operating profit is therefore equal to 7.3 million euro (+44%).

Net of amortisation and depreciation of 7.7 million euro, substantially constant compared with 2020, the operating result amounted to 14.7 million euro, more than doubling the previous year's result.

The net result for the period amounted to 12.0 million euro, effectively tripling the 2020 result.

In 2021, investments amounted to 8.7 million euro, an increase on the previous year to support the growth envisaged in the industrial plan.

The net financial position at December 31, 2021 was negative for 16.9 million euro; net of dividends for 3.5 million euro, the accounting of financial liabilities linked to the deferred purchase of 45% of Sofia and the possible incentive linked to the co-investment by management described in previous reports (overall equal to 7.2 million) and the impact of IFRS (0.4 million euro), cash flow for the year was positive for 13.9 million euro.

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On January 28, 2022, an increase in capital was fully subscribed and paid up for a total of 100,000 euro linked to the co-investment by a manager. As a result, Italmobiliare's stake went to 39.24%.

## OUTLOOK

In 2022, the company will continue the growth trajectory outlined in the business plan. In particular, volumes are expected to grow in both the mechanical and electronic sectors; furthermore, the increase in the cost of raw materials has pushed the company to raise its list prices in 2021 and at the beginning of 2022, which will boost sales revenue.

In terms of margins, the price increases will allow the company to limit the decline in the margin linked to the cost of raw materials, with product margins expected to grow in absolute terms thanks to the increase in sales revenue. The investments in personnel and marketing already made in 2021 will also continue, in support of the structural growth of the business.

## Other companies

The following are included in "Other companies" of the Italmobiliare Group: Clessidra Holding S.p.A., and its subsidiaries, some companies that own property and land, service companies that carry out activities essentially within the Group and a credit institution based in the Principality of Monaco; the investments in Florence InvestCo S.r.l., CCC Holding Europe S.p.A., and Farmagorà Holding S.p.A., are also included. The segment is of marginal importance to the Italmobiliare Group, taken as a whole.

At December 31, 2021, overall revenue and income amounted to 23.8 million euro (made up essentially of Clessidra Private Equity's revenue of 11.6 million euro and Clessidra Factoring's of 6 million euro), up by 6 million euro compared with 2020, with a gross operating profit of 1.7 million euro (-0.5 million euro at December 31, 2020).

After amortisation and depreciation of 1.8 million euro, Clessidra's share of the result of equity-accounted investees of -0.7 million euro, and taxes of -0.3 million euro, the result for the year was a loss of 1.4 million euro (+4.9 million euro in 2020). The companies accounted for using the equity method (CCC Holding Europe S.p.A., Dokimè S.r.l., and Credit Mobilier) mainly contributed to these results.

## CLESSIDRA GROUP

In 2020, Clessidra began to rationalise its structure from a strategic point of view by separating the "private equity" business from the "credit" business, also by means of a corporate restructuring, dividing the asset managers according to the type of assets that they had under management and creating an "investment platform" in the form of a financial group (Clessidra Group).

As a result, in early 2021, the 100% stake in Clessidra SGR was transferred to Clessidra Holding (holding company of the Clessidra Group) and the private equity business was subsequently spun off from the capital credit business in April 2021.

The separation of these two lines of business took place through a demerger of Clessidra SGR, which will continue to carry on its activities related to the management and investment of private equity funds (Clessidra Private Equity SGR), while at the same time setting up a new asset management company with a focus on the credit sector (Clessidra Capital Credit SGR), as the beneficiary of the spin-off.

These two different companies are currently held 100% by Clessidra Holding, following completion of the transfer and the demerger described above.

The reorganisation project also envisaged an acquisition - finalised at the end of 2020 - of a financial intermediary (i.e., CoEFI), initially by Clessidra SGR and, then, by the holding company by transferring the 100% stake in Clessidra Factoring S.p.A. (formerly CoEFI) from Clessidra SGR to the holding company.

These transactions during the course of 2021 led to the creation of a new financial group in which Clessidra Holding took on the status of group holding company with consequent application of the consolidated prudential and supervisory regulations to the financial group. This whole process was completed on April 14, 2021.

As a result, at December 31 2021, the scope of the Clessidra Group includes Clessidra Holding S.p.A., as the holding company, Clessidra Private Equity SGR S.p.A. (100%), Clessidra Capital Credit SGR S.p.A. (100%) and Clessidra Factoring S.p.A. (100%).

As regards the Group's results at December 31 2021, the Group's revenue, which amounts to 19.4 million euro, is essentially represented by the management fees of the Clessidra Funds and by the interest and commissions deriving from the Factoring activity. Administrative expenses for the year amount to 20.9 million euro and are mainly due to personnel expense of 11.8 million euro and to consulting and operating expenses. After the positive balance of other operating income and charges for 2.9 million euro and amortization and depreciation for 1.2 million euro and taxes, the consolidated situation at December 31, 2021 closed at break-even.

## MAIN RISKS AND UNCERTAINTIES

The risk factors of the various companies differ, depending on the type of business activity that they perform. Specifically:

- through the funds that it manages, Clessidra SGR performs investment activities that involve risks such as the difficulty of identifying new investment opportunities that respond to its objectives, or difficulty in disposing of investments, especially in non-listed companies. The risks involved in managing these activities could have negative effects on the company's financial position and results of operations;
- the service companies provide general, IT, surveillance and security services, essentially within the Italmobiliare Group, charging the companies they serve on the basis of existing contracts. So they are not exposed to significant risks;
- the real estate companies hold land, buildings and small stakes in non-listed companies. They are exposed to the market trends of the assets that they hold, so fluctuations could impact their values.

## INFORMATION ON PERSONNEL AND THE ENVIRONMENT

The number of personnel is adequate for the needs of the companies belonging to this segment. At December 31, 2021, there were 50 employees. There are no material environmental issues.

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

### HEIDELBERGCEMENT

HeidelbergCement AG posted a total return in 2021 of 0.09%, almost the same as last year: dividends offset the fall in the stock price (-2.8%). While revenue is up by more than 6%, bottlenecks along the value chain (procurement of materials and labour shortages) and, above all, the impact of energy costs weighed on the overall results. However, the trend in the last quarter of the year limited the effect on margins. In 2022, the stock could benefit from the expansionary economic cycle and, in particular, support from infrastructure expenditure and expectations of a still favourable trend in cement prices. The pressure on costs is the biggest unknown. The multiples are still at an absolute discount (on a historical comparison) and with respect to its peers.

During the upward phase of the stock price, particularly during the first half of 2021, advantage was taken by the opportunities to sell shares to generate liquidity for other investments. Based on market dynamics, the strategy in 2022 will be a further reduction in exposure and the implementation of hedges.

## PRIVATE EQUITY FUNDS

The Company has invested in a portfolio of select Italian and international Private Equity funds with a view to diversifying its investments by sector and geographical area, including the CCP3 Fund, the CCP4 Fund and Clessidra's Restructuring Fund, the BDT Fund II and III, Isomer Capital I and Isomer Capital Opportunities, Connect Ventures 3, Iconiq IV and V, Lindsay Goldberg Fund V, Lauxera, 8-BIT and Expedition. During 2021, the value of the Private Equity funds, which turned in a positive performance overall with an increase in fair value of 52.8 million euro, increased by 65.7 million euro, which takes into account of the above revaluation and of investments (39.1 million euro) and the exchange rate differences (6 million euro). During the year there were disposals for 32.3 million euro.

## Other significant information on the Group

### HUMAN RESOURCES

The Italmobiliare Group had 848 employees at December 31, 2021, with a decrease of 1,210 employees from December 31, 2020, mainly due to the sale of Sirap's operations, partially offset by the increase in Casa della Salute employees.

The following table provides a breakdown of employees by operating segment.

(headcount)	December 31, 2021		December 31, 2020	
		%		%
<b>Business segments</b>				
Italmobiliare	43	5.1	38	1.8
Caffè Borbone	261	30.8	218	10.6
Officina Profumo-Farmaceutica di Santa Maria Novella	144	17.0	116	5.6
Sirap	3	0.4	1,369	66.5
Italgen	68	8.0	70	3.4
Casa della Salute	205	24.2	122	5.9
Capitelli	35	4.1	34	1.7
Callmewine	13	1.5	9	0.4
Other companies	76	9.0	82	4.0
<b>Total</b>	<b>848</b>	<b>100.0</b>	<b>2,058</b>	<b>100.0</b>

### TRANSACTIONS WITH RELATED PARTIES

For the purposes of the Group's 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 of transactions with related parties at December 31, 2021 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 year.



### **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 2021 were as follows

- legal consultancy and assistance on judicial and extrajudicial matters provided to Italmobiliare S.p.A., by the Gattai Minoli Agostinelli & Partners law firm, of which the director Luca Minoli is a partner, for fees totalling 61,092 euro;
- legal consultancy and assistance provided to the subsidiary Italgem S.p.A., by the Gattai Minoli Agostinelli & Partners law firm, of which Italmobiliare director Luca Minoli is a partner, for fees totalling 66,350 euro;
- legal consultancy and assistance provided to the subsidiary Sirap Gema S.p.A., by the Gattai Minoli Agostinelli & Partners law firm, of which Italmobiliare director Luca Minoli is a partner, for fees totalling 588,989 euro;
- a donation of 500,000 euro and charge back of costs of staff on secondment for 46,245 euro to the "Fondazione Cav. Lav. Carlo Pesenti", whose Board of Directors is chaired by Carlo Pesenti;
- compensation for the work performed as an employee by Giampiero Pesenti, son of Carlo Pesenti, paid by Italmobiliare for a total of 43,621 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 68,007 euro;
- compensation for the work performed as an employee by Roberto Pesenti, son of Carlo Pesenti, paid by Italmobiliare for a total of 66,667 euro.

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

The equity investments held by Directors, Statutory Auditors, Chief Operating Officer and 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 of transactions with related parties at December 31, 2021 are provided in the notes.

## LEGAL AND TAX DISPUTES

In June 2021 with sentence no. 2929, the Provincial Tax Commission of Milan accepted the appeal on the issue of controlled foreign companies (CFC) relating to the year 2014.

In November 2021 the Court of Cassation with sentence no. 31930 accepted the appeal of the Revenue Agency against Italmobiliare regarding the deductibility of a cost of 11 million euro relating to a settlement reached in 2007 with Ansaldo Energia, deeming it not relevant to the business. In the same month with sentence no. 41365, the Court of Cassation accepted the appeal presented by Italmobiliare against the Revenue Agency about the sale price of a property in Rome owned by Italcementi.

## 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 based in a non-European Union country is included in the scope of materiality.

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

Italmobiliare S.p.A., has adopted the opt-out regime envisaged by Consob's 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., has provided appropriate disclosures to the market.

## CONSOLIDATED NON-FINANCIAL REPORT

The consolidated non-financial report of Italmobiliare S.p.A., drafted pursuant to Legislative Decree no. 254/16 (Sustainability Report) is published separately from this Director's Report, pursuant to art. 5, para. 3, b) of Legislative Decree 254/16, and is available at [www.italmobiliare.it](http://www.italmobiliare.it) 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

2021 posted an estimated +5.9% change in real global GDP, the highest figure since 1980. This significant rate of growth was determined about by unprecedented expansion in terms of economic policy, as a joint action by fiscal and monetary policy, as well as by a hefty rebound in demand after the restrictive anti-Covid measures were eased. China and the United States helped to synchronise this expansion, with the USA supporting the advanced economies, which achieved +5%, and China supporting emerging nations, where GDP rose by +6.5%.

After reaching a peak at the end of the first half, the dynamics of the expansion decelerated, while still remaining at high levels, due to the effects of new waves of Covid and, in general, the repercussions of greater rigidity in supply due to bottlenecks in supply chains. 2022 promises to be a year of transition from the post-pandemic recovery to a gradual normalisation, with a reduction in the pro-cyclical impact of economic policy.

At the beginning of the year, before the geopolitical crisis between Russia and Ukraine deteriorated, the leading indicators were compatible with a global expansion of 4%, slowing down but 1% higher than potential GDP. Expectations for the Eurozone converged at +3.9% (after the +5.2% estimated in 2021) benefiting from various factors: on the consumption side, the excess savings accumulated during the lockdowns and the reduction in unemployment; on the investment side, the contribution expected from implementation of the budget and Next Generation EU with multiplier effects deriving from the activation of private investments; In this context. Italy's growth expectations come to +4% (+6.3% in 2021).

However, the scenario presents significant elements of uncertainty. The structural deficit of raw materials, energy and non-energy, deriving from the stagnation of production capacity during the last decade, at the same time as the jump in demand in the short term (counter-shock of the Covid crisis) and in the medium/long term (energy transition), is weighing on the expansion with repercussions on the rate of inflation and the purchasing power of consumers.

However, the rise in inflation is also supported by other components, not just raw materials and distortions in supply chains. In the USA, there is a significant acceleration in wage dynamics, capable of triggering off a price-wage spiral. The risk of monetary tightening being needed, more than previously expected, would have further repercussions on the economic cycle by making financial markets more unstable.

Geopolitical tensions are further exacerbating this imbalance: an economic scenario made highly uncertain by the politico-military factors triggered off by the crisis between Russia and Ukraine, with a possible spectrum of outcomes that are currently difficult to predict.

The focus that Italmobiliare, together with its Portfolio Companies, has placed on governance and careful risk management will further characterise this scenario of major uncertainty.

The highest priority will be given to identifying measures to protect the production chains, adopting where possible diversification strategies, particularly of outsourced supplies and services, in order to stem any bottlenecks or shortages of production inputs. To date, the only Group asset directly affected by the conflict, albeit to a marginal extent up to now, is a production plant of the Tecnica Group, for which, in addition to assistance and direct support initiatives to protect local employees, temporary alternatives are being sought to guarantee production continuity. The area involved in the conflict does not represent a significant business partner for any of the portfolio companies. However, it will be essential to monitor any restrictions and logistical difficulties carefully in handling the main commercial channels.

Cash and cash equivalents, still abundant in Italmobiliare's portfolio, are held through very low risk financial instruments in order to minimise fluctuations in value, finance the new investment opportunities under consideration and support the growth and resilience of the portfolio companies, both organically and externally.

With regard to the portfolio companies in particular, considerable effort will be dedicated to consolidating the success of the iconic brands of the Tecnica Group recorded in 2021, to further expansion by Caffè Borbone among the market leaders in the sector, also by developing internationally, and the evolution initiated by Officina Profumo-Farmaceutica di Santa Maria Novella in the wake of a centuries-old tradition of excellence that is unique in the whole world. These dynamics of great change in the respective sectors will also guide the development of the small caps of the Italmobiliare portfolio: Casa Della Salute, thanks to the ample space in the market for high quality, efficient health services, Callmewine expanding beyond the by now established trend of buying wines from sought-after wineries online, Italgen involved in the energy transition that is more topical than ever for Italy, Capitelli at the forefront in the search for high quality in the traditional sectors of food Made in Italy. Finally, it will be essential to support AGN and Iseo in protecting the impressive results that they have achieved in terms of higher margins from the inflationary trends affecting the raw materials market.

As for the alternative investment funds, in addition to the diversification of a portfolio increasingly articulated across different geographies and asset classes, Italmobiliare continues its leading role in the development of the Clessidra Group's multi-asset platform, through the launch of the fourth Private Equity fund and of the first Private Debt fund, which joins the UTP non-performing loans and factoring activities.

**Milan, March 8, 2022**

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



# ANNEX

## Annex

The Net Asset Value (NAV) of Italmobiliare S.p.A., as a non-GAAP financial measure, 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	31.12.2021	31.12.2020	Change
Listed equity investments	A	39	84	(45)
Portfolio Companies	B	1,343	1,126	217
Other equity investments	C	125	69	56
Private equity funds	D	189	123	66
Properties and related assets	E	50	49	1
Financial assets, trading, cash and cash equivalents	F	338	387	(50)
<b>Total Net Asset Value</b>		<b>2,082</b>	<b>1,838</b>	<b>244</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, 2021.

(in millions of euro)	Notes	31.12.2021	31.12.2020	Change
<b>Listed equity investments as per NAV</b>	<b>A</b>	<b>39</b>	<b>84</b>	<b>(45)</b>
<b>Investments in other companies</b>				
HeidelbergCement		39	84	(45)
<b>Total amounts as per statement of financial position</b>	<b>G</b>	<b>39</b>	<b>84</b>	<b>(45)</b>
<b>Difference</b>	<b>G-A</b>	<b>0</b>	<b>0</b>	<b>0</b>

(in millions of euro)	Notes	31.12.2021	31.12.2020	Change
<b>Portfolio Companies as per NAV</b>	<b>B</b>	<b>1,343</b>	<b>1,126</b>	<b>217</b>
<b>Equity investments in subsidiaries and associates</b>				
Caffè Borbone		144	144	0
Sirap Gema		68	68	0
Italgen		20	20	0
Clessidra		0	22	(22)
Fratelli Capitelli		14	14	0
FT2 Santa Maria Novella - Santa Maria Novella increase in capital		202	162	40
Clessidra Holding S.p.A.		27	1	26
FT3 S.r.l. Callmewine - Callmewine increase in capital		13	13	0
Bea S.r.l.		0	24	(24)
Casa della Salute		27	0	27
Tecnica		43	43	0
Iseo		43	43	0
Autogas Nord		60	60	0
<b>Total amounts as per statement of financial position</b>	<b>H</b>	<b>661</b>	<b>614</b>	<b>47</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, whereas in the NAV they are valued at fair value.



(in millions of euro)	Notes	31.12.2021	31.12.2020	Change
<b>Other equity investments as per NAV</b>	<b>C</b>	<b>125</b>	<b>69</b>	<b>56</b>
<b>Investments in other companies</b>				
Vontobel		9	7	1
UBI		0	0	(0)
Unicredit		3	2	1
Cairo Communication		0	0	0
Coima Res		3	3	0
Piaggio		0	1	(1)
Sesaab		1	16	(15)
Fin.Priv. Azioni Mediobanca		21	0	21
035 Investimenti		1	0	1
KKR Teemo Co-Invest L.P.		9	0	9
Ariston		10	0	10
Atmos Venture		0	4	(4)
New Flour S.p.A.		6	1	5
Compagnia Fiduciaria		1	1	0
<b>Total</b>	<b>I</b>	<b>65</b>	<b>36</b>	<b>29</b>
<b>Equity investments in subsidiaries and associates</b>				
Credit Mobilier de Monaco		5	5	0
SES		6	6	0
Franco Tosi Ventures		0	0	0
CCC Holdings Europe		5	5	(0)
Farmagorà		4	0	4
ITM Bacco		12	0	12
Dokimè		2	2	0
Florence InvestCo		18	14	4
<b>Total</b>	<b>L</b>	<b>52</b>	<b>33</b>	<b>19</b>
<b>Total amounts as per statement of financial position</b>	<b>I+L</b>	<b>117</b>	<b>69</b>	<b>48</b>
<b>Difference</b>	<b>(I+L)-C</b>	<b>(8)</b>	<b>(0)</b>	<b>(8)</b>

The difference relates to the fact that in the statement of financial position of Italmobiliare S.p.A., the investment in Crédit Mobilier is valued at cost, whereas in the NAV it is shown at fair value.

(in millions of euro)	Notes	31.12.2021	31.12.2020	Change
<b>Private equity funds as per NAV</b>	<b>D</b>	<b>189</b>	<b>123</b>	<b>66</b>
<b>Bonds and mutual funds</b>				
Clessidra (Funds)		63	50	13
BDT2		64	48	16
BDT3		7	3	4
Isomer		12	7	5
ICONIQ IV		26	11	15
ICONIQ V		12	3	9
LINDSAY		1	0	1
Lauxera		1	0	1
Expedition		1	0	1
8 - BIT		0	0	0
Connect Ventures		1	0	1
<b>Total</b>	<b>M</b>	<b>189</b>	<b>123</b>	<b>66</b>
<b>Difference</b>	<b>M-D</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

(in millions of euro)	Notes	31.12.2021	31.12.2020	Change
<b>Properties and related assets as per NAV</b>	<b>E</b>	<b>50</b>	<b>49</b>	<b>1</b>
of which properties		12	45	(33)
of which subsidiaries		14	4	10
				0
<b>Property, plant and equipment of Italmobiliare S.p.A.</b>				
Property - Via Borgonuovo, Milan		5	5	0
<b>Total</b>	<b>P</b>	<b>5</b>	<b>5</b>	<b>0</b>
				0
<b>Investment property of Italmobiliare S.p.A.</b>				
Property - Via Sallustiana, Rome		7	8	(1)
<b>Total</b>	<b>Q</b>	<b>7</b>	<b>8</b>	<b>(1)</b>
				0
<b>Equity investments in subsidiaries and associates (which own properties)</b>				
Punta Ala		2	2	(0)
Sepac		0	0	0
Italmobiliare Servizi		12	11	1
<b>Total</b>	<b>R</b>	<b>14</b>	<b>13</b>	<b>1</b>
<b>Investments in other companies</b>				
Astra Immobiliare		0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total amounts as per statement of financial position</b>	<b>(P+Q+R)</b>	<b>26</b>	<b>26</b>	<b>(0)</b>
<b>Difference</b>	<b>(P+Q+R)-E</b>	<b>24</b>	<b>23</b>	<b>1</b>

The difference relates for approximately 24 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 (i.e., the subsidiaries that own the buildings).

(in millions of euro)	Notes	31.12.2021	31.12.2020	Change
<b>Financial assets, trading, cash and cash equivalents as per NAV</b>	<b>F</b>	<b>338</b>	<b>387</b>	<b>(49)</b>
Cash and cash equivalents		55	55	0
FV of derivatives receivable		0	1	(1)
Other current assets <sup>(1)</sup>		279	312	(33)
Non-current financial assets <sup>(2)</sup>		10	27	(17)
<b>Total cash and cash equivalents</b>		<b>344</b>	<b>395</b>	<b>(51)</b>
Current loans and borrowings		0	0	0
Current financial liabilities		(6)	(7)	1
Current options on securities		(0)	(1)	1
Non-current lease payables <sup>(3)</sup>		(0)	0	(0)
<b>Total financial position</b>		<b>(7)</b>	<b>(8)</b>	<b>1</b>
<b>Total net financial position</b>	<b>S</b>	<b>338</b>	<b>387</b>	<b>(49)</b>
<b>Difference</b>	<b>S-F</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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

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

## RECONCILIATION OF THE PERFORMANCE INDICATORS WITH THE FINANCIAL STATEMENTS

(in millions of euro)		Notes	31.12.2021	31.12.2020	Change
<b>Gross operating profit (EBITDA)</b>		<b>A</b>	<b>170.5</b>	<b>106.0</b>	<b>64.5</b>
Revenue and income			492.3	575.5	(83.2)
Other revenue and income			5.1	15.2	(10.1)
Change in inventories			1.0	1.3	(0.3)
Internally produced and capitalised assets			0.3	0.1	0.2
Raw materials and supplies			(146.6)	(243.1)	96.5
Services			(88.2)	(95.7)	7.5
Personnel expenses			(72.1)	(111.6)	(8.1)
Other operating income (expense)			(21.3)	(35.8)	14.5
<b>Total amounts as per statement of financial position</b>		<b>B</b>	<b>170.5</b>	<b>106.0</b>	<b>64.5</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	31.12.2021	31.12.2020	Change
<b>Operating profit (EBIT) as per report</b>		<b>C</b>	<b>145.2</b>	<b>69.4</b>	<b>75.8</b>
Revenue and income			492.3	575.5	(83.2)
Other revenue and income			5.1	15.2	(10.1)
Change in inventories			1.0	1.3	(0.3)
Internally produced and capitalised assets			0.3	0.1	0.2
Raw materials and supplies			(146.6)	(243.1)	96.5
Services			(88.2)	(95.7)	7.5
Personnel expenses			(72.1)	(111.6)	39.5
Other operating income (expense)			(21.3)	(35.8)	14.5
Amortisation and depreciation			(25.0)	(30.2)	5.2
Impairment losses on non-current assets			(0.4)	(6.4)	6.1
<b>Total amounts as per statement of financial position</b>		<b>D</b>	<b>145.2</b>	<b>69.3</b>	<b>75.9</b>
<b>Difference</b>		<b>A-B</b>	<b>0.0</b>	<b>0.1</b>	<b>(0.1)</b>
(in millions of euro)		Notes	31.12.2021	31.12.2020	Change
<b>Net financial position</b>		<b>E</b>	<b>354.0</b>	<b>320.8</b>	<b>33.2</b>
<b>Caption</b>	<b>Financial statement class</b>				
Cash and bank balances	Cash and bank balances		135.4	123.1	12.3
Short-term derivatives	Other current assets including derivatives		0.2	0.5	(0.3)
Equity investments measured at FVTPL	Investments, bonds and current financial receivables		16.6	21.2	(4.6)
Financial assets at amortised cost	Investments, bonds and current financial receivables		0.0	1.5	(1.5)
Funds and other financial instruments	Investments, bonds and current financial receivables		306.8	285.6	21.2
Other receivables	Investments, bonds and current financial receivables		27.4	15.9	11.5
Other loan assets and financial instruments	Other current assets including derivatives		9.9	8.6	1.3
Prepaid expenses	Other current assets including derivatives		0.0	0.1	(0.1)
<b>Total current assets</b>			<b>496.2</b>	<b>456.5</b>	<b>39.7</b>
Loans and borrowings	Loans and borrowings		(59.7)	(10.9)	(48.8)
Financial liabilities	Financial liabilities		(15.6)	(46.9)	31.3
Due to financial and private equity companies	Other liabilities		(9.0)	(9.5)	0.5
Derivatives	Other liabilities		(0.4)	(0.6)	0.2
<b>Total current financial liabilities</b>			<b>(84.7)</b>	<b>(67.9)</b>	<b>(16.8)</b>
Non-current receivables	Trade receivables and other non-current assets		7.0	20.9	(13.9)
Other	Trade receivables and other non-current assets		1.8	2.0	(0.2)
Financial assets measured at amortised cost	Trade receivables and other non-current assets		0.0	9.0	(9.0)
Financial assets at FVTPL in NFP	Trade receivables and other non-current assets		2.9	3.3	(0.4)
<b>Total non-current assets</b>			<b>11.7</b>	<b>35.2</b>	<b>(23.5)</b>
Financial liabilities	Financial liabilities		(69.3)	(83.1)	13.8
Derivatives payable on loans	Other non-current payables and liabilities		0.0	(0.1)	0.1
<b>Total non-current financial liabilities</b>			<b>(69.3)</b>	<b>(83.2)</b>	<b>13.9</b>
<b>Financial assets held for sale</b>	<b>Financial assets held for sale</b>			<b>2.5</b>	<b>(2.5)</b>
Liabilities directly associated with assets classified as held for sale	Liabilities directly associated with assets classified as held for sale		0.1	(22.3)	22.4
<b>Net financial position relating to discontinued operations</b>			<b>0.1</b>	<b>(19.8)</b>	<b>19.9</b>
<b>Total net financial position</b>		<b>F</b>	<b>354.0</b>	<b>320.8</b>	<b>33.2</b>
<b>Difference</b>		<b>E-F</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>



REPORT ON  
CORPORATE  
GOVERNANCE  
AND THE  
OWNERSHIP  
STRUCTURE 2021

TRADITIONAL ADMINISTRATION  
AND CONTROL MODEL

**APPROVED BY THE BOARD OF DIRECTORS ON  
MARCH 8, 2022**

# REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE 2021

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 Borsa Italiana website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020-eng.en.pdf>), to which the Company resolved to adhere on April 21, 2021, subsequently implementing its principles and recommendations. For the purposes of applying the Code, Italmobiliare can be defined as a "**large company**" with "**diffused ownership**".

Given that the corporate bodies were last elected in 2020, when the previous Code of Conduct applied, certain recommendations of the Corporate Governance Code will be implemented for the first time when the corporate bodies are next up for election, which will be after approval of the 2022 financial statements.

The Report refers to the year ended December 31, 2021 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

### PROFILE OF THE ISSUER

Italmobiliare, the company headed up by the Pesenti family, was founded in 1946 and listed on the Milan 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.

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.

## 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, 2021 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.

Each share gives a right to one vote. Holders of Italmobiliare shares can vote at Ordinary and Extraordinary Shareholders' Meetings and exercise the rights given to them under 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 significant shareholdings over 3% of the share capital at the date on which this Report was approved, according to the communications received under art. 120 of the CLF.

#### SIGNIFICANT SHAREHOLDINGS AT 31.12.2021

Shareholder	Number of shares	% of the share capital	% of voting capital
Efiparind B.V. (Indirectly and through Compagnia Fiduciaria Nazionale S.p.A.)	20,969,250	49.339%	49.593%
Serfis S.p.A.	4,765,000	11.212%	11.269%
Mediobanca S.p.A.	2,894,044	6.81%	6.844%

### 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.

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 21, 2021, 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 21, 2022, convened for the approval of the 2021 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**

Based on the information and communications received by the Company under art. 120 CLF, Efiarind B.V. participates indirectly in Italmobiliare with approximately 49% of the voting share capital through its subsidiary Cemital Privital Aureliana S.p.A. and through fiduciary registration with Compagnia Fiduciaria Nazionale S.p.A.

On February 16, 2022 the Board of Directors again confirmed that, in their opinion, neither Efiarind B.V. nor any other entity or company exercised management control and coordination over Italmobiliare 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 Efiarind 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 are 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) regarding the appointment and replacement of directors as well as the amendment of the By-laws is provided below in the paragraph dedicated to the Role and Duties of the Board of Directors and in the paragraph dedicated to the Shareholders' Meeting.

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

## II. Board of Directors

### 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. It is also worth emphasising that 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). In this regard, 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.

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.

## 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 of Italmobiliare was approved on April 21, 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.

In particular, 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. In this case, enough time for analysis has to be made available, so that the Board can decide in an informed and knowledgeable manner.

The minimum notice for the distribution of documentation was generally observed during 2021 for the transactions submitted for the Board's approval. In the few cases when the supporting documentation (presentation of the results for the period) 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. The Chairman made sure that full details were made available at each meeting when requested. At the meeting on February 16, 2022, 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 the Chairman to carry out his duties and assists the Directors in key aspects to ensure that the Board functions properly.

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 2021, the Board of Directors held 10 meetings, lasting for more than one and a half hours 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. Given the persistence of the epidemiological emergency, meetings were held by video-conference, with the President, CEO and management present at the registered office. 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 Legal and Corporate Affairs. On the Chairman's initiative, the Heads of Investment Management, Investor Relations, Internal Audit, Investments & Development, Finance and Human Resources also attended for matters concerning their sphere of competence to ensure that there was adequate information.

In December 2021, the Company issued a calendar of corporate events for 2022, which can be found on [www.italmobiliare.it](http://www.italmobiliare.it). The Board of Directors has met three times in 2022 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 3, 2021. The recommendations were discussed at the Board meeting held on December 15, 2021.

## 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.

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 good reputation 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 last renewal of the corporate bodies in 2020, the Board of Directors, assisted by the Remuneration and Nominations Committee, expressed its orientation on the size and composition of the administrative body to be submitted to the shareholders, also giving its opinion, based on a specific benchmark analysis, on the basic remuneration to be granted to the members of the Board and the Board Committees. The opinion was published on the Company's website, in the "Governance/Shareholders' Meeting/Shareholders' Meeting archive" section, well in advance of the deadline for filing the slates.

## 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 21, 2020 up until approval of the financial statements at December 31, 2022, is made up of twelve directors.

Eleven Directors are members of the majority list presented by Compagnia Fiduciaria Nazionale S.p.A.: Laura Zanetti, Carlo Pesenti, Livio Strazzera, Vittorio Bertazzoni, Giorgio Bonomi, Mirja Cartia d'Asero, Elsa Fornero, Sebastiano Mazzoleni, Luca Minoli, Chiara Palmieri and Valentina Casella - first and only non-elected candidate on the majority list presented by Compagnia Fiduciaria Nazionale at the 2020 meeting - who was co-opted onto the Board on July 29, 2021 following the resignation of Marinella Soldi.

One Director, Marco Cipelletti, who was co-opted onto the Board following the resignation of Antonio Salerno, is an expression of the minority list presented by RWC Asset Management LLP and Fidelity International and was confirmed by the Shareholders' Meeting of April 21, 2021.

At the time the corporate bodies were renewed, 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.

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 composition of the Board of Directors at the date of approval of this Report is shown below, specifying the office that each one holds and the Committees that they are members of.

Laura Zanetti*	Chairman, member of the Committee for Sustainability and Social Responsibility	* Director who meets the independence requirements laid down in the CLF
Livio Strazzerà*	Deputy Chairman	
Carlo Pesenti	Chief Executive Officer–Chief Operating Officer and Chairman of the Committee for Sustainability and Social Responsibility	** Director who meets the independence requirements laid down in the CLF and the Corporate Governance Code
Vittorio Bertazzoni**	Chairman of the Remuneration and Nominations Committee and Member 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**	Member of the Remuneration and Nominations Committee	
Marco Cipelletti**		
Elsa Fornero**	Member of the Committee for Transactions with Related Parties and of the Committee for Sustainability and Social Responsibility	
Sebastiano Mazzoleni		
Luca Minoli		
Chiara Palmieri**	Chairman of the Committee for Transactions with Related Parties, Member of the Remuneration and Nominations Committee and of the Control and Risk Committee	

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

With a resolution passed on April 21, 2020, the Board of Directors confirmed 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	WeBuild S.p.A.	Director
Livio Strazzerà	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
Vittorio Bertazzoni	Erfin S.p.A. SMEG S.p.A.	Deputy Chairman and CEO Deputy Chairman and CEO
Mirja Cartia d’Asero	Il Sole 24Ore S.p.A. (listed) Tecma Solutions S.p.A. (listed)	Director Director
Valentina Casella	Arnoldo Mondadori S.p.A. (listed) Banco di Desio and Brianza (listed)	Director Director
Elsa Fornero	Buzzi Unicem S.p.A. (listed)	Director
Luca Minoli	Cemital Privital Aureliana S.p.A.	Chairman

## 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.

## 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.

In addition to the powers of representation, the Chairman has been granted the powers to act, also before a criminal court, to protect the Company's interests, the power to appoint consultants, to negotiate and conclude any transaction or contract to purchase or sell real estate, to exchange and divide real estate, for the establishment of easements or property rights in general, with the limit of Euro 25 million, signing jointly together with the Chief Operating Officer.

As **Chief Executive 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 main subsidiaries, held directly or indirectly; to oversee and direct the activities of Italmobiliare S.p.A. and its main direct or indirect subsidiaries; to establish guidelines for managing the main 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. The CEO has been granted the powers to carry out all tasks relating to administration and arrangements concerning the management of the Company, including transactions on securities and credit, assuming any form of obligations in the name of the Company, even accompanied by collateral security, accepting guarantees, providing collateral security and guarantees for third parties, as long as they are direct or indirect subsidiaries of Italmobiliare, buying and selling government bonds, corporate bonds, mortgage bonds, equities, company quotas, carrying out repo transactions and advances on security transactions. As **Chief Operating Officer**, he has been granted powers in the administrative, financial, commercial and real estate areas.

The powers granted for the office of Chief Operating Officer can be exercised within a limit of Euro 25 million per individual transaction, except for real estate transactions exceeding Euro 10 million and up to Euro 25 million, which need the joint signature of the Chairman; the powers granted for the office of Chief Executive Officer can be exercised within a limit of Euro 25 million, except for funding transactions and transactions on derivatives which can be made within a limit of Euro 50 million, and transactions to sell securities of listed companies, which can be made within a limit of Euro 100 million per single open market day.

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 not belonging to the Group 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.

## 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 again in 2021, the Board of Directors did not adopt a formal succession plan for the CEO and key management personnel. On the other hand, it was 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.

## INDEPENDENT DIRECTORS

Following its appointment in April 2020, the Board of Directors assessed the independence of its members based on the provisions of the CLF and the criteria laid down in the Code of Conduct in effect at the time, the results of which were disclosed to the market.

The Board of Directors recently verified whether Directors satisfied the independence requirements, based on the information received from each of them, at the meeting held on February 16, 2022, having regard to the parameters of the Corporate Governance Code. 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 € 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 € 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.

As a result of these assessments, the following qualify as Independent Directors under the provisions of the CLF and the criteria laid down in the Code: Vittorio Bertazzoni, Mirja Cartia d'Asero, Valentina Casella, Marco Cipelletti, Elsa Fornero and Chiara Palmieri.

The Directors who qualified as independent according to both the Code and the CLF met once during 2021 in the absence of the other Directors.

The Chairman Laura Zanetti and Deputy Chairman Livio Strazzera are Independent Directors only according to the CLF.

## LEAD INDEPENDENT DIRECTOR

At the time of renewal, at the meeting on April 21, 2020, the Board of Directors resolved not to appoint a "Lead Independent Director" for the 2020-2022 term of office. The conditions envisaged by the previous Code of Conduct for the appointment did not exist, i.e. that the Chairman of the Board of Directors was the main person responsible for managing the company or that the office of Chairman was held by the person who controlled the Company. The Independent Directors did not ask for one to be appointed.

## 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. Since 2018, the self-assessment has also covered the Board of Statutory Auditors.

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 2021 financial year, an internally prepared questionnaire was distributed to all Directors and Statutory Auditors, previously shared with the Chairman 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 contribution made by the Committees. The attention to ESG issues and their constant monitoring was also particularly appreciated.

## 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 2021: one at the beginning of the year, dedicated to the evolution of macroeconomic scenarios; one dedicated to the new Corporate Governance Code and one dedicated to the subsidiary Capitelli F.Ili S.r.l.

## 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.

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".

## REMUNERATION AND NOMINATIONS COMMITTEE

The Committee, made up solely of Independent Directors who meet the requirements laid down in the Code and the CLF, currently consists of Vittorio Bertazzoni, Chairman, Valentina Casella and Chiara Palmieri. On July 29, 2021 the Board of Directors appointed Vittorio Bertazzoni as Chairman and appointed Valentina Casella as a member, following the resignation of Marinella Soldi who had chaired it up to that date.

All of 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.

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 Euro 50,000 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) it 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 prior to submission to the Board of Directors for approval;
- l) carries out any additional tasks assigned by the Board of Directors.

In 2021, the Committee met three times with all of its members and those of the Board of Statutory Auditors in attendance; meetings lasted about one hour on average. The Committee made use of the independent consultant Willis Tower Watson for the purpose of preparing the Remuneration Policy for 2021 and 2022, among other things.

During 2021, the Committee carried out the following activities involving remuneration matters: it examined the regulatory changes introduced by the new provisions of the Issuers' Regulation on remuneration policy; it examined the Company's report on the remuneration policy for 2021 and on the compensation paid in 2020 to be submitted to the Board of Directors and subsequently to the Shareholders' Meeting; it 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 (2020 MBO); 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 2021 (2021 MBO).

As regards the functions of the Nominations Committee, in 2021 it: reviewed the results of the 2020 self-assessment process, which were then submitted to the Board of Directors; reviewed the questionnaire to be used for the 2021 self-assessment process, after agreeing not to use an independent consultant; agreed not to adopt a formal succession plan for the Chief Executive Officer and key management personnel, having ascertained that, in the event of an extraordinary situation, all the safeguards were in place, in the form of an Emergency Plan, to ensure that the Company would continue to be managed, while starting the selection of a new management team.

In 2022, up to the date of approval of the Report, the Committee has met twice and among its activities involving remuneration, it has examined the Company's report on the remuneration policy for 2022 and on the compensation paid in 2021 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 (2021 MBO); and 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 2022 (2022 MBO).

It also examined the results of the 2021 self-assessment process, which were then 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 2022, 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, which will be published by the legal deadline.

## COMMITTEE FOR SUSTAINABILITY AND SOCIAL RESPONSIBILITY

In line with the sustainable approach of the Company, which was among the forerunners in Italy in integrating ESG factors into the business strategy, in 2020 Italmobiliare established the Sustainability Department as part of its organisation.

In view of the renewal of the corporate bodies, the Board of Directors decided to set up a Committee for Sustainability and Social Responsibility, made up of Carlo Pesenti Chief Executive Officer-Chief Operating Officer, who assumed the office of Chairman, Laura Zanetti, and the Independent Directors, Vittorio Bertazzoni, Mirja Cartia d'Asero and Elsa Fornero. 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. Moreover, in order to ensure a correct flow of information between the various bodies, the Chairman of the Control and Risk Committee and the Chairman of the Remuneration and Nominations Committee sit on the Committee.

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 2021, the Committee met three times with all of its members, those of the Board of Statutory Auditors and the Chief Sustainability Officer in attendance. Meetings lasted over an hour and a half on average. Activities included: a review of the 2020 Sustainability Report, the updates to the Code of Ethics, the new Sustainability Policies and the new Responsible Investment Policy, subsequently submitted to the Board of Directors; updating the materiality matrix; monitoring implementation of the 2021 ESG Plan; analysing developments in the global ESG context, including relevant regulatory aspects.

The Committee has met once in 2022, up to the approval of this Report, with the participation of all of its members, the Statutory Auditors and the Chief Sustainability Officer to review the 2021 Sustainability Report, completion of the 2021 ESG Plan (which among other things is linked to a variable remuneration target for all the members of top management) and a review of the 2022 ESG Plan.

## CONTROL AND RISK COMMITTEE

Following its appointment in April 2020, 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.

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 adopted in April 2021. 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 Euro 50,000 assigned by the Board of Directors.

In 2021, the Committee held a total of six meetings, lasting around one and a half hours on average, with all its members in attendance. The Board of Statutory Auditors always attended these meetings.

During 2021, the Committee, among other things:

- a) examined and approved the Company's approach to carrying out impairment tests; it also reviewed and took note of the results;
- b) 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;
- c) reviewed the Audit Plan for 2021, which was subsequently approved by the Board of Directors, and monitored its implementation;
- d) analysed the results of risk management;
- e) 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;
- f) met the equivalent departments at the main subsidiaries;
- g) met the independent auditors before the Board of Directors examined the draft financial statements and the interim report;
- h) received periodic updates on the state of outstanding disputes for and against the Company;
- i) exchanged information with the Board of Statutory Auditors and the Supervisory Body on their activities.

In 2022, 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, among other things: updates to the guidelines on the Internal Control and Risk Management System; the impairment test methodology applied in 2021 and its results; the results of risk management; the accounting policies used in drawing up the 2021 annual financial report; updates on outstanding disputes; the results of the 2021 Audit and the 2022 Audit Plan. The Committee met the independent auditors before the Board of Directors examined the draft financial statements; was informed by its Chairman, who 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. The Committee was also briefed by the Finance Director about the macroeconomic scenarios and possible impact on the Group resulting from the Russian-Ukrainian war.

A total of six meetings are scheduled for 2022.

## III. The Internal Control and Risk Management System

### 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 1b) 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 their 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.

## 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, at the time of the renewal of the corporate bodies in 2020, was identified as the "Director in charge of the internal control and risk management system"; following the adherence to the Corporate Governance Code and the consequent revision of the Guidelines, 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.

## 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 prioritisation 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 at the beginning of 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 2022 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.

## 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 November 5, 2020.

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 2020, the updates submitted for approval by the Board concerned both the General Part and the Special Part and refer to tax offences and the trafficking of illicit influences. In the General Part, the Model was also updated to ensure better coordination with the Code of Ethics in the parts on whistleblowing and the penalty system.

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.

In accordance with the Model, the Supervisory Body appointed by the Board of Directors on April 21, 2020 is currently made up of Paolo Sfameni (Chairman), an external consultant, 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 seven times during the year 2021.

## 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.

## 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.

## FINANCIAL REPORTING OFFICER

At the board meeting on April 21, 2020 the Board of Directors confirmed Mauro Torri as the Financial Reporting Manager, pursuant to art. 154-bis of the CLF and art. 29 of the By-laws. According to the By-laws, the Financial Reporting Officer 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;

- a) 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 2021, 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.

## 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 investee 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 2021 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 impact of the Covid-19 emergency on the Company and its affiliates was constantly monitored, and the Control and Risk Committee and the Board of Directors were periodically informed about the situation.

## 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.

## 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.

## IV. Board of Statutory Auditors

### 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.

## 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, 2022, was appointed by the Shareholders' Meeting on April 21, 2020 and is made up of Pierluigi De Biasi, Chairman, Gabriele Villa and Luciana Ravicini. The Alternate Auditors are Maria Maddalena Gnudi, Michele Casò and Tiziana Nesa.

The Board of Statutory Auditors in office was appointed using the slate voting system: Gabriele Villa, Luciana Ravicini, Maria Maddalena Gnudi and Michele Casò were selected from the majority slate submitted by the Compagnia Fiduciaria Nazionale S.p.A.; Pierluigi De Biasi and Tiziana Nesa were selected from the minority slate submitted by institutional investors (RWC Asset Management LLP and Fidelity International). 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 based on the previous Code of Conduct and informed the Board accordingly. Meeting the requirements of the Code was last assessed in February 2022 and the Board was informed of the results.

In compliance with the provisions on gender quotas in force at the time of appointment, one third of the positions are reserved for the less represented gender.

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 2021, the Board of Statutory Auditors held a total of 17 meetings - six of which together with the Control and Risk Committee - lasting an average of more than an hour, 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. The Independent Auditors, the Chief Executive Officer-Chief Operating Officer, 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.

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 sector 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. For example, in 2021 the Statutory Auditors were able to participate in the induction meetings organised by the Company for the directors and to hold meetings with the Chief Executive Officer-Chief Operating Officer for an exchange of information.

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, 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.

## V. Relations with the Shareholders

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.

On April 21, 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 Communications Department, the Corporate and Legal Affairs Department and the Investment Management Department).

The Policy is available on the Company's website in the "Governance/Documents and Procedures" section.

The Investor Relations Officer (IRO) supervises communications between the Company and the shareholders, including institutional investors. The Board of Directors is informed periodically about his activities and significant contents of the dialogue with shareholders.

Information of major interest to investors is made available on the Company's website, in the "Investor" section. 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.

## SHAREHOLDERS' MEETING

The Shareholders' Meeting 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 at single calling 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.



The Company can designate a person, 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.

In 2021, in consideration of the Covid-19 emergency and according to Decree Law no. 18 of March 17, 2020 "Measures to strengthen the National Health Service and economic support for families, workers and businesses connected to the Covid-19 emergency", particularly art. 106 of the Decree, the Shareholders' Meeting was held with the participation of those entitled to vote exclusively through the "Designated Representative" of the Company pursuant to art. 135-undecies of the CLF.

The Shareholders' Meeting was held on April 21, 2021 to vote on the following agenda:

1. 2020 Annual Report:
  - 1.1 Financial statements for the year ended December 31, 2020;
  - 1.2 Proposed dividend distribution.
2. Appointment of a director pursuant to art. 2386 of the Italian Civil Code.
3. Report on the Remuneration Policy and Compensation Paid, pursuant to art. 123-ter of the Consolidated Law on Finance:
  - 3.1 Remuneration Policy for 2021;
  - 3.2 Consultation on the compensation paid in 2020.
4. Authorisation to buy and sell treasury shares, subject to revocation of the authorisation given by the Ordinary Shareholders' Meeting held on April 21, 2020.

To make it possible for interested parties to exercise the right as per art. 126-bis, paragraph 1, penultimate sentence, of Legislative Decree 58/1998 - albeit with methods and terms compatible with the Covid-19 health emergency and with the unfailing need for the individual motions to be known by the generality of those entitled to attend the meeting and exercise the right to vote in time to provide voting instructions to the Designated Representative - the shareholders were allowed individually to submit motions to the Company on the items on the agenda.

The answers to questions presented by the shareholders were published two days before the Meeting.

## VI. Codes of conduct, procedures and other corporate governance practices

### 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 Code of Ethics in force since 2018 was further revised and a new version was approved by the Board of Directors in June 2021.

The Code of Ethics lays down Italmobiliare's fundamental principles and rules of conduct.

The Sustainability Policies, updated and adopted 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.

The three documents, taken together, constitute a solid point of reference for the sustainable success of the Group through the creation of shared value in the long term. The Group's subsidiaries have in turn adopted or are in the process of adopting their own Code of Ethics and Sustainability Policies, harmonised with those of Italmobiliare.

Code of Ethics, Sustainability Policies and Responsible Investment Policy are available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in "The Company" and "Sustainability" sections.

## 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.

In view of the renewal of the corporate bodies approved by the Shareholders' Meeting in April 2020, the outgoing Board of Directors, helped by the Remuneration and Nominations Committee, issued a guidance opinion on the qualitative and quantitative composition and professional skills of the new 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.

Adequate gender representation is ensured on the current Board of Directors, with the presence of 5 female Directors out of 12, i.e. 42%. The average age of the directors is 56. 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 one out of three alternate auditors are female.

In 2021, the Board of Directors decided to make a greater effort to protect and enhance the value of the Company's employees. The new 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 Empowerment Principles laid down by the United Nations' "UN Women and Global Compact". Accordingly, the new 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 and girls.

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 2021 Sustainability Report. The consolidated results of this will make it possible to plan further improvements.

## 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, which was also updated in 2018, 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.

## THE CODE OF CONDUCT ON INTERNAL DEALING

The Code of Conduct on Internal Dealing, last amended on July 31, 2018, 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 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.

## 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 made up of the independent directors Chiara Palmieri, Chairman, Elsa Fornero, Mirja Cartia.

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 independent directors or 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.).

At the time of the update, further changes were made to the Procedure, also as a result of the different context in which Italmobiliare now operates, to ensure greater clarity and efficiency of application.

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.

In 2021, the Committee was informed on a quarterly basis of any related party transactions exempted from the safeguards controlling the procedure, including transactions of minor amounts and those with subsidiaries and associates. During the year, the Committee met once with all of its members and the Statutory Auditors in attendance. The meeting lasted just under an hour.

## 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 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 2021, the Company, under the supervision of the Privacy Coordinator, revised its organisational model for the processing of personal data. In particular, the Records of Processing Activities were updated (art. 30 of the European Reg.), as was the process for designating Data Processors (art. 28 of the European Reg.) and the rules governing the Covid 19 health emergency and Greenpass were applied.

During the year, a training course on privacy was organised, which was attended by the heads of the functions and other employees involved in processing sensitive data.

\*\*\*

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 3, 2021. The measures taken by the Company based on these recommendations, where applicable, are mentioned in the Report.

\*\*\*

Unless otherwise indicated in the preceding sections, at the end of 2021, 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, 2021

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 ***	Control and Risk Committee			Remuneration and Nominations Committee		Committee for Transactions with Related Parties		Committee for Sustainability and Social Responsibility		
												(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	
Chairman	Laura Zanetti	1970	14.11.2013	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	1	10/10							3/3	M	
Deputy Chairman	Livio Strazzerà	1961	03.05.2002	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	2	9/10									
CEO-COO ◊	Carlo Pesenti	1963	17.06.1999	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	2	10/10							3/3	C	
Director	Vittorio Bertazzoni	1976	19.04.2017	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	2	10/10			3/3	C			3/3	M	
Director	Giorgio Bonomi	1955	03.05.2002	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	0	10/10	6/6	M							
Director	Mirja Cartia d'Asero	1969	19.04.2017	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	2	10/10	6/6	C				M	3/3	M	
Director	Valentina Casella	1979	19.04.2017 <sup>A</sup>	29.07.2021	Fin. Stats. 2021	M	.	.	.	.	2	4/4			1/1	M					
Director	Marco Cipelletti	1965	27.01.2021	27.01.2021	Fin. Stats. 2022	m	.	.	.	.	0	10/10									
Director	Elsa Fornero	1948	27.07.2017	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	1	10/10							M	3/3	M
Director	Sebastiano Mazzoleni	1968	25.05.2011	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	0	10/10									
Director	Luca Minoli	1961	03.05.2002	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	1	10/10									
Director	Chiara Palmieri	1970	19.04.2017	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	0	10/10	6/6	M	3/3	M		C			

Number of Board meetings held during the year: 10    Control and Risk Committee: 6    Remuneration and Nominations Committee: 3    Committee for Transactions with Related Parties: 1    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 statutory auditor 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>A</sup> Valentina Casella was a Director of Italmobiliare in the period 2017-2020; subsequently, following the resignation of Marinella Soldi, she was co-opted onto the Board on July 29, 2021.

**Directors who resigned during 2021**

**Remuneration and  
Nominations Committee**

Position	Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. CLF	(*)	(**)	(*)
Director	Antonio Salerno	1974	19.04.2017	21.04.2020	21.01.2021	m		•	•	•	0/0		
Director	Marinella Soldi	1966	21.04.2020	21.04.2020	27.07.2021	M		•	•	•	6/6	C	2/2

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 participation in the meetings of the Board of Directors and the Remuneration and Nominations Committee respectively in the period when the office was held during 2021.

(\*\*) This column shows the status of the Director within the Committee: "C": chairman; "M": member.



## Board of Statutory Auditors

Position	Members	Year of birth	Date of first appointment *	In charge from	In charge until	Slate **	Indep. Code	Attendance at BoSA meetings ***	Attendance at BoD meetings	No. of other offices ****
Chairman	Pierluigi De Biasi	1956	21.04.2020	21.04.2020	Fin. Stats. 2022	m	·	17/17	10/10	3
Standing Auditor	Gabriele Villa	1964	21.04.2020	21.04.2020	Fin. Stats. 2022	M	·	16/17	8/10	5, of which 2 listed
Standing Auditor	Luciana Ravicini	1959	25.05.2011	21.04.2020	Fin. Stats. 2022	M	·	17/17	10/10	15
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 during 2021: 17

**Quorum required for minorities to submit slates to elect one or more members (pursuant to Art. 148- CLF): 1%**

### 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.

\*\*\*\* 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.



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**ITALMOBILIARE**  
INVESTMENT HOLDING

ITALMOBILIARE  
GROUP



CONSOLIDATED  
FINANCIAL  
STATEMENTS  
2021

# FINANCIAL STATEMENTS

## Statement of financial position

(in thousands of euro)	Notes	31.12.2021	31.12.2020	Change
<b>Non-current assets</b>				
Property, plant and equipment	1	183,286	159,857	23,429
Investment property	2	5,389	7,632	(2,243)
Goodwill	3	245,206	250,723	(5,517)
Intangible assets	4	308,095	302,832	5,263
Investments in equity-accounted associates	5	208,646	183,749	24,897
Other equity investments	6	131,515	119,737	11,778
Trade receivables and other non-current assets	7	205,895	161,404	44,491
Deferred tax assets	22	12,104	18,177	(6,073)
Non-current receivables from employees			612	(612)
<b>Total non-current assets</b>		<b>1,300,136</b>	<b>1,204,723</b>	<b>95,413</b>
<b>Current assets</b>				
Inventories	8	33,585	48,057	(14,472)
Trade receivables	9	129,875	76,892	52,983
Other current assets including derivative financial instruments	10	28,795	19,461	9,334
Tax assets	11	18,544	17,125	1,419
Equity investments, bonds and current financial receivables	12	350,770	324,174	26,596
Cash and cash equivalents	13	135,406	123,066	12,340
<b>Total current assets</b>		<b>696,975</b>	<b>608,775</b>	<b>88,200</b>
<b>Assets classified as held for sale</b>	14	<b>56</b>	<b>131,531</b>	<b>(131,475)</b>
<b>Total assets</b>		<b>1,997,167</b>	<b>1,945,029</b>	<b>52,138</b>
<b>Equity</b>				
Share capital	15	100,167	100,167	
Share premium account	16	55,607	55,607	
Reserves	16	12,285	(6,495)	18,780
Treasury shares	17	(5,166)	(6,620)	1,454
Retained earnings		1,296,709	1,187,705	109,004
<b>Equity attributable to owners of the parent company</b>		<b>1,459,602</b>	<b>1,330,364</b>	<b>129,238</b>
Non-controlling interests	18	178,256	193,766	(15,510)
<b>Total equity</b>		<b>1,637,858</b>	<b>1,524,130</b>	<b>113,728</b>
<b>Non-current liabilities</b>				
Financial liabilities	20	69,319	83,050	(13,731)
Employee benefits	19	8,176	12,007	(3,831)
Provisions	21	27,961	64,175	(36,214)
Non-current tax liabilities		15,858	13,733	2,125
Other non-current payables and liabilities		226	597	(371)
Deferred tax liabilities	22	7,285	4,004	3,281
<b>Total non-current liabilities</b>		<b>128,825</b>	<b>177,566</b>	<b>(48,741)</b>
<b>Current liabilities</b>				
Financial liabilities	20	75,261	57,844	17,417
Trade payables	23	53,119	51,497	1,622
Provisions	21	4,748	1,608	3,140
Tax liabilities	24	36,388	16,722	19,666
Other liabilities	25	60,968	55,560	5,408
<b>Total current liabilities</b>		<b>230,484</b>	<b>183,231</b>	<b>47,253</b>
<b>Total liabilities</b>		<b>359,309</b>	<b>360,797</b>	<b>(1,488)</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	14		<b>60,102</b>	<b>(60,102)</b>
<b>Total equity and liabilities</b>		<b>1,997,167</b>	<b>1,945,029</b>	<b>52,138</b>

## Income statement

(in thousands of euro)	Notes	2021	%	2020	%	Change	%
<b>Revenue and income</b>	<b>26</b>	<b>492,288</b>	<b>100.0</b>	<b>324,938</b>	<b>100.0</b>	<b>167,350</b>	<b>51.5</b>
Other revenue and income		5,118		6,291		(1,173)	
Change in inventories		1,039		(182)		1,221	
Internally produced and capitalised assets		291		144		147	
Raw materials and supplies	27	(146,640)		(109,903)		(36,737)	
Services	28	(88,172)		(54,178)		(33,994)	
Personnel expenses	29	(72,138)		(52,968)		(19,170)	
Other operating income (expense)	30	(21,262)		(32,862)		11,600	
<b>Gross operating profit (EBITDA)</b>		<b>170,524</b>	<b>34.6</b>	<b>81,280</b>	<b>25.0</b>	<b>89,244</b>	<b>109.8</b>
Amortisation and depreciation	31	(24,999)		(16,770)		(8,229)	
Impairment losses on non-current assets	32	(350)		(6,056)		5,706	
<b>Operating profit (EBIT)</b>		<b>145,175</b>	<b>29.5</b>	<b>58,454</b>	<b>18.0</b>	<b>86,721</b>	<b>n.s.</b>
Finance income	33	193		460		(267)	
Finance costs	33	(2,219)		(2,834)		615	
Exchange-rate difference and net gain (loss) on derivatives	33	136		(831)		967	
Impairment of financial assets	34			(749)		749	
Share of profit/(loss) of equity-accounted associates	35	29,576		15,015		14,561	
<b>Profit/(loss) before tax</b>		<b>172,861</b>	<b>35.1</b>	<b>69,515</b>	<b>21.4</b>	<b>103,346</b>	<b>n.s.</b>
Income tax	36	(48,777)		28,803		(77,580)	
<b>Profit/(loss) from continuing operations</b>		<b>124,084</b>	<b>25.2</b>	<b>98,318</b>	<b>30.3</b>	<b>25,766</b>	<b>26.2</b>
Profit/(loss) from discontinued operations, net of tax	37	40,437		5,156		35,281	
<b>Profit/(loss) for the year</b>		<b>164,521</b>	<b>33.4</b>	<b>103,474</b>	<b>31.8</b>	<b>61,047</b>	<b>59.0</b>
Attributable to:							
Owners of the parent company		139,697	28.4	68,315	21.0	71,382	104.5
Non-controlling interests		24,824	5.0	35,159	10.8	(10,335)	-29.4
Earnings per share	39						
Basic ordinary shares		3.305 €		1.619 €			
Diluted ordinary shares		3.305 €		1.616 €			

## Statement of comprehensive income

(in thousands of euro)	Notes	2021	%	2020	%	Change	%
<b>Profit/(loss) for the year</b>		<b>164,521</b>	<b>33.4</b>	<b>103,474</b>	<b>31.8</b>	<b>61,047</b>	<b>59.0</b>
<b>Other comprehensive income (expense) from continuing operations, net of tax</b>	<b>38</b>						
<b>Items that will not be reclassified subsequently to profit or loss, net of tax</b>							
Remeasurement of net defined benefit liability/(asset)		108		(393)		501	
Remeasurement of net defined benefit liability/(asset) - investments in equity-accounted associates		7		(46)		53	
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		17,547		(29,645)		47,192	
<b>Total items that will not be reclassified to profit or loss, net of tax</b>		<b>17,662</b>		<b>(30,084)</b>		<b>47,746</b>	
<b>Items that may be reclassified subsequently to profit or loss, net of tax</b>							
Foreign exchange differences on translation of foreign operations		256		4,325		(4,069)	
Foreign exchange differences on translation of foreign operations - investments in equity-accounted associates		1,509		(1,558)		3,067	
Fair value gain/(loss) on cash flow hedging derivatives		133		437		(304)	
Fair value gain/(loss) on cash flow hedging derivatives - investments in equity-accounted associates		(752)		913		(1,665)	
<b>Total items that may be reclassified subsequently to profit or loss, net of tax</b>		<b>1,146</b>		<b>4,117</b>		<b>(2,971)</b>	
Other comprehensive income for the year from discontinued operations, net of tax		4,703		(2,696)		7,399	
<b>Total other comprehensive income for the year</b>		<b>23,511</b>		<b>(28,663)</b>		<b>52,174</b>	
<b>Total comprehensive income for the year</b>		<b>188,032</b>	<b>38.2</b>	<b>74,811</b>	<b>23.0</b>	<b>113,221</b>	<b>n.s.</b>
Attributable to:							
Owners of the parent company		159,723		39,472		120,251	
Non-controlling interests		28,309		35,339		(7,030)	

## Consolidated statement of changes in equity

(in thousands of euro)	Attributable to owners of the parent company										Non-controlling interests	Total equity
	Share capital	Share premium	Reserves					Translation reserve	Retained earnings	Total share capital and reserves		
			FVTOCI fair value reserve	Fair value hedging reserve	Actuarial gains/losses on defined benefit plans	Other reserves	Treasury shares					
Balances at December 31, 2019	100,167	55,607	(262)	(106)	(607)	2,211	(12,154)	(4,426)	1,218,299	1,358,729	115,467	1,474,196
Profit/(loss) for the year									68,315	68,315	35,159	103,474
Total other comprehensive income from continuing operations			(29,645)	1,119	(370)			2,749		(26,147)	180	(25,967)
Total other comprehensive income from discontinued operations					25			(2,721)		(2,696)		(2,696)
<b>Total comprehensive income</b>			<b>(29,645)</b>	<b>1,119</b>	<b>(345)</b>			<b>28</b>	<b>68,315</b>	<b>39,472</b>	<b>35,339</b>	<b>74,811</b>
Dividends									(75,999)	(75,999)	(8,000)	(83,999)
Stock options exercised							5,534		(2,231)	3,303		3,303
Other			21,805	(2)	(186)	(477)		(1,200)	(15,081)	4,859	50,960	55,819
Balances at December 31, 2020	100,167	55,607	(8,102)	1,011	(1,138)	1,734	(6,620)	(5,598)	1,193,303	1,330,364	193,766	1,524,130

(in thousands of euro)	Attributable to owners of the parent company										Non-controlling interests	Total equity
	Share capital	Share premium	Reserves					Translation reserve	Retained earnings	Total share capital and reserves		
			FVTOCI fair value reserve	Fair value hedging reserve	Actuarial gains/losses on defined benefit plans	Other reserves	Treasury shares					
Balances at December 31, 2020	100,167	55,607	(8,102)	1,011	(1,138)	1,734	(6,620)	(5,598)	1,193,303	1,330,364	193,766	1,524,130
Profit/(loss) for the year									139,697	139,697	24,824	164,521
Total other comprehensive income from continuing operations			14,051	(619)	108			1,783		15,323	3,485	18,808
Total other comprehensive income from discontinued operations								4,703		4,703		4,703
<b>Total comprehensive income</b>			<b>14,051</b>	<b>(619)</b>	<b>108</b>			<b>6,486</b>	<b>139,697</b>	<b>159,723</b>	<b>28,309</b>	<b>188,032</b>
Dividends									(27,484)	(27,484)	(12,400)	(39,884)
Stock options exercised							1,454		(611)	843		843
Other			4,031		(74)	1,283		(778)	(8,306)	(3,844)	(31,419)	(35,263)
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

The change of 4.0 million euro, classified as "Other", refers to the reclassification of the gains realized in the divestment of the FVTOCI financial assets, from the FVTOCI reserve to retained earnings.

The reduction in non-controlling interests, included in "Others", is mainly due to the acquisition of the remaining 20% of Officina Profumo-Farmaceutica di Santa Maria Novella which took place during the year, offset by the non-controlling interest in ITM Bacco, subsidiary consolidated in the current year and the change in the consolidation percentage of Casa della Salute, which was reduced following the sale of part of the shares.

## Statement of cash flows

(in thousands of euro)	Notes	2021	2020
<b>A) Cash flows from operating activities</b>			
Profit/(loss) before tax		172,861	76,946
Adjustments for:			
Amortisation, depreciation and impairment		25,370	37,328
Reversal of share of profit/(loss) of equity-accounted associates		(23,064)	(15,015)
(Gain)/loss on non-current assets		(9,349)	(1,442)
Change in employee benefits and other provisions		(18,060)	1,421
Reversal of net finance costs and income		(6,224)	273
Inventories		(8,806)	(912)
Trade receivables		(66,627)	(3,402)
Trade payables		7,897	5,716
Other receivables/liabilities, accruals and deferrals		21,578	12,471
Net finance costs paid/received		519	54
Dividends received		5,307	2,561
Income tax paid		(29,398)	(19,598)
Other financial cash flows		(47)	(1,026)
Cash flow from operating activities relating to discontinued operations			(6,575)
	<b>Total A)</b>	<b>71,957</b>	<b>88,800</b>
<b>B) Cash flows from investing activities</b>			
Capital expenditure:			
Property, plant, equipment and investment property		(36,392)	(28,791)
Intangible assets		(6,247)	(684)
Financial assets (equity investments and funds) net of cash acquisitions (*)		(134,510)	(227,988)
Proceeds from disposal of net non-current assets		245,036	129,463
Change in financial assets		(85,180)	40,464
Change in current equity investments		4,627	2,896
Cash flow from investing activities relating to discontinued operations		(274)	
	<b>Total B)</b>	<b>(12,940)</b>	<b>(84,640)</b>
<b>C) Cash flows from financing activities</b>			
Change in financial payables		(9,217)	(46,896)
Increases in capital shares		752	
Dividends paid		(39,884)	(83,999)
Other changes		959	3,995
	<b>Total C)</b>	<b>(47,390)</b>	<b>(126,900)</b>
<b>D) Translation differences and other changes</b>			
Translation differences and other changes		2,872	65
Translation differences and other changes relating to discontinued operations		(2,159)	(2,371)
	<b>Total D)</b>	<b>713</b>	<b>(2,306)</b>
<b>E) Cash flows for the year (A+B+C+D)</b>		<b>12,340</b>	<b>(125,046)</b>
<b>F) Cash and cash equivalents at the beginning of the year</b>		<b>123,066</b>	<b>248,112</b>
<b>Cash and cash equivalents at the end of the year (E+F)</b>	13	<b>135,406</b>	<b>123,066</b>

The main changes of the cash flows from investing activities are discussed in the "Statement of cash flows" section of the notes.



# NOTES

The consolidated financial statements of Italmobiliare S.p.A. for the year ended December 31, 2021 were approved by the Board of Directors on March 8, 2022. During the meeting, the Directors authorised also the publication of a press release dated March 8, 2022, containing the financial statements' key information.

The financial statements have been presented on a going-concern basis. Despite the continuing pandemic emergency and the actual economic and financial situation, the Italmobiliare Group's management assessed that there are not significant uncertainties on its going concern, also thanks to its solid financial structure (net financial position of 354 million euro at December 31, 2021) and to the actions already taken to respond to the changes in demand of the portfolio companies (as detailed in the Directors' report) and to the economic results achieved in 2021.

## Core businesses

Italmobiliare S.p.A. is a legal entity established in accordance with the laws of the Republic of Italy. It has been 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, 2021 as endorsed by the European Union, and with the provisions issued in the 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 prepare financial statements in accordance with the IFRS. Consequently, the 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 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 (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Statement of Changes in Consolidated Equity, Consolidated Cash Flow Statement) from the financial year starting on 1 January 2021, which is why this financial report has been prepared using XHTML

and the consolidated financial statements have been marked up using XBRL. Furthermore, from the financial year starting on 1 January 2022, Issuers will also be required to mark up the information contained in the consolidated explanatory notes.

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, 2021 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, 2021**

The following accounting standards, amendments and IFRS interpretations were applied for the first time by the Group starting from January 1, 2021:

- On March 31, 2021 the IASB published an amendment called "Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)", with which it extends the period of application of the amendment issued in 2020 by one year. This amendment gave lessees the right to account for Covid-19 related rent reductions without having to analyse the contracts to assess whether there had been a lease modification as defined by IFRS 16. Lessees who applied this option in 2020 therefore recorded the effects of any rent reductions directly in the income statement at the effective date of the reduction. The 2021 amendment, available only to entities that have already adopted the 2020 amendment, is effective from April 1, 2021 and early adoption is allowed.
- On June 25, 2020 the IASB published the amendment called "Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)". The amendments allow insurance companies to extend the temporary exemption from application of IFRS 9 until January 1, 2023.
- On August 27, 2020, in light of the reform of interbank interest rates such as the IBOR, the IASB published its "Interest Rate Benchmark Reform— Phase 2", which contains amendments to the following standards:
  - IFRS 9 Financial Instruments;
  - IAS 39 Financial Instruments: Recognition and Measurement;
  - IFRS 7 Financial Instruments: Disclosures;
  - IFRS 4 Insurance Contracts;
  - IFRS 16 Lease.

The adoption of these standards and amendments did not have any effect on the Group's financial statements.

#### **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, 2021**

- On May 18, 2017, the IASB published *IFRS 17 - Insurance Contracts which is intended to replace IFRS 4 - Insurance Contracts*. 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 new standard measures an insurance contract based on a General Model, or a simplified version of it called the Premium Allocation Approach ("PAA").
- The entity shall apply the new standard to insurance contracts issued, including reinsurance contracts issued, to reinsurance contracts held and to investment contracts with a Discretionary Participation Feature (DPF). The standard comes into force from January 1, 2023 but earlier application is allowed, only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.

- On May 14, 2020, the IASB published the following amendments called:
  - Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing changes to the provisions of IFRS 3.
  - Amendments to IAS 16 Property, Plant and Equipment: the amendments are intended not to allow the amount received from the sale of goods produced during the test phase of a fixed asset to be deducted from its cost. Such revenues and the related costs are to be recorded in the income statement.
  - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all costs directly attributable to the contract must be considered when estimating whether a contract could make a loss. This means that when assessing whether a contract could make a loss, one has to include not only the incremental costs (e.g. the cost of direct materials used in processing), but also any other costs that the company cannot avoid as it has stipulated the contract (e.g. a share of the labour cost and depreciation of the machinery used to fulfil the contract).
  - Annual Improvements 2018-2020: amendments have been made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

All changes came into force on January 1, 2022.

The directors do not expect these amendments to have a significant effect on the Group's financial statements.

**Accounting standards, amendments and IFRS interpretations published at December 31, 2021, 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 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*". The document aims to clarify how to classify payables and other short or long term liabilities. The changes come into force from January 1, 2023; but early application is permitted.
- On February 12, 2021, the IASB published an amendment called "*Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2*". The amendments are aimed at improving disclosure on accounting policies 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 amendments will apply from January 1, 2023, but early application is permitted.
- On February 12, 2021, the IASB published an amendment called "*Definition of Accounting Estimates—Amendments to IAS 8*". The amendments are aimed at improving disclosure on accounting policies 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 amendments will apply from January 1, 2023, but early application is permitted.
- 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, must be accounted for. The amendments will apply from January 1, 2023, but early application is permitted.

- On December 9, 2021, the IASB published an amendment to IFRS 17 called “*Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information*”. The amendment is a transition option relating to comparative information on financial assets presented at the date of first-time application of IFRS 17. The amendment aims to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, i.e. to improve the usefulness of comparative information for readers of financial statements. The amendments will apply from January 1, 2023, together with the application of IFRS 17.
- On January 30, 2014, the IASB published the “*IFRS 14 - Regulatory Deferral Accounts*”, which allows 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.

The directors do not expect these standards and amendments to have a significant effect on the Group's financial statements.

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).

## 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, 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 gain and losses on investments in equity instruments measured at FVTOCI and derivatives designated as hedge accounting, translation differences and effects of the remeasurement of defined benefit plans, distinguishing between the components that may, or may not, be subsequently recycled to the income statement;
- the indirect method is used for the statement of cash flows.

## USE OF ESTIMATES

In preparing the consolidated financial statements, the following significant judgements were made when applying the Group's accounting standards.

Revaluation/fiscal realignments ("step-up") - Caffè Borbone decided in 2020 to realign the statutory and fiscal value of its intangible assets (in particular, brands, customer list and goodwill, respectively of 91,995, 77,488 and 153,839 thousand euro at 31 December 2020) pursuant to Article 110 eighth paragraph of Legislative Decree no. 104/2020. The aim was to make the amortisation on these items tax deductible against payment of a 3% substitute tax. With the publication of the 2022 Budget Law (which extends the tax deductibility of "stepped-up" brands and goodwill from 18 to 50 years), the Company revised the approach adopted the previous year, deciding to waive the realignment of goodwill, with a positive effect in the income statement deriving from reversal of the substitute tax recognized in 2020 on goodwill for 4,615 thousand euro.

The directors of Officina Profumo-Farmaceutica di Santa Maria Novella formally decided to make use of the "step-up provisions" to revalue for statutory and tax purposes the Officina Profumo-Farmaceutica di Santa Maria Novella trademark in the 2020 financial statements, drawn up in accordance with Italian accounting standards, pursuant to art. 110, paragraph 1, of Legislative Decree 104/2020. The company decided to maintain the tax effects of this revaluation despite the fact that the 2022 Budget Law retroactively modified the tax regime for the amortisation of the higher values attributed to its brands, providing for an increase in the minimum tax amortisation period from 18 years to 50 years. On the temporary difference generated by the difference between the statutory amortisation (20 years) and the tax amortisation (50 years), the Group has prudently not recognized the related deferred tax assets in the financial statements, given the long period of time envisaged for reabsorption of the realignment.

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 management control or coordination;
- 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.

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).

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 close of the year that present a significant risk of giving rise to significant 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.

As required by the guidelines and recommendations contained in the latest documents published by CONSOB, ESMA and the OIV, in light of the situation of uncertainty resulting from the pandemic and the consequent health emergency, the estimates made at 31 December 2021 were based on assumptions relating to the future, taking this aspect into account, using updated hypotheses that reflect the presumed future impacts of the pandemic, the potential effects of which will be subject to constant monitoring in terms of size and duration.

## Basis of consolidation

The consolidated financial statements are based on the financial statements for the year ended December 31, 2021 of the parent Italmobiliare S.p.A. and the consolidated companies, in compliance with the Group accounting policies.

## 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.

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.

## 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.

## TRANSACTIONS ELIMINATED DURING CONSOLIDATION

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.

Once property, plant and equipment and intangible assets have been classified as held for sale, they should no longer be depreciated or amortized.

In the income statement, profit (loss) relating to discontinued operations, together with fair value gains (losses) less costs to sell and gains or losses arising from the sale of the operation, are reflected in a single item separately from profit (loss) relating to continuing operations.

Cash flows relating to discontinued operations are not shown separately in the statement of cash flows, while disclosure is provided in the notes.

A similar disclosure is also presented for the comparative period.

## PURCHASE PRICE OF BUSINESS COMBINATIONS

Under IFRS 3 revised, 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.

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.

Negative differences are recognized immediately to the income statement.

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).

## BUSINESS COMBINATIONS ACHIEVED IN STAGES

When a business combination is achieved in stages, through a series of share purchases, for each transaction the fair value of the previously held interest is re-determined and any gain or loss is taken to the income statement.

## 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 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 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 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;
- The amount of guarantees for the residual value that the lessee expects to pay;
- The exercise price of the purchase option, which should only be included if it is deemed reasonably certain that the option will be exercised;
- Penalties for early termination of the contract, if the lease term provides an option to cancel the lease and it is reasonably certain that it will be exercised.

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 Group restates the value of Lease Liability (and adjusts the value of the corresponding Right of Use) if:

- The duration of the lease changes or there is a reassessment of whether the option right will be exercised; in this case, the Lease Liability is recalculated by discounting the new lease payments at the revised discount rate.
- The value of lease payments changes as a result of changes in the indices or rates, in such cases the Lease Liability is recalculated by discounting the new lease payments at the initial discount rate (unless payments due under the lease contract change following a fluctuation in interest rates, in which case a revised discount rate must be used).

- A lease contract has been modified and the change is not one of the situations leading to separate recognition of the lease contract. In such cases, the Lease Liability is recalculated by discounting the new lease payments at the revised interest rate.

The Group did not find any of such changes during the period.

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 trademarks 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.

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.

## 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 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 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. The net financial position is therefore made up of all financial assets and liabilities, with the exception of equity instruments valued at FVTOCI/FVTPL 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.

## **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.

## **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 (TFR)**

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 former severance indemnities (now known as post-employment benefits) at December 31, 2021 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 projection 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.

### **Curtailement 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.

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 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, 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 and Capitelli;

- for online sales by Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella and Callmewine, on delivery to the distributor or shipper;
- for Casa della Salute on delivery of services;
- for Italgem, 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, 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").

### **Rental income**

Rental income is recognized as other revenue, as received, at constant amounts over the rental period.

### **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 profit or loss.

### **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 hedging instrument that is determined to be an effective hedge is recognized under comprehensive income (expense), while the non-effective component is recognized in the income statement.

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, associates and joint ventures 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	
	2021	2020	December 31, 2021	December 31, 2020
Czech koruna	25.63776	26.45593	24.85800	26.24200
Serbian dinar	117.54925	117.61515	117.61650	117.40970
Moroccan dirham	10.62523	10.82339	10.48300	10.91900
US dollar	1.18241	1.14218	1.13260	1.22710
Hungarian florin	358.58256	351.25241	369.19000	363.89000
Swiss franc	1.08089	1.07052	1.03310	1.08020
Ukrainian hryvnia	32.24958	30.84948	30.92190	34.76890
Croatian kuna	7.52847	7.53842	7.51560	7.55190
Moldavian leu	20.88578	19.71093	20.11950	21.06930
Bulgarian lev	1.95583	1.95583	1.95583	1.95583
Egyptian pound	18.56268	18.06501	17.80120	19.31680
Bosnian mark	1.95580	1.95580	1.95580	1.95580
New Turkish lira	10.53207	8.05414	15.23350	9.11310
New Romanian leu	4.92156	4.83828	4.94900	4.86830
Pound sterling	0.85952	0.88970	0.84028	0.89903
Polish zloty	4.56548	4.44318	4.59690	4.55970

The exchange rates used to translate the financial statements of foreign operations are those published by the Bank of Italy.

## Impact of Covid

The persistence of the health emergency caused by the pandemic was also the main characteristic of 2021, albeit in the context of a more favourable global macroeconomic framework. Moreover, despite the important progress made in terms of reopening economic activities thanks to the vaccination campaign, the persistence of unknowns regarding the progress of the pandemic at an international level is still contributing to the high level of global uncertainty that characterises the first few months of 2022.

Italmobiliare continued to implement all safety and control measures in favour of employees on a timely basis, both at the Holding Company and at the Portfolio Companies, so as to limit possible

occasions for contagion and to ensure continuity of production and commercial activities. As regards the Portfolio Companies, initiatives for the development of alternative commercial channels (e-commerce) have continued in order to cope with the restrictions affecting traditional distribution channels, forms of flexibility of production cycles to limit possible inventory imbalances and a careful rescheduling of investment flows.

For further information on the pandemic's impact on economic performance, future plans and other details, please refer to the specific paragraphs of the individual portfolio companies in the Directors' report. In terms of grants received, Italmobiliare has not received any subsidies for 2021.

Lastly, it should be noted that the Group has not suffered significant impacts on liquidity due to the persistence of the health emergency; in fact, it can count on a decidedly positive cash position that should leave ample room for manoeuvre, avoiding any liquidity tension. Please refer to the part of the notes relating to the net financial position for further information.

## Changes in the consolidation area

The main changes with respect to December 31, 2020 are as follows:

- sale of the operating stakes of the Sirap Group, Inline Poland, Faerch Italia and Sirap Iberica to the Faerch group, the sale of the stakes in the Petruzalek group and Sirap GmbH to the Zeus group, the sale of Sirap France to the Happy group and the sale of Sirap UK to PFF with consequent presentation of the "Profit/(loss) from discontinued operations, net of tax" of the 2021 results together with the capital gain from the sale (simultaneously restating the results of the Sirap Group for 2020). The results of Sirap Gema have also been presented in the "Profit/(loss) from discontinued operations, net of tax", since it is management's intention that its role as the holding company of the Sirap group will come to an end when all outstanding receivables have been collected;
- sale of the investment in San Carlo S.p.A. by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.;
- consolidation with the equity method of the Farmagorà group (Italy), operating in the pharmacy sector, held 29.81% by Italmobiliare S.p.A.;
- consolidation with the line-by-line method of Idroenergy and Idrodezzo (Italy), operating in the hydroelectric sector, held 100% by Italgen S.p.A.;
- consolidation with the line-by-line method of Farmacia Limited (Great Britain), acquired in the current year and held 100% by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.;
- establishment of Solar Roof S.r.l. by Italgen S.p.A.;
- establishment of ITM Bacco S.r.l. by Italmobiliare S.p.A., preliminary to buying the stake in Botter;
- establishment of Gres Hub S.r.l. by Italmobiliare Servizi S.r.l.;
- change in the percentage of consolidation at equity of Florence InvestCo S.r.l. and its subsidiaries (Italy) to 18.08% following the purchase/subSCRIPTION of capital;
- line-by-line consolidation of 100% of the Officina Profumo-Farmaceutica di Santa Maria Novella Group (with companies in Italy, United States and Great Britain) following the purchase of the remaining 20% by Italmobiliare;

- reverse merger of Bea S.p.A. with Casa della Salute S.p.A. and subsequent sale of 7.5% to Boots with consequent reduction of its shareholding to 84.63%;

The following tables show the impact of the restatement according to IFRS 5 of the 2020 income statement of the Sirap group, following its presentation as a discontinued operation.

For details of the "Profit/(loss) from discontinued operations, net of tax", please refer to note 37.

### Income statement

(in thousands of euro)	2020 restated	2020 published	Change
<b>Revenue and income</b>	<b>324,938</b>	<b>575,520</b>	<b>(250,582)</b>
Other revenue and income	6,291	15,152	(8,861)
Changes in inventories	(182)	1,313	(1,495)
Internally produced and capitalised assets	144	112	32
Raw materials and supplies	(109,903)	(243,087)	133,184
Services	(54,178)	(95,701)	41,523
Personnel expenses	(52,968)	(111,555)	58,587
Other operating income (expense)	(32,862)	(35,764)	2,902
<b>Gross operating profit (EBITDA)</b>	<b>81,280</b>	<b>105,990</b>	<b>(24,710)</b>
Amortisation and depreciation	(16,770)	(30,169)	13,399
Impairment losses on non-current assets	(6,056)	(6,381)	325
<b>Operating profit (EBIT)</b>	<b>58,454</b>	<b>69,440</b>	<b>(10,986)</b>
Finance income	460	482	(22)
Finance costs	(2,834)	(5,787)	2,953
Exchange-rate difference and net gain (loss) on derivatives	(831)	(1,455)	624
Impairment of financial assets	(749)	(749)	
Share of profit/(loss) of equity-accounted associates	15,015	15,015	
<b>Profit/(loss) before tax</b>	<b>69,515</b>	<b>76,946</b>	<b>(7,431)</b>
Income tax	28,803	26,528	2,275
<b>Profit/(loss) from continuing operations</b>	<b>98,318</b>	<b>103,474</b>	<b>(5,156)</b>
Profit/(loss) from discontinued operations, net of tax	5,156		5,156
<b>Profit/(loss) for the year</b>	<b>103,474</b>	<b>103,474</b>	
Attributable to:			
Owners of the parent company	68,315	68,315	
Non-controlling interests	35,159	35,159	

## Statement of comprehensive income

(in thousands of euro)	2020 restated	2020 published	Change
<b>Profit/(loss) for the year</b>	<b>103,474</b>	<b>103,474</b>	
<b>Other comprehensive income (expense) from continuing operations, net of tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss, net of tax</b>			
Remeasurement of net defined benefit liability/(asset)	(393)	(368)	(25)
Remeasurement of net defined benefit liability/(asset) - investments in equity-accounted associates	(46)	(46)	
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI	(29,645)	(29,645)	
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI - investments in equity-accounted associates			
<b>Total items that will not be reclassified to profit or loss, net of tax</b>	<b>(30,084)</b>	<b>(30,059)</b>	<b>(25)</b>
<b>Items that may be reclassified subsequently to profit or loss, net of tax</b>			
Foreign exchange differences on translation of foreign operations	4,325	1,604	2,721
Foreign exchange differences on translation of foreign operations - investments in equity-accounted associates	(1,558)	(1,558)	
Fair value gain/(loss) on cash flow hedging derivatives	437	437	
Fair value gain/(loss) on cash flow hedging derivatives - investments in equity-accounted associates	913	913	
<b>Total items that may be reclassified subsequently to profit or loss, net of tax</b>	<b>4,117</b>	<b>1,396</b>	<b>2,721</b>
Total other comprehensive income for the year from discontinued operations, net of tax	(2,696)		(2,696)
<b>Total other comprehensive income for the year</b>	<b>(28,663)</b>	<b>(28,663)</b>	
<b>Total comprehensive income for the year</b>	<b>74,811</b>	<b>74,811</b>	
Attributable to:			
Owners of the parent company	39,472	39,472	
Non-controlling interests	35,339	35,339	

**Statement of financial position of the Sirap Group at 31 December 2020 and 2021**

The following is the statement of financial position of the Sirap Group at 31 December 2020 and 2021. It has been included in the consolidated financial statements of the Italmobiliare Group and it is reported here to help understand the changes generated by the sale of the Sirap group's operating companies.

(in thousands of euro)	31.12.2021	31.12.2020	Change
<b>Non-current assets</b>			
Property, plant and equipment	45	32,808	(32,763)
Investment property			
Goodwill		1,588	(1,588)
Intangible assets		560	(560)
Investments in equity-accounted associates			
Other equity investments			
Trade receivables and other non-current assets	1,774	15,278	(13,504)
Deferred tax assets	345	2,388	(2,043)
Non-current receivables from employees		612	(612)
<b>Total non-current assets</b>	<b>2,164</b>	<b>53,234</b>	<b>(51,070)</b>
<b>Current assets</b>			
Inventories	18	20,578	(20,560)
Trade receivables	44	18,306	(18,262)
Other current assets including derivative financial instruments	966	1,785	(819)
Tax assets	22	204	(182)
Equity investments, bonds and current financial receivables	71,873	2	71,871
Cash and cash equivalents	11,159	5,483	5,676
<b>Total current assets</b>	<b>84,082</b>	<b>46,358</b>	<b>37,724</b>
<b>Assets classified as held for sale</b>		<b>127,169</b>	<b>(127,169)</b>
<b>Total assets</b>	<b>86,246</b>	<b>226,761</b>	<b>(140,515)</b>
<b>Equity</b>			
Share capital	15,000	15,000	
Share premium account	799	799	
Reserves	70	115	(45)
Treasury shares			
Retained earnings	67,678	19,896	47,782
<b>Equity attributable to owners of the parent company</b>	<b>83,547</b>	<b>35,810</b>	<b>47,737</b>
Non-controlling interests		76	(76)
<b>Total equity</b>	<b>83,547</b>	<b>35,886</b>	<b>47,661</b>
<b>Non-current liabilities</b>			
Financial liabilities	18	7,806	(7,788)
Employee benefits	93	3,452	(3,359)
Provisions		38,088	(38,088)
Non-current tax liabilities			
Other non-current payables and liabilities			
Deferred tax liabilities		608	(608)
<b>Total non-current liabilities</b>	<b>111</b>	<b>49,954</b>	<b>(49,843)</b>
<b>Current liabilities</b>			
Financial liabilities	81	57,473	(57,392)
Trade payables	778	11,686	(10,908)
Provisions	8	8	
Tax liabilities		228	(228)
Other liabilities	1,721	11,506	(9,785)
<b>Total current liabilities</b>	<b>2,588</b>	<b>80,901</b>	<b>(78,313)</b>
<b>Total liabilities</b>	<b>2,699</b>	<b>130,855</b>	<b>(128,156)</b>
<b>Liabilities directly associated with assets classified as held for sale</b>		<b>60,020</b>	<b>(60,020)</b>
<b>Total equity and liabilities</b>	<b>86,246</b>	<b>226,761</b>	<b>(140,515)</b>



## Statement of cash flows 2021

The following tables show the impact on the financial statement of the cash flows of the Sirap group, included in the discontinued operations at 31 December, 2021.

(in thousands of euro)	Italmobiliare Group 2021	Discontinued operations	Continuing operations
<b>A) Cash flows from operating activities</b>			
Profit/(loss) before tax	172,861		172,861
Adjustments for:			
Amortization and depreciation	25,370		25,370
Reversal of share of profit/(loss) of equity-accounted associates	(23,064)		(23,064)
(Gain)/loss on non-current and financial assets	(9,349)		(9,349)
Change in employee benefits and other provisions	(18,060)	(22,602)	4,542
Reversal of net finance costs and income	(6,224)	421	(6,645)
Inventories	(8,806)	(2,536)	(6,270)
Trade receivables	(66,627)	434	(67,061)
Trade payables	7,897	582	7,315
Other receivables/liabilities, accruals and deferrals	21,578	2,095	19,483
Net finance costs paid/received	519	(69)	588
Dividends received	5,307		5,307
Income tax paid	(29,398)	(462)	(28,936)
Other financial cash flows	(47)		(47)
<b>Total A)</b>	<b>71,957</b>	<b>(22,137)</b>	<b>94,094</b>
<b>B) Cash flows from investing activities:</b>			
Capital expenditure:			
Property, plant, equipment and investment property	(36,392)	(2,509)	(33,883)
Intangible assets	(6,247)	(3)	(6,244)
Financial assets (equity investments and funds) net of cash acquisitions	(134,510)		(134,510)
Proceeds from disposal of net non-current assets	245,036	147,254	97,782
Change in financial assets	(85,180)	(66,597)	(18,583)
Change in current equity investments	4,627		4,627
Cash flows from investing activities relating to discontinued operations	(274)		(274)
<b>Total B)</b>	<b>(12,940)</b>	<b>78,145</b>	<b>(91,085)</b>
<b>C) Cash flows from financing activities:</b>			
Change in financial payables	(9,217)	(47,473)	38,256
Increases in capital shares	752		752
Dividends paid	(39,884)		(39,884)
Other changes	959		959
<b>Total C)</b>	<b>(47,390)</b>	<b>(47,473)</b>	<b>83</b>
<b>D) Translation differences and other changes</b>			
Translation differences and other changes	2,872		2,872
Translation differences and other changes relating to discontinued operations	(2,159)	(2,859)	700
<b>Total D)</b>	<b>713</b>	<b>(2,859)</b>	<b>3,572</b>
<b>E) Cash flows for the year (A+B+C+D)</b>	<b>12,340</b>	<b>5,676</b>	<b>6,664</b>
<b>F) Cash and cash equivalents at the beginning of the year</b>	<b>123,066</b>	<b>5,483</b>	<b>248,112</b>
<b>Cash and cash equivalents at the end of the year(E+F)</b>	<b>135,406</b>	<b>11,159</b>	<b>254,776</b>

The amount of the "Proceeds from disposal of net non-current assets" of 147.3 million euro is made up as follows: proceeds from the sale of the operating subsidiaries received by December 31, 2021 (151,928 thousand euro), net of the cash and cash equivalents present in the subsidiaries on their date of sale (4,950 thousand euro).

The "change in financial assets" mainly refers to the investments made by Sirap Gema S.p.A. in the Vontobel fund during the year, 70,473 thousand euro (deriving from the above disposals).

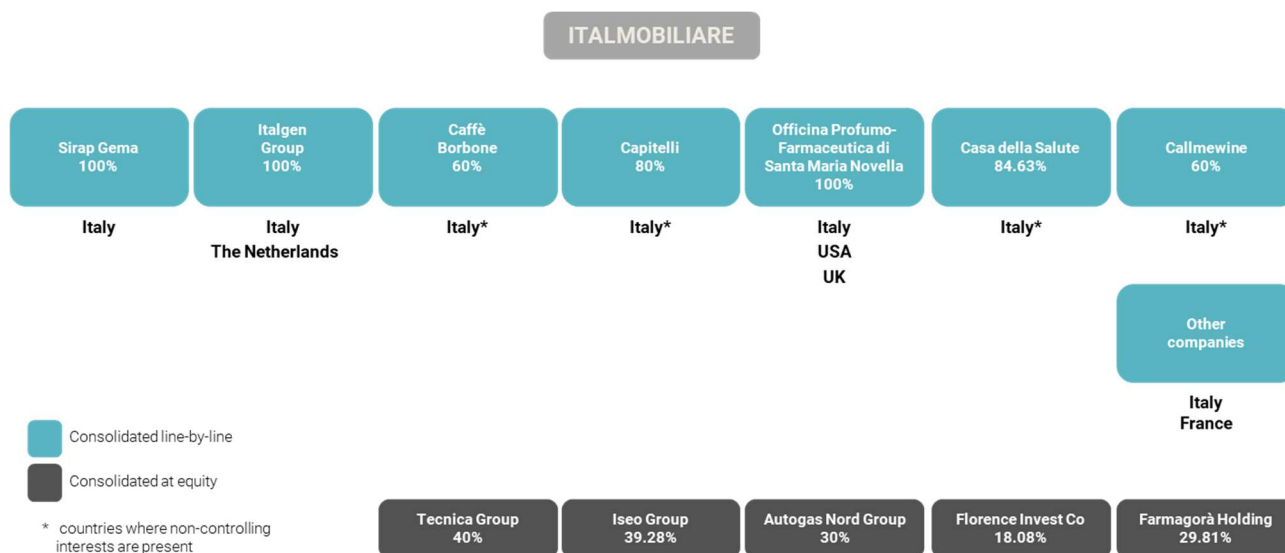
The "Cash generated by operating activities" includes payment of the residual portion of 22,600 thousand euro for the European Commission's dispute with Sirap Gema, of which 15,000 thousand euro had already been paid, recognized at 31 December 2020 under "Trade receivables and other non-current receivables".

## Statement of cash flows 2020

(in thousands of euro)	Italmobiliare Group 2020	Discontinued operations	Continuing operations
<b>A) Cash flows from operating activities</b>			
Profit/(loss) before tax	76,946	6,738	70,208
Adjustments for:			
Amortization and depreciation	37,328	13,727	23,601
Reversal of share of profit/(loss) of equity-accounted associates	(15,015)		(15,015)
(Gain)/loss on non-current and financial assets	(1,442)	(16)	(1,426)
Change in employee benefits and other provisions	1,421	839	582
Reversal of net finance costs and income	273	3,589	(3,316)
Inventories	(912)	5,615	(6,527)
Trade receivables	(3,402)	3,858	(7,260)
Trade payables	5,716	(1,801)	7,517
Other receivables/liabilities, accruals and deferrals	12,471	(1,069)	13,540
Net finance costs paid/received	54	(2,056)	2,110
Dividends received	2,561		2,561
Income tax paid	(19,598)	(1,969)	(17,629)
Other financial cash flows	(1,026)		(1,026)
Cash flow from operating activities relating to discontinued operations	(6,575)		(6,575)
<b>Total A)</b>	<b>88,800</b>	<b>27,455</b>	<b>61,345</b>
<b>B) Cash flows from investing activities</b>			
Capital expenditure:			
Property, plant, equipment and investment property	(28,791)	(14,018)	(14,773)
Intangible assets	(684)	(394)	(290)
Financial assets (equity investments and funds) net of cash acquisitions (*)	(227,988)		(227,988)
Proceeds from disposal of net non-current assets	129,463	784	128,679
Change in financial assets	40,464	2,038	38,426
Change in current equity investments	2,896		2,896
<b>Total B)</b>	<b>(84,640)</b>	<b>(11,590)</b>	<b>(73,050)</b>
<b>C) Cash flows from financing activities</b>			
Change in financial payables	(46,896)	(15,540)	(31,356)
Dividends paid	(83,999)		(83,999)
Other changes	3,995		3,995
<b>Total C)</b>	<b>(126,900)</b>	<b>(15,540)</b>	<b>(111,360)</b>
<b>D) Translation differences and other changes</b>			
Translation differences and other changes	65	300	(235)
Translation differences and other changes relating to discontinued operations	(2,371)	(2,395)	24
<b>Total D)</b>	<b>(2,306)</b>	<b>(2,095)</b>	<b>(211)</b>
<b>E) Cash flows for the year (A+B+C+D)</b>	<b>(125,046)</b>	<b>(1,770)</b>	<b>(123,276)</b>
<b>F) Cash and cash equivalents at the beginning of the year</b>	<b>248,112</b>	<b>7,253</b>	<b>248,112</b>
<b>Cash and cash equivalents at the end of the year (E+F)</b>	<b>123,066</b>	<b>5,483</b>	<b>124,836</b>

## 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.

At December 31, 2021, the majority of the non-controlling interests refer to the 40% of Caffè Borbone whose financial data are set out below:

### Caffè Borbone

(in thousands of euro)	2021	2020
Revenue	252,891	219,261
Profit/(loss) for the year	63,471	90,546
Profit attributable to non-controlling interests of the Italmobiliare Group	25,388	36,218
Total comprehensive income	63,514	90,980
<b>Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group</b>	<b>25,406</b>	<b>36,392</b>
Non-current assets	360,091	353,354
Current assets	71,705	74,087
Non-current liabilities	(5,276)	(40,908)
Current liabilities	(46,730)	(40,258)
Net assets	379,790	346,275
<b>Net assets attributable to non-controlling interests of the Italmobiliare Group</b>	<b>151,916</b>	<b>138,510</b>
Dividends paid	30,000	20,000
<b>Dividends paid to non-controlling interests of the Italmobiliare Group</b>	<b>12,000</b>	<b>8,000</b>

The following are the figures at December 31, 2021 of Capitelli F.Ili S.r.l. with a 20% non-controlling interests:

#### Capitelli

<b>(in thousands of euro)</b>	<b>2021</b>	<b>2020</b>
Revenue	17,499	14,797
Profit/(loss) for the year	3,122	2,179
Profit attributable to non-controlling interests of the Italmobiliare Group	624	436
Total comprehensive income	3,126	2,164
<b>Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group</b>	<b>625</b>	<b>433</b>
Non-current assets	21,194	18,713
Current assets	6,192	6,763
Non-current liabilities	(3,038)	(3,015)
Current liabilities	(3,465)	(2,704)
Net assets	20,883	19,757
<b>Net assets attributable to non-controlling interests of the Italmobiliare Group</b>	<b>4,177</b>	<b>3,951</b>
Dividends paid	2,000	
<b>Dividends paid to non-controlling interests of the Italmobiliare Group</b>	<b>400</b>	

The following are the balance sheet figures at December 31, 2021 of the Casa della Salute group with a 15.37% non-controlling interests:

#### Casa della Salute

<b>(in thousands of euro)</b>	<b>2021</b>	<b>2020</b>
Revenue	25,802	
Profit/(loss) for the year	(775)	
Profit attributable to non-controlling interests of the Italmobiliare Group	(119)	
Total comprehensive income	(823)	
<b>Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group</b>	<b>(127)</b>	
Non-current assets	49,863	21,648
Current assets	6,430	2,459
Non-current liabilities	(34,336)	(16,638)
Current liabilities	(14,020)	(6,683)
Non-controlling interests	(118)	(51)
Net assets	7,819	735
<b>Net assets attributable to non-controlling interests of the Italmobiliare Group</b>	<b>1,202</b>	<b>55</b>
Dividends paid		
<b>Dividends paid to non-controlling interests of the Italmobiliare Group</b>		

The following are the balance sheet figures at December 31, 2021 of the sub-consolidated figures of FT3, the vehicle used by the Italmobiliare Group for the acquisition, including Callmewine, with a 40% non-controlling interests:

<b>Consolidated FT3 and Callmewine</b>		
<b>(in thousands of euro)</b>	<b>2021</b>	<b>2020</b>
Revenue	17,215	
Profit/(loss) for the year	(820)	
Profit attributable to non-controlling interests of the Italmobiliare Group	(328)	
Total comprehensive income	(831)	
<b>Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group</b>	<b>(332)</b>	
Non-current assets	18,400	17,384
Current assets	6,871	7,296
Non-current liabilities	(1,408)	(295)
Current liabilities	(2,749)	(2,292)
Net assets	21,114	22,093
<b>Net assets attributable to non-controlling interests of the Italmobiliare Group</b>	<b>8,446</b>	<b>8,837</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 Officina Profumo-Farmaceutica di Santa Maria Novella group, equal to 159,309 euro (162,765 euro, gross of acquisition costs for 3,456 thousand euro), is summarised below:

<b>(in thousands of euro)</b>	<b>100% statutory amount of companies acquired</b>	<b>Fair Value adjustment</b>	<b>Fair Value</b>
Net property, plant & equipment and other non-current assets	31,518		31,518
Intangible assets	407	123,968	124,375
Trade receivables and other current assets	18,901	(1,900)	17,001
Cash and cash equivalents	15,142		15,142
Trade payables and other current liabilities	(2,844)		(2,844)
Provision for risks and charges and deferred tax liabilities	(22)	(3,718)	(3,740)
Employee benefits	(1,672)		(1,672)
Financial payables and other financial liabilities (current and non-current)	(11,679)		(11,679)
<b>Fair value of net assets acquired (A)</b>	<b>49,751</b>	<b>118,350</b>	<b>168,101</b>
Goodwill (B)	150,249	(118,350)	31,899
Acquisition costs (C)	3,456		3,456
Non-controlling interests at fair value (D)	(40,691)		(40,691)
<b>Total consideration A + B + C + D</b>	<b>162,765</b>		<b>162,765</b>
<b>(in thousands of euro)</b>			
Cash consideration			162,765
Cash and cash equivalents acquired			(15,142)
<b>Net cash outflow arising on acquisition</b>			<b>147,623</b>

The non-controlling interest was measured using the full goodwill method and was then purchased during the course of 2021 for 40 million euro.

The final purchase price allocation (PPA) of the Casa della Salute group 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	20,029		20,029
Intangible assets	1,619	4,100	5,719
Trade receivables and other current assets	1,823		1,823
Cash and cash equivalents	636		636
Trade payables and other current liabilities	(5,288)		(5,288)
Provision for risks and charges and deferred tax liabilities		(123)	(123)
Payables and other non-current liabilities	(490)		(490)
Employee benefits	(418)		(418)
Financial payables and other financial liabilities (current and non-current)	(17,125)		(17,125)
<b>Fair value of net assets acquired (A)</b>	<b>786</b>	<b>3,977</b>	<b>4,763</b>
Goodwill (B)	25,080	(3,977)	21,103
Acquisition costs (C)	226		226
Non-controlling interests at fair value (D)	(1,987)		(1,987)
<b>Total consideration A + B + C + D</b>	<b>24,105</b>		<b>24,105</b>

(in thousands of euro)	
Cash consideration	24,105
Cash and cash equivalents acquired	(636)
<b>Net cash outflow arising on acquisition</b>	<b>23,469</b>

The non-controlling interest is measured at fair value using the full goodwill method.

The final purchase price allocation (PPA) of Callmewine 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	107		107
Intangible assets		3,810	3,810
Trade receivables and other current assets	2,104		2,104
Cash and cash equivalents	5,039		5,039
Trade payables and other current liabilities	(2,095)		(2,095)
Provision for risks and charges and deferred tax liabilities		(1,063)	(1,063)
Employee benefits	(65)		(65)
Financial payables and other financial liabilities (current and non-current)	(409)		(409)
<b>Fair value of net assets acquired (A)</b>	<b>4,681</b>	<b>2,747</b>	<b>7,428</b>
Goodwill (B)	17,129	(2,747)	14,382
Acquisition costs (C)	89		89
Non-controlling interests at fair value (D)	(8,724)		(8,724)
<b>Total consideration A + B + C + D</b>	<b>13,175</b>		<b>13,175</b>

(in thousands of euro)	
Cash consideration	13,175
Cash and cash equivalents acquired	(5,039)
<b>Net cash outflow arising on acquisition</b>	<b>8,136</b>

The non-controlling interest is measured at fair value using the full goodwill method.

The final purchase price allocation (PPA) of Clessidra Factoring is detailed below:

<b>(in thousands of euro)</b>	<b>Statutory book value acquired</b>
Net property, plant & equipment and other non-current assets	494
Intangible assets	20
Trade receivables and other current assets	11,713
Cash and cash equivalents	759
Trade payables and other current liabilities	(1,000)
Employee benefits	(1)
Financial payables and other financial liabilities (current and non-current)	(4,216)
<b>Statutory book value of net assets acquired</b>	<b>7,769</b>
Goodwill	5,231
Acquisition costs	150
<b>Total consideration</b>	<b>13,150</b>
<b>(in thousands of euro)</b>	
Cash consideration	13,150
Cash and cash equivalents acquired	(760)
<b>Net cash outflow arising on acquisition</b>	<b>12,390</b>

In 2021, Caffè Borbone incorporated part of the activities of MFS Web as a result of the spin-off (details of which can be found in the Directors' report, with an estimated fair value of 5.5 million euro). Furthermore, the Group obtained control over Idroenergy and Idrodezzo (for 9,491 thousand euro), and Farmacia Limited (for 1,960 thousand euro), deemed immaterial business combinations for the Group's consolidated financial statements.

## 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, Sirap, Italgen, Capitelli, Officina Profumo-Farmaceutica di Santa Maria Novella, Casa della Salute, Callmewine, Tecnica group, Iseo Serrature, Autogas and "Other companies", including Clessidra Holding, Clessidra Private Equity, Clessidra Capital Credit, Clessidra Factoring, Crédit Mobilier de Monaco and Italmobiliare Servizi, which make up 98% of that segment's revenue). The comparative figures for 2020 have been restated for consistency with those of the year under review.

The Group management and organizational 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 2021:

(in thousands of euro)	Revenue and income	Intercompany 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	110,795	(28,093)	82,702	76,203	75,403					
Caffè Borbone	252,891	(4)	252,887	83,124	72,865					
Officina Profumo-Farmaceutica di Santa Maria Novella	29,959	(54)	29,905	8,215	4,590					
Italgen	45,319		45,319	22,956	17,900			343		
Casa della Salute	25,802		25,802	2,458	(214)					
Capitelli	17,499	(2)	17,497	3,921	2,969					
Callmewine	17,216	(3)	17,213	(791)	(1,072)					
Tecnica Group								12,744		
Autogas Nord - AGN Energia								5,577		
Iseo								4,622		
Other companies	23,787	(2,824)	20,963	1,676	(438)			6,290		
Unallocated items and adjustments	(30,980)	30,980		(27,238)	(26,828)	(1,890)			172,861	(48,777)
<b>Total</b>	<b>492,288</b>		<b>492,288</b>	<b>170,524</b>	<b>145,175</b>	<b>(1,890)</b>		<b>29,576</b>	<b>172,861</b>	<b>(48,777)</b>

The table below sets out revenue and income and the results by segment for 2020:

(in thousands of euro)	Revenue and income	Intercompany 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	67,921	(29,046)	38,875	8,346	7,659					
Caffè Borbone	219,261	(4)	219,257	75,194	66,003					
Officina Profumo-Farmaceutica di Santa Maria Novella	6,399	(21)	6,378	(1,204)	(2,524)					
Italgen	30,218		30,218	23,594	13,527			362		
Casa della Salute										
Capitelli	14,797	(1)	14,796	3,785	2,997					
Callmewine										
Tecnica Group								4,009		
Autogas Nord - AGN Energia								2,819		
Iseo								671		
Other companies	17,767	(2,353)	15,414	(531)	(1,748)		(749)	7,154		
Unallocated items and adjustments	(31,425)	31,425		(27,904)	(27,460)	(3,205)			69,515	28,803
<b>Total</b>	<b>324,938</b>		<b>324,938</b>	<b>81,280</b>	<b>58,454</b>	<b>(3,205)</b>	<b>(749)</b>	<b>15,015</b>	<b>69,515</b>	<b>28,803</b>



The table below sets out other segment figures at December 31, 2021:

(in thousands of euro)	December 31, 2021		December 31, 2021			
	Total assets	Total liabilities	Capital expenditure	Non-current financial investments	Amortization and depreciation	Impairment losses of non-current assets
Italmobiliare	1,416,209	95,397	515	67,870	(800)	
Caffè Borbone	431,796	52,006	11,726			
Officina Profumo-Farmaceutica di Santa Maria Novella	225,452	27,812		42,040		
Sirap	86,251	2,689	2,037			
Italgen	91,530	54,189	5,729	9,491		
Casa della Salute	56,293	48,356				
Capitelli	27,386	6,503	1,159			
Callmewine	25,271	4,157		85		
Tecnica Group	59,435					
Autogas Nord - AGN Energia	65,735					
Iseo	47,898					
Other companies	198,902	90,746	5,898	19,290		(350)
Inter-segment eliminations	(735,047)	(22,546)	(295)			
<b>Total</b>	<b>1,997,111</b>	<b>359,309</b>	<b>26,769</b>	<b>138,776</b>	<b>(800)</b>	<b>(350)</b>
From assets classified as held for sale	56					
<b>Total</b>	<b>1,997,167</b>	<b>359,309</b>	<b>26,769</b>	<b>138,776</b>	<b>(800)</b>	<b>(350)</b>

The table below sets out other segment figures at December 31, 2020:

(in thousands of euro)	December 31, 2020		December 31, 2020			
	Total assets	Total liabilities	Capital expenditure	Non-current financial investments	Amortization and depreciation	Impairment losses of non-current assets
Italmobiliare	1,339,569	59,227	1,626	60,418	(687)	
Caffè Borbone	427,441	81,166	13,594	6	(9,190)	
Officina Profumo-Farmaceutica di Santa Maria Novella	222,451	22,104		162,873	(1,320)	
Sirap	99,592	130,855	14,412			
Italgen	61,647	32,005	4,568		(4,011)	(6,056)
Casa della Salute	24,108	23,321	978			
Capitelli	25,477	5,720			(788)	
Callmewine	24,680	2,586		13,175		
Tecnica Group	48,816					
Autogas Nord - AGN Energia	62,081					
Iseo	45,700					
Other companies	99,227	30,555	549	13,150	(1,217)	
Inter-segment eliminations	(667,291)	(26,742)	(262)		443	
<b>Total</b>	<b>1,813,498</b>	<b>360,797</b>	<b>35,465</b>	<b>249,622</b>	<b>(16,770)</b>	<b>(6,056)</b>
From assets classified as held for sale	131,531	60,102				
<b>Total</b>	<b>1,945,029</b>	<b>420,899</b>	<b>35,465</b>	<b>249,622</b>	<b>(16,770)</b>	<b>(6,056)</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	106,656	207,500	41,307	355,463
Accumulated depreciation	(30,028)	(138,076)	(27,502)	(195,606)
<b>Carrying amount at December 31, 2020</b>	<b>76,628</b>	<b>69,424</b>	<b>13,805</b>	<b>159,857</b>
Investments	3,899	14,889	16,088	34,876
Right-of-use assets pursuant IFRS 16	18,930	619	700	20,249
Change in the consolidation area, reclassifications, other	(8,624)	1,411	(2,939)	(10,152)
Decreases	(3,419)	(1,169)	(254)	(4,842)
Depreciation	(5,334)	(9,487)	(1,408)	(16,229)
Impairment losses	(964)			(964)
Translation differences	320	136	35	491
<b>Carrying amount at December 31, 2021</b>	<b>81,436</b>	<b>75,823</b>	<b>26,027</b>	<b>183,286</b>
Gross amount	105,044	177,337	51,605	333,986
Accumulated depreciation	(23,608)	(101,514)	(25,578)	(150,700)
<b>Carrying amount at December 31, 2021</b>	<b>81,436</b>	<b>75,823</b>	<b>26,027</b>	<b>183,286</b>

The changes in the consolidation area are mainly related to the exit of the operating companies of the Sirap group.

The net carrying amount of the right-of-use assets amounts to 50,118 thousand euro at December 31, 2021 (39,693 thousand euro at December 31, 2020) and includes buildings for 47,829 thousand euro, plant for 1,220 thousand euro and vehicles for 780 thousand euro. The variations of the period are mainly linked to new investments for 55,482 thousand euro and changes in the consolidation area for -8,543 thousand euro. The investments refer to the Casa della Salute group for 26,545 thousand euro, to Caffè Borbone for 11,136 thousand euro, to the Officina Profumo-Farmaceutica di Santa Maria Novella group for 6,714 thousand euro and to the Italgen group for 5,235 thousand euro.

"Other property, plant and equipment" includes assets under construction for 17,146 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

<b>(in thousands of euro)</b>	
Gross amount	8,919
Accumulated depreciation	(1,287)
<b>Carrying amount at December 31, 2020</b>	<b>7,632</b>
Investments	357
Decreases	(2,054)
Depreciation and impairment losses	(581)
<b>Carrying amount at December 31, 2021</b>	<b>5,354</b>
Gross amount	6,983
Accumulated depreciation	(1,629)
<b>Carrying amount at December 31, 2021</b>	<b>5,354</b>

Investment property, with an estimated useful life of 33 years, is measured at cost.

The fair value of these investments at December 31, 2021 was 20,527 thousand euro (21,838 thousand euro at December 31, 2020). 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.

## 3) GOODWILL

<b>(in thousands of euro)</b>	
<b>Carrying amount at December 31, 2020</b>	<b>250,723</b>
Increases	7,906
Sales	(2,619)
Translation differences and other changes	(10,804)
<b>Carrying amount at December 31, 2021</b>	<b>245,206</b>

The change in goodwill is due to the effects of the business combination following the acquisition of the interests in Farmacia Limited and the acquisition of the MFS Web business unit. Such amount is to be considered provisional until the completion of the purchase price allocation process.

The other changes mainly refer to the goodwill reclassification related to the subsidiaries Casa della Salute and Callmewine as a result of their final price allocation process. This entailed reclassifying part of goodwill to intangibles (mainly the Casa della Salute and Callmewine trademarks).

### 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	
	December 31, 2021	December 31, 2020
<b>Cash-generating units</b>		
Sirap		1,594
Caffè Borbone	158,837	153,839
Capitelli	8,011	8,011
Officina Profumo-Farmaceutica di Santa Maria Novella	33,383	35,355
Casa della Salute	22,021	26,272
Callmewine	14,382	17,277
Other companies	8,572	8,375
<b>Total</b>	<b>245,206</b>	<b>250,723</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. 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 2022 budget approved by the company's Board and on the plan's financial and business projections for the four-year period 2022-2025 prepared by its management. The 2021-2025 CAGR of revenues foreseen in the budget/plan is equal to 10.6%, compared with an actual growth rate of 14.5% in 2021 and 27.0% in 2020. The cash flows were discounted using a post-tax discount rate (WACC) of 7.3%, 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 growth rate for long-term sustainable revenue (g rate) of 1.4% was used from 2025 onwards. 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 65% decrease in (unlevered) future cash flows, net of tax, would lead to a recoverable amount in line with the value of net invested capital.

Furthermore, reducing the CAGR 2021-2025 of revenue to 5% (reduction of 5.6 percentage points compared with the 10.6% foreseen in the budget/plan), with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge.

### Sirap

For the Sirap group, the impairment test was not carried out following the deconsolidation of its operating activities.

### 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 2022 budget approved by the company's Board and on the plan's financial and business projections for the period 2022-2026 prepared by its management in January 2022. The cash flows were discounted using a post-tax discount rate (WACC) of 12.3%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) for the specific risk (also connected to the uncertainties deriving from continuation of the Covid-19 pandemic that particularly affect the SMN business). For the purpose of estimating the terminal value, an annual long-term sustainable growth rate for revenue (g rate) of 1.4% 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 +3.0% would lead to a recoverable amount in line with the value of net invested capital. Furthermore, by reducing the EBITDA margin of each plan year by 23.3% 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 26% decrease in (unlevered) future cash flows, 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 help of an independent expert using the fair value configuration on the basis of the EV/EBITDA multiple applied to the expected 2022 EBITDA (as resulting from the 2022 budget approved by the Board of Directors). The test did not identify any evidence of impairment losses on goodwill. This test is also supported by the results of the valuation control analyses carried out based on the present value of the expected future cash flows.

The sensitivity analysis carried out indicates that even in the event of significant changes (-15%) in the EBITDA used, there would be no evidence of impairment. A decrease in the multiple/Ebitda of 42% would lead to a recoverable amount in line with the value of the net invested capital.

### **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, taking into account that the sale of a 7.5% stake in October 2021 (for 2.0 million euro) and the increase in capital subscribed in November 2021 (for 4.2 million euro) were carried out at a price per share similar to that paid Italmobiliare for its stake (12.6 euro per share). The recoverable value was determined according to the market multiples method, applying the multiple EV/EBITDA 2021. The test did not find any evidence of impairment losses on goodwill. The sensitivity analysis carried out indicates that even in the event of significant changes (-15%) in the multiple/EBITDA used, there would be no evidence of impairment.

### **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 according to the market multiples method, applying the multiple EV/Sales 2021 and 2022, as it is still

in the start-up phase with an operating loss in 2021. The test did not identify any evidence of impairment losses on the goodwill. The sensitivity analysis carried out indicates that even in the event of significant changes (-15%) in the multiple/EBITDA used, there would be no evidence of impairment.

### **Other companies**

With reference to the other companies, goodwill was mainly attributable to the CGU represented by Clessidra Private Equity SGR S.p.A. and Clessidra Factoring S.p.A., 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. The first CGU, being a financial company that performs management services and investment activities and subject to the regulatory framework provided by the specific Supervisory Authorities, the recoverable amount was determined according to an equity-side approach based on an estimate of the present value of future financial flows available for the shareholders; while for the second CGU the recoverable amount was determined according to an equity-side approach based on the application of P/E 2022 market multiple.

In particular, the recoverable amount was estimated with the help of an independent expert using the value in use configuration on the basis of existing liquidity and the present value of future cash flows available for the shareholders taken from the economic-financial projections for the period 2021-2025 approved by the Board of Directors of Clessidra Holding S.p.A. Given the particular nature of Clessidra's business and the importance of human resources, a "finite" perspective has been adopted which is based on the projections of future cash flows expected in the years covered by the plan. The cash flows were discounted using a post-tax discount rate of 8.9%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) for the specific risk. The test did not identify any impairment losses on goodwill.

The sensitivity analysis showed that an increase of 100 basis points (+1%) in the discount rate would not result in any goodwill impairment loss.

### **Market capitalisation**

During the year, Italmobiliare S.p.A. market capitalization recorded an increase with respect to December 31, 2020 (passing from 1,237.1 million euro to 1,374.2 million euro) thanks to the positive results of the main portfolio companies and the stock market rise (ITSTAR +44.7%).

NAV reported an increase, as explained in the Directors' report, higher than the increase in market capitalisation; consequently, the discount against equity increased.

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	225,465	101,375	326,840
Accumulated amortisation	(4,608)	(19,400)	(24,008)
<b>Carrying amount at December 31, 2020</b>	<b>220,857</b>	<b>81,975</b>	<b>302,832</b>
Investments	1,701	4,494	6,195
Acquisitions after business combinations and other	7,590	170	7,760
Decreases	(14)	(299)	(313)
Amortisation and impairment losses	(1,064)	(7,324)	(8,388)
Translation differences	9		9
<b>Carrying amount at December 31, 2021</b>	<b>229,079</b>	<b>79,016</b>	<b>308,095</b>
Gross amount	231,822	103,668	335,490
Accumulated amortisation	(2,743)	(24,652)	(27,395)
<b>Carrying amount at December 31, 2021</b>	<b>229,079</b>	<b>79,016</b>	<b>308,095</b>

The item "Trademarks, patents and licences" mainly includes the Caffè Borbone trademark (value at December 31, 2021 equal to 92,112 thousand euro) and Officina Profumo-Farmaceutica di Santa Maria Novella (value at December 31, 2021 equal to 124,186 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, 2021, carried out 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", 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 7.3%, 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 1.4%. The test confirmed the full recoverability of the trademark's carrying amount.

The sensitivity analysis showed that an increase of 25 basis points (+0.25%) 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 789 basis points (+7.89%) would lead to a recoverable amount in line with the carrying amount of the trademark. Furthermore, reducing the CAGR 2021-2024 of revenue to 5% (reduction of 5.6 percentage points compared with the 10.6% 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 test the recoverability of the carrying amount at least on an annual basis, or more frequently if events or circumstances suggest on impairment. For the impairment test at December 31, 2021, carried out 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", 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 11.3%, 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 1.4%. The test, also taking into account the results of the sensitivity analysis conducted, confirmed

the overall recoverability of the carrying amount of the trademark. The sensitivity analysis showed that an increase of 100 basis points (+1%) in the discount rate, at the same royalty and long-term growth rate (g), would generate an impairment loss of 19.2 million euro.

The method used for impairment testing trademarks is in line with that used to determine the fair value of these assets during the PPA.

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, 2021 of 71,206 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 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, 2021	December 31, 2020	2021	2020
<b>Associates</b>				
Tecnica Group	59,435	48,816	12,744	4,009
Iseo	47,898	45,700	4,622	671
Autogas Nord	65,735	60,791	5,577	2,819
S.E.S.	6,400	6,400		
Dokimè	1,935	1,981	(46)	6,560
Florence	17,859	13,800		
Other	9,384	6,261	6,679	956
<b>Total associates</b>	<b>208,646</b>	<b>183,749</b>	<b>29,576</b>	<b>15,015</b>

Information on the main investments in associates is set out below.

### Tecnica Group

(in thousands of euro)	2021	2020
Revenue	465,891	382,508
Profit (loss) for the year attributable to owners of the parent company	31,860	10,022
Profit (loss) for the year attributable to non-controlling interests	8,182	6,014
Profit (loss) for the year	40,042	16,036
Other comprehensive income (expense)	1,931	(1,684)
<b>Total comprehensive income for the year</b>	<b>41,973</b>	<b>14,352</b>
Non-current assets	145,060	144,319
Current assets	289,570	261,623
Non-current liabilities	(176,193)	(205,348)
Current liabilities	(162,207)	(132,075)
Non-controlling interests	(24,618)	(23,455)
<b>Net assets</b>	<b>71,612</b>	<b>45,064</b>
<b>Equity interest</b>	<b>40%</b>	<b>40%</b>
Equity interest at the beginning of the year	48,816	45,432
Change during the year	10,619	3,384
<b>Equity interest at the end of the year</b>	<b>59,435</b>	<b>48,816</b>
Dividends received in the year		



**Iseo**

<b>(in thousands of euro)</b>	<b>2021</b>	<b>2020</b>
Revenue	152,463	128,422
Profit (loss) for the year attributable to owners of the parent company	11,459	3,761
Profit (loss) for the year attributable to non-controlling interests	498	293
Profit (loss) for the year	11,957	4,054
Other comprehensive income (expense)	18	(244)
<b>Total comprehensive income for the year</b>	<b>11,975</b>	<b>3,810</b>
Non-current assets	69,543	64,728
Current assets	118,478	119,654
Non-current liabilities	(50,384)	(58,394)
Current liabilities	(65,422)	(59,109)
Non-controlling interests	(2,087)	(2,058)
<b>Net assets</b>	<b>70,128</b>	<b>64,821</b>
<b>Equity interest</b>	<b>39.4%</b>	<b>40.0%</b>
Equity interest at the beginning of the year	45,700	45,218
Change during the year	2,198	482
<b>Equity interest at the end of the year</b>	<b>47,898</b>	<b>45,700</b>
Dividends received in the year	1,381	480

**Autogas Nord – AGN Energia**

<b>(in thousands of euro)</b>	<b>2021</b>	<b>2020</b>
Revenue	571,476	438,111
Profit (loss) for the year attributable to owners of the parent company	23,910	20,035
Profit (loss) for the year attributable to non-controlling interests	27	285
Profit (loss) for the year	23,937	20,320
Other comprehensive income (expense)		
<b>Total comprehensive income for the year</b>	<b>23,937</b>	<b>20,320</b>
Non-current assets	254,606	259,235
Current assets	200,864	157,256
Non-current liabilities	(89,907)	(114,716)
Current liabilities	(174,096)	(132,007)
Non-controlling interests	(524)	(629)
<b>Net assets</b>	<b>190,943</b>	<b>169,139</b>
<b>Equity interest</b>	<b>30.0%</b>	<b>30.0%</b>
Equity interest at the beginning of the year	60,791	61,883
Change during the year	4,944	(1,092)
<b>Equity interest at the end of the year</b>	<b>65,735</b>	<b>60,791</b>
Dividends received in the year	1,290	1,290

**S.E.S. Group**

<b>(in thousands of euro)</b>	<b>2021*</b>	<b>2020**</b>
Revenue	18,325	22,590
Profit (loss) for the year	(1,764)	(2,924)
Other comprehensive income (expense)		
<b>Total comprehensive income for the year</b>	<b>(1,764)</b>	<b>(2,924)</b>
Non-current assets	48,630	51,570
Current assets	26,191	30,977
Non-current liabilities	(12,887)	(13,743)
Current liabilities	(10,766)	(16,206)
Non-controlling interests	(4,330)	(8,933)
<b>Net assets</b>	<b>46,838</b>	<b>43,665</b>
<b>Equity interest net of treasury shares</b>	<b>33.7%</b>	<b>33.7%</b>
Equity interest at the beginning of the year	6,400	7,000
Impairment		(600)
<b>Equity interest at the end of the year</b>	<b>6,400</b>	<b>6,400</b>
Dividends received in the year		

\* Figures at December, 31 2020 ITA GAAP

\*\* Figures at December, 31 2019 ITA GAAP

**Goodwill impairment test**

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 2021 (using 2021 forecast data approved by the company's Board of Directors), as this approach is more prudent than the use of 2022 budget. 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 carried out indicates 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 two associates ISEO Serrature S.p.A. and Autogas Nord S.p.A. based on an estimate of their fair value. The latter was determined by applying the market multiples method (specifically, EV/EBITDA 2022 was used for Iseo and EV/EBITDA 2021 was used for Autogas). The expected result of Autogas (in terms of FCST EBITDA 2021) is the one prepared according to Italian accounting standards, adjusted to reflect the best available estimate of the IFRS adoption effects. In both cases, 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 subsidiary 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 neither impairment loss for Autogas nor for Iseo. With regard to Autogas, the sensitivity analysis carried out indicates that even in the event of significant changes (-10%) in the EBITDA used, there would be no evidence of impairment. A 22.5% reduction in the multiple would result in a recoverable value in line with the carrying amount of the investment. With regard to Iseo, the sensitivity analysis carried out indicates

that even in the event of significant changes (-10%) in the reference EBITDA used, there would be no evidence of impairment. A 14.4% reduction in the multiple would result in a recoverable value in line with the 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 an estimate of its fair value. The latter was determined by applying the market multiples method. Since the company reported a negative consolidated EBITDA at December 31, 2020 and since there are no further 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 median 2020 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.

With regard to the investment in the Florence Group, an impairment test was carried out based on an estimate of its fair value. The latter was determined by applying the market multiples method (EV/EBITDA applied to the forecast 2021 EBITDA). The test did not reveal any evidence of losses due to impairment.

## 6) OTHER EQUITY INVESTMENTS

This caption, classified under the non-current assets, reflects equity investments measured at FVTOCI as required by the IFRS 9.

<b>(in thousands of euro)</b>	
<b>At December 31, 2020</b>	<b>119,737</b>
Increases	39,694
Sales and repayments	(49,599)
Fair value changes taken to equity reserves	21,683
<b>At December 31, 2021</b>	<b>131,515</b>

The increases mainly concern further investments in Bacco for 19,200 thousand euro, in KKR Teemo for 10,500 thousand euro, in Ariston for 9,994 thousand euro.

"Sales and repayments" mainly concern the partial disposal of HeidelbergCement shares for 49,342 thousand euro (including the reversal of the OCI reserve for € 5,141 thousand euro), and the disposal of part of the shares in KKR Teemo for 256 thousand euro.

"Fair value changes of equity reserves" relate essentially to Bacco for 8,741 thousand euro, the shares in HeidelbergCement for 4,036 thousand euro, Fin. Priv. S.p.A. for 5,204 thousand euro, Unicredit for 1,204 thousand euro, Vontobel for 1,423 thousand euro, New Flour for 1,563 thousand euro, Coima Res for 379 thousand euro, Cairo Communication for 147 thousand euro, 035 Investimenti for 403 thousand euro and KKR Teemo for -1,242. 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 2021 amounted overall to 1,972 thousand euro.

Other equity investments at December 31, 2021 were as follows:

(in thousands of euro)	Number of shares	December 31, 2021
<b>Investments in listed companies</b>		
HeidelbergCement	650,000	38,688
Ariston	975,000	9,887
Vontobel	115,238	8,912
Coima Res	412,332	3,084
Unicredit	204,331	2,767
Piaggio	169,699	488
Cairo Communication	189,198	386
Can Fite	204	
	<b>Total</b>	<b>64,212</b>
<b>Equity investments in non-listed companies</b>		
Bacco		27,941
Fin. Priv.		21,072
KKR Teemo		9,002
New Flour		5,779
Sesaab		1,300
Other		2,209
	<b>Total</b>	<b>67,303</b>
<b>At December 31, 2021</b>		<b>131,515</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 made up as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Non-current receivables	10,678	23,127	(12,449)
Financial assets measured at amortised cost		9,000	(9,000)
Financial assets at FVTPL in NFP	2,897	3,318	(421)
Financial assets at FVTPL not in NFP	188,513	122,921	65,592
Guarantee deposits	1,929	1,130	799
Other	1,878	2,015	(137)
<b>Total</b>	<b>205,895</b>	<b>161,511</b>	<b>44,384</b>

The main movements on this caption were:

- the purchase of mutual fund, bonds and private equity funds for 39,148 thousand euro;
- the partial reimbursement of private equity funds for 32,279 thousand euro;
- revaluation of the private equity funds for 53,167 thousand euro;
- the increase of exchange rates differences for 5.688 thousand euro;
- the decrease for 15,000 thousand euro offsetting the payment of the fine imposed on the Sirap group;
- the short-term reclassification of the receivables from Tecnica Group for 9,000 thousand euro.

## Current assets

### 8) INVENTORIES

"Inventories" are made up as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Raw materials, consumables and supplies	25,990	25,246	744
Work in progress and semifinished goods	521	2,873	(2,352)
Finished goods	256	18,855	(18,599)
Payments on account	6,818	1,083	5,735
<b>Total</b>	<b>33,585</b>	<b>48,057</b>	<b>(14,472)</b>

Inventories mainly refer to Caffè Borbone and are shown net of allowances totalling 1,666 thousand euro (1,736 thousand euro at December 31, 2020) accounted for mainly to cover the risk of slow-moving of ancillary materials, spare parts and other consumables. The total value of the item decreased due to the deconsolidation of the operating companies of the Sirap group for 20,560 thousand euro.

Spare parts at December 31, 2021 amounted to 93 thousand euro (460 thousand euro at December 31, 2020).

### 9) TRADE RECEIVABLES

This caption is made up as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Gross amount	133,893	81,859	52,034
Impairment losses	(4,018)	(4,967)	949
<b>Total</b>	<b>129,875</b>	<b>76,892</b>	<b>52,983</b>

The change is due for over 63 million euro to Clessidra Factoring following the high level of operations in 2021.

### 10) OTHER CURRENT ASSETS INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Receivables from employees and social security bodies	359	373	(14)
Tax credits	10,229	3,562	6,667
Prepaid expenses	3,537	1,781	1,756
Accrued income	8	1,094	(1,086)
Short-term derivatives	151	539	(388)
Other receivables and financial instruments	9,850	8,644	1,206
Other receivables	4,661	3,468	1,193
<b>Total</b>	<b>28,795</b>	<b>19,461</b>	<b>9,334</b>

Other bank loans 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, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Interest-rate derivatives hedging cash flows		(35)		(48)
<b>Interest-rate derivatives</b>		<b>(35)</b>		<b>(48)</b>
Derivatives on shares and securities	151	(402)	539	(506)
<b>Total current instruments</b>	<b>151</b>	<b>(437)</b>	<b>539</b>	<b>(554)</b>
Interest-rate derivatives hedging cash flows	32			(86)
Interest-rate derivatives hedging fair value		(35)		(35)
<b>Interest-rate derivatives</b>	<b>32</b>	<b>(35)</b>		<b>(121)</b>
<b>Total long-term instruments</b>	<b>32</b>	<b>(35)</b>		<b>(121)</b>
<b>Total</b>	<b>183</b>	<b>(472)</b>	<b>539</b>	<b>(675)</b>

The interest-rate derivatives used to hedge cash flows are variable-rate to fixed-rate IRSs stipulated by Casa della Salute and Italgem.

Derivatives on equities 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 18,544 thousand euro (17,125 thousand euro at December 31, 2020) 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, 2021	December 31, 2020	Change
Equity investments measured at FVTPL	16,601	21,228	(4,627)
Financial assets at amortised cost		1,506	(1,506)
Funds and other financial instruments	306,757	285,567	21,190
Other receivables	27,412	15,873	11,539
<b>Total</b>	<b>350,770</b>	<b>324,174</b>	<b>26,596</b>

"Funds and other financial instruments", measured at FVTPL, include the Vontobel Fund for 275,032 thousand euro (243,661 thousand euro at December 31, 2020), which increased during the year for further investments made for 70,000 thousand euro and for positive fair value changes for 3,953 thousand euro, offset by a decrease of 42,582 thousand euro.

Other receivables increased due to the short-term reclassification of receivables from the associate Tecnica Group for 9,000 thousand euro.

### 13) CASH AND CASH EQUIVALENTS

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Cash and cheques in hand	3,421	3,407	14
Bank and postal accounts	131,985	119,659	12,326
<b>Total</b>	<b>135,406</b>	<b>123,066</b>	<b>12,340</b>

Cash and cash equivalents are also shown under "Cash and cash equivalents at the end of the year" on the statement of cash flows.

The Group does not have any restricted accounts.

### 14) ASSETS CLASSIFIED AS HELD FOR SALE

The cash remained available in Energy for Misr for 56 thousand euro, as all the other assets included in this item in the financial statements at December 31, 2020 have been sold. The Dutch company has no liabilities.

## EQUITY AND LIABILITIES

### Share capital, reserves and retained earnings

#### 15) SHARE CAPITAL

At December 31, 2021, 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, 2021	December 31, 2020	Change
Ordinary shares	42,500,000	42,500,000	
Cancelled shares			
<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 2020.

##### Other reserves

The positive change in the fair value reserve for the period amounts to 18,082 thousand euro and refers to the change in fair value for 14,051 thousand euro and to the sale of equity investments for 4,031 thousand euro.

#### 17) TREASURY SHARES

At December 31, 2021 the carrying amount of treasury shares in portfolio stood at 5,166 thousand euro, showing a decrease from December 31, 2020 following the exercise of the stock option made by some managers. Treasury shares were as follows:

	No. ordinary shares	Carrying amount (in thousands of euro)
<b>At December 31, 2020</b>	<b>278,470</b>	<b>6,620</b>
Decreases	(61,400)	(1,454)
<b>At December 31, 2021</b>	<b>217,070</b>	<b>5,166</b>

During 2021, the parent terminated the stock option plan, having collected 843 thousand euro during the year.

No more ordinary treasury shares in portfolio at December 31, 2021 have to be used for stock option plans for directors and managers.



## Dividends paid

The parent Italmobiliare S.p.A. paid the following ordinary dividends in 2021 and 2020:

	2021	2020	2021	2020
	(euro per share)	(euro per share)	(in thousands of euro)	(in thousands of euro)
Ordinary shares	0.650	1.800	27,484	75,999
<b>Total dividends</b>			<b>27,484</b>	<b>75,999</b>

Cash outflows, also considering the dividends paid to third parties by Caffè Borbone, amounted to 39,884 thousand euro.

## Translation reserve

This reserve includes differences on the translation of the financial statements of consolidated foreign companies. At December 31, 2021, the balance on the reserve was positive, at 110 thousand euro, referring to the currencies of the following countries:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
U.S. (Dollar)	345	72	273
Ukraine (Hryvnia)		(2,489)	2,489
UK (Pound Sterling)	7	(66)	73
Poland (Zloty)		(1,795)	1,795
Other countries	(242)	(1,320)	1,078
<b>Total</b>	<b>110</b>	<b>(5,598)</b>	<b>5,708</b>

## Other reserves

The subsidiary Caffè Borbone has chosen to backtrack on the decision to realign goodwill pursuant to article 110 of Legislative Decree 104/2020; following the changes introduced by the "2022 Budget Law", the restriction on shareholders' equity in tax suspension previously posted for 149,223 thousand euro, equal to the value of goodwill (153.8 million euro) net of the 3% substitute tax (4.6 million euro), no longer exists. The decisions on realignment of the brand with an indefinite useful life and of the customer list remain unchanged, confirming a restriction on equity reserves in tax suspension for a total of 164,398 thousand euro, assigning it entirely to the "Share premium reserve";

Officina Profumo-Farmaceutica di Santa Maria Novella has set up a tax suspension restriction on equity items at December 31, 2020 for a total of 120,249 thousand euro, corresponding to the total value of intangible assets subject to the "step-up" (123,968 thousand euro), net of the 3% substitute tax of 3,719 thousand euro.

## 18) NON-CONTROLLING INTERESTS

Equity attributable to non-controlling interests at December 31, 2021 amounted to 178,256 thousand euro, down by 15,510 thousand euro from December 31, 2020, largely for the purchase by the Group of the residual 20% interest of the Officina Profumo-Farmaceutica di Santa Maria Novella group for 40,080 thousand euro, for the dividend paid to the non-controlling interests of Caffè Borbone of 12,400 thousand euro net of the profit attributable to non-controlling interests for 24,824 thousand euro of the Group non-wholly owned subsidiaries and for the increases deriving from the establishment of the non-wholly owned subsidiary ITM Bacco during the period.

## Non-current and current liabilities

### 19) EMPLOYEE BENEFITS

Employee benefits at December 31, 2021 amounted to 8,176 thousand euro (12,007 thousand euro at December 31, 2020).

	Opening amount	Increases	Decreases	Translation differences	Delta in the consolidation area	Other changes	Closing amount
<b>(in thousands of euro)</b>							
Defined benefit/contribution plans	8,789	1,979	(1,701)		(1,096)	(253)	7,718
Defined benefit pension plans	2,737	160	(111)		(2,423)	(21)	342
Provisions for long-term benefits	30	(26)		(3)		(1)	
Provisions for retirement benefits	451		(310)		(25)		116
<b>Total</b>	<b>12,007</b>	<b>2,113</b>	<b>(2,122)</b>	<b>(3)</b>	<b>(3,544)</b>	<b>(275)</b>	<b>8,176</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, liabilities 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	
	31 December, 2021	31 December, 2020
<b>Defined benefit obligations at the end of the previous year</b>	<b>13,461</b>	<b>10,969</b>
Reclassification from liabilities classified as held for sale		
Service cost:		
current service cost	1,353	978
prior year social contributions		634
Finance costs	67	120
Cash flows:		
amounts paid by plans		(36)
amounts paid by employer	(1,093)	(1,023)
Other significant events:		
(increase)/decrease due to business combinations, investments and disposals	(5,759)	1,312
Changes arising from remeasurement:		
effects due to change in demographic assumptions		
effects due to change in financial assumptions	(121)	305
experience adjustments (change since previous measurement not in line with assumptions)	87	202
effects due to change in exchange rates		
<b>Defined benefit obligations at the end of the year</b>	<b>7,995</b>	<b>13,461</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	
	2021	2020
Discount rate	1.30	1.50-1.90
Inflation rate	1.80	1.00 - 1.75
Future wage and salary increases	2.21	1.10 - 2.22

### Discount rates

Discount rates	2021	2020
<b>Europe</b>		
Italy	1.30	1.14
Austria		1.25
France		0.80
Germany		1.01

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, 2021.

The table below sets out expected plan contributions for next year and a year-by-year breakdown of benefit payments:

<b>(in millions of euro)</b>	<b>Pension plans and other long-term benefits</b>
	<b>December 31, 2021</b>
Expected plan contributions for next year	415
Benefit payment maturities:	
2022	415
2023	263
2024	239
2025	238
2026	347
2027-2031	1,705
<b>Total</b>	<b>3,622</b>

### Sensitivity analysis

The table below sets out the sensitivity analysis for the key assumptions at December 31, 2021:

<b>(in thousands of euro)</b>	<b>Pension plans and other long-term benefits</b>	
<b>Change</b>	<b>-0.25%</b>	<b>+0.25%</b>
Discount rate	8,297	7,710
Average duration of defined benefit obligation (in years)	14.84	14.52
Inflation rate	7,886	8,106
Wage and salary increases	7,900	8,094

### Employment termination plans

At December 31, 2021, provisions for termination plans totalled 116 thousand euro (451 thousand euro at December 31, 2020).

## 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, 2021	December 31, 2020	Change
Bank loans and borrowings	31,255	54,182	(22,927)
Other loans and borrowings	165	873	(708)
Lease payables	37,899	27,995	9,904
Non-current loans and borrowings	69,319	83,050	(13,731)
Fair value of hedging derivatives	35	121	(86)
<b>Total non-current financial liabilities</b>	<b>69,354</b>	<b>83,171</b>	<b>(13,817)</b>
Loans and borrowings	59,672	10,937	48,735
Current portion of borrowings	4,220	34,050	(29,830)
Other loans and borrowings	15,083	17,405	(2,322)
Lease payables	5,180	4,762	418
Accrued interest expense	76	196	(120)
Loans and borrowings and current financial liabilities	84,231	67,350	16,881
Fair value of derivatives	437	554	(117)
<b>Total current financial liabilities</b>	<b>84,668</b>	<b>67,904</b>	<b>16,764</b>
<b>Total financial liabilities</b>	<b>154,022</b>	<b>151,075</b>	<b>2,947</b>

Financial payables are classified under "Financial liabilities" and for approximately 9 million under "Other liabilities".

The change differs from what is reported on the line "Change in financial payables" of the cash flow statement as the latter was adjusted by the effect of the new IFRS 16 investments and by the presentation ad held-for-sale of the deconsolidated operating companies of the Sirap group.

Non-current loans and borrowings by currency were as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Euro	63,846	78,309	(14,463)
U.S. dollar	4,585	4,555	30
Pound sterling	888		888
Other		186	(186)
<b>Total</b>	<b>69,319</b>	<b>83,050</b>	<b>(13,731)</b>

Non-current loans and borrowings by maturity were as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
2022	833	44,365	(43,532)
2023	10,397	9,292	1,105
2024	10,359	7,373	2,986
2025	9,800	5,896	3,904
2026	8,341	4,996	3,345
2027	6,939	2,268	4,671
2028	7,846	1,945	5,901
Beyond	14,804	6,915	7,889
<b>Total</b>	<b>69,319</b>	<b>83,050</b>	<b>(13,731)</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 103 million euro;
- In May 2020, Italgem S.p.A. arranged a floating-rate loan maturing on June 30, 2026 with Intesa San Paolo; net of repayments made up to December 31, 2021, the loan had a residual amount of 10.9 million euro;
- In 2021 Italgem S.p.A. took out a new 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, 2021; the loan appears for a residual balance of 10.9 million euro;
- In 2017 Idrodezzo arranged two floating-rate loans from Mediocredito Italiano for an original amount of 4.7 million euro, maturing in 2032; the loans are shown with a residual balance of 3.5 million euro;
- Casa della Salute took out a floating-rate loan from BPM on July 3, 2020 with maturity in 2025; the loan is shown with a residual balance of 0.8 million euro;
- Casa della Salute took out a floating-rate loan from Banca Carige on July 3, 2020 with maturity in 2027; the loan is shown with a residual balance of 1.0 million euro;
- Casa della Salute took out a floating-rate loan from BPM on March 31, 2021 with maturity in 2027; the loan has a balance of 2.0 million euro;
- Casa della Salute took out a variable rate loan with BPM on September 7, 2021 for 2.0 million euro, maturing in 2025; the loan is shown with a residual balance of 1.5 million euro;
- Bea Biella arranged a loan with Unicredit on January 16, 2020 for 1.2 million euro at a floating rate, maturing in 2025; the loan is shown with a residual balance of 0.9 million euro

Information on available lines of credit and covenants is provided in the section on IFRS 7.

## 21) PROVISIONS AND NON-CURRENT TAX LIABILITIES

Non-current and current provisions totalled 32,709 thousand euro at December 31, 2021, showing a decrease of 33,074 thousand euro from December 31, 2020.

(in thousands of euro)	Opening amount	Increases	Decreases	Translation differences	Change in the consolidation area	Other changes	Closing amount
Environmental restoration	348	416					764
Disputes	38,185	949	(37,746)	8	(530)	(2)	864
Other provisions	27,250	4,034	(164)		(1)	(38)	31,081
<b>Total</b>	<b>65,783</b>	<b>5,399</b>	<b>(37,910)</b>	<b>8</b>	<b>(531)</b>	<b>(40)</b>	<b>32,709</b>
Non-current portion	64,175	2,259	(37,910)	8	(531)	(40)	27,961
Current portion	1,608	3,140					4,748
<b>Total</b>	<b>65,783</b>	<b>5,399</b>	<b>(37,910)</b>	<b>8</b>	<b>(531)</b>	<b>(40)</b>	<b>32,709</b>

"Disputes" 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, 2021 are summarised below.

As explained in previous financial reports, following the completion in recent years of various mergers and acquisitions as the selling party, Italmobiliare S.p.A. 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 made in previous years.

With reference to the dispute between the European Commission and Sirap Gema, the company paid the residual fine and interest for a total of 22.9 million euro (the 15 million euro already paid in advance were reversed out of "Non-current trade and other receivables" to offset the decrease of 37.9 million from the provision).

Italgen is involved in tax and administrative proceedings and in legal actions related to the normal performance of its activities. Any liabilities are adequately covered by the provision for risks in the balance sheet. In addition to the provision for risks set aside in the financial statements, it is possible that Italgen may sustain other liabilities in the future, in addition to the amounts already provided for, due to uncertainties about possible regulatory developments in the energy sector, as well as the final outcome of certain proceedings still pending, particularly those connected to the so-called "surcharges" for the provisional operation of the large hydroelectric branches and reimbursement of the additional excise duties on electricity.

Appropriate provision has been made on an accruals 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.

Non-current tax payables amount to 15,858 thousand euro (13,733 thousand euro at December 31, 2020); the difference compared with 2020 is due to Italmobiliare's use of 2,559 thousand euro and the provision of 11,155 thousand euro due to the assessment relating to the deductibility of costs under the agreement with Ansaldo Energia discussed below; it also covers the risk of possible future assessments (including interest and penalties) in line with the requirements of IFRIC 23; for Caffè Borbone, the change is due to cancellation of the 3% substitute tax due on the step-up in 2020 as the company has chosen to backtrack on the realignment following the 2022 Budget Law.

In June 2021, the Provincial Tax Commission of Milan, with sentence no. 2929, accepted Italmobiliare's appeal relating to CFC for the year 2014.

In November 2021 the Court of Cassation with sentence no. 31930 accepted the Revenue Agency's appeal concerning the deductibility of an 11 million euro cost involved in a settlement reached in 2007 with Ansaldo Energia, deeming it not relevant to the business. This represents most of the increase in payables for the year 2021. In the same month with sentence no. 41365, the Court of Cassation accepted the appeal presented by Italmobiliare against the Revenue Agency about the sale price of a property in Rome owned by Italcementi.

## 22) DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Total deferred tax assets net of deferred tax liabilities amounted to 4,819 thousand euro at December 31, 2021, were as follows:

(In thousands of euro)	December 31, 2020	Impact on the income statement	Other changes	December 31, 2021
Tax benefit on carry-forward losses	3,494	(503)	(2,771)	220
Property, plant and equipment	2,183	33	(2,051)	165
Other equity investments		(3)		(3)
Inventories	872	(219)	(87)	566
Financial liabilities	(188)		188	
Non-current provisions and employee benefits	7,102	336	1,058	8,496
Other	710	(6,450)	1,115	(4,625)
<b>Total</b>	<b>14,173</b>	<b>(6,806)</b>	<b>(2,548)</b>	<b>4,819</b>
of which				
Deferred tax assets	18,177			12,104
Deferred tax liabilities	(4,004)			(7,285)
<b>Total</b>	<b>14,173</b>			<b>4,819</b>

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. The decrease is due to the deconsolidation of the Sirap group.

At December 31, 2021, the amount of net deferred tax liabilities recorded in equity reserves was 30 thousand euro (114 thousand euro at December 31, 2020).

Unrecognised deferred tax assets relating to losses for the year and previous years amounted to 279 thousand euro (2,081 thousand euro at December 31, 2020); the amount referred to losses reported by Group companies not included in the Italian tax consolidation, which are unlikely to be recovered.

## 23) TRADE PAYABLES

"Trade payables" consisted entirely of amounts due to suppliers, and totalled 53,119 thousand euro (51,497 thousand euro at December 31, 2020). The decrease is due to the deconsolidation of the operating companies of the Sirap group, offset by the increase in the industrial companies of the Italmobiliare Group.

## 24) TAX LIABILITIES

Tax liabilities amounted to 36,388 thousand euro (16,722 thousand euro at December 31, 2020) and refer mainly to the parent company for amounts due to the tax authorities for income taxes accrued during the year.



## 25) OTHER LIABILITIES

The balance on this caption was as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Due to employees	21,874	15,239	6,635
Due to social security bodies	4,394	5,422	(1,028)
Due to tax authorities	5,830	15,430	(9,600)
Accrued expenses and deferred income	5,141	2,280	2,861
Derivatives	437	554	(117)
Due to financial and private equity companies	8,970	9,506	(536)
Advances from customers	813	916	(103)
Due to suppliers for non-current assets	1,593	3,075	(1,482)
Other liabilities	11,916	3,138	8,778
<b>Total</b>	<b>60,968</b>	<b>55,560</b>	<b>5,408</b>

Amounts due to financial and private equity companies include payables to customers of Crédit Mobilier de Monaco and payables to Clessidra Private Equity e 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 3,883 thousand euro.

## COMMITMENTS

(in thousands of euro)	December 31, 2021	December 31, 2020
Collateral given	43,333	43,333
Deposits, guarantees, sureties, commitments and other	173,011	206,271
<b>Total</b>	<b>216,344</b>	<b>249,604</b>

The decrease in "Deposits, guarantees, sureties, commitments and others" compared with December 31, 2020 is due to the change in the guarantees given at their fair value at the balance sheet date and the commitments for the subscription of private equity fund units.

During 2021, the commitment to Clessidra SGR S.p.A. to co-invest in the capital of Bacco S.p.A. (a vehicle company established and controlled by the Clessidra Capital Partners 3 Fund for the purpose of acquiring a majority stake in Botter S.p.A. indirectly through a subsidiary company) was closed for an amount of 60,000 thousand euro. The guarantees on behalf of Sirap were also closed following the sales that the Group carried out during the year.

Furthermore, as reported in "Significant events during the period", the commitment of 40 million euro versus Bene Assicurazioni was included.

Tecnica Group S.p.A. shares, acquired in 2018, have been pledged as collateral for bank loans granted to Tecnica Group S.p.A.

Commitments include a residual amount of 97,475 thousand euro (54,912 thousand euro at December 31, 2020) for the subscription of private equity funds. There are no irrevocable commitments for raw material purchases.

## Income statement

Note that the income statement figures for 2020 have been restated on the basis of IFRS 5, according to which all of the income statement items of the Sirap group are to be shown on the line "Profit/(loss) from discontinued operations, net of tax". Please refer to Note 37 for more details.

### 26) REVENUE AND INCOME

Revenue from sales and services and income totalled 492,288 thousand euro, divided as follows:

(in thousands of euro)	2021	2020	Change	Change %
<b>Industrial revenue</b>				
Product sales	317,426	240,436	76,990	32.0%
Services provided	71,668	30,647	41,021	n.s.
<b>Total</b>	<b>389,094</b>	<b>271,083</b>	<b>118,011</b>	<b>43.5%</b>
<b>Financial revenue and income</b>				
Interest	3,400	2,753	647	23.5%
Dividends paid	5,307	2,555	2,752	107.7%
Gains realised and other revenue	76,019	34,945	41,074	n.s.
Commissions	18,432	13,533	4,899	36.2%
<b>Total</b>	<b>103,158</b>	<b>53,786</b>	<b>49,372</b>	<b>91.8%</b>
<b>Revenue from other activities</b>				
Other revenue	36	69	(33)	-47.8%
<b>Total</b>	<b>36</b>	<b>69</b>	<b>(33)</b>	<b>-47.8%</b>
<b>Grand total</b>	<b>492,288</b>	<b>324,938</b>	<b>167,350</b>	<b>51.5%</b>

The line item "Product sales" is mainly attributable to Caffè Borbone. The change is mainly attributable to the higher revenue of Caffè Borbone for 33,630 thousand euro, to the Officina Profumo-Farmaceutica di Santa Maria Novella group for 23,560 thousand euro, and to Callmewine for 17,215 thousand euro (not consolidated in 2020).

The line item "Services provided" is attributable almost exclusively to the Italgen group and the Casa della Salute group.

The line item "Gains realised and other revenue" mainly refers to the Parent Company and includes revaluations of FVTPL securities for 60,964 thousand euro (20,620 thousand euro in 2020).

The item "Commissions" refers to Clessidra Private Equity, Clessidra Factoring and Crédit Mobilier de Monaco.

### 27) RAW MATERIALS AND SUPPLIES

Raw materials and supplies amounted to 146,640 thousand euro, divided as follows:

(in thousands of euro)	2021	2020	Change	Change %
Raw materials and semifinished goods	65,783	54,656	11,127	20.4%
Fuel	1,840	1,277	563	44.1%
Materials and machinery	51,839	46,557	5,282	11.3%
Finished goods	23,202	8,113	15,089	n.s.
Electricity and water	8,902	6,158	2,744	44.6%
Change in inventories of raw materials, consumables and other	(4,926)	(6,858)	1,932	-28.2%
<b>Total</b>	<b>146,640</b>	<b>109,903</b>	<b>36,737</b>	<b>33.4%</b>

The increase in "Raw materials and semifinished goods" is linked to the increase in revenue.

The increase in "Finished goods" is mainly attributable to Callmewine.

## 28) SERVICES

Expense for services amounted to 88,172 thousand euro, divided as follows:

(in thousands of euro)	2021	2020	Change	Change %
Services	19,535	5,528	14,007	n.s.
Maintenance	3,429	2,447	982	40.1%
Transport	12,190	7,184	5,006	69.7%
Legal fees and consultancy	15,151	10,602	4,549	42.9%
Rents	6,079	4,345	1,734	39.9%
Insurance	1,625	1,373	252	18.4%
Membership fees	299	267	32	12.0%
Other expense	29,864	22,432	7,432	33.1%
<b>Total</b>	<b>88,172</b>	<b>54,178</b>	<b>33,994</b>	<b>62.7%</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.

The increase in this item for 19,637 thousand euro is attributable to the Casa della Salute group (for healthcare services) and Callmewine (not consolidated in 2020).

## 29) PERSONNEL EXPENSES

Personnel expenses amounted to 72,138 thousand euro, broken down as follows:

(in thousands of euro)	2021	2020	Change	Change %
Wages and salaries	48,931	35,091	13,840	39.4%
Social security contributions	14,694	11,377	3,317	29.2%
Other expense	8,513	6,500	2,013	31.0%
<b>Total</b>	<b>72,138</b>	<b>52,968</b>	<b>19,170</b>	<b>36.2%</b>

This item increased for Caffè Borbone and Officina Profumo-Farmaceutica di Santa Maria Novella, and for the line-by-line consolidation of Callmewine and the Casa della Salute group in 2021.

The cost of the year includes also the LTI accrual for the period.

"Other expense" is mainly related to costs of temporary personnel, canteen costs, employee insurance costs, travel costs and personnel training and recruitment costs.

The number of employees is shown below:

(headcount)	2021	2020	Change
Number of employees at year end	848	2,058	(1,210)
Average number of employees	1,004	1,817	(813)

The decrease in both the final number (-1,366) and the average number (-1,143) of employees is attributable to the sale of the operating companies in the Sirap group.

The average number in 2021 increased for the new subsidiaries Callmewine and the Casa della Salute group by 172 people.

### 30) OTHER OPERATING (INCOME) EXPENSES

Other operating expenses, net of other operating income, amounted to 21,262 thousand euro, broken down as follows:

(in thousands of euro)	2021	2020	Change	Change %
Other tax	4,937	4,743	194	4.1%
Provision for impairment loss on receivables	1,324	1,976	(652)	-33.0%
Provision for environmental restoration fund	416		416	n.s.
Interest expense and other expense relating to financial companies	7,750	33,799	(26,049)	-77.1%
Amounts set aside to provisions and other expense	11,108	9,455	1,653	17.5%
Other income	(4,429)	(2,988)	(1,441)	48.2%
Net gains from the sale of non-current assets	(1,078)	(1,302)	224	-17.2%
Other (income) expense	1,234	(12,821)	14,055	-109.6%
<b>Total</b>	<b>21,262</b>	<b>32,862</b>	<b>(11,600)</b>	<b>-35.3%</b>

"Interest expense and other expense financial companies" include write-off expenses and losses on financial assets valued at FVTPL for 5,150 thousand euro (19,960 thousand euro at December 31, 2020).

"Other income" mainly includes insurance indemnities, reimbursements and compensation.

### 31) AMORTISATION AND DEPRECIATION

The total amount of 24,999 thousand euro (16,770 thousand euro in 2020) refers to property, plant and equipment for 16,229 thousand euro (9,222 thousand euro in 2020), property investments for 258 thousand euro (307 thousand euro in 2020) and intangible assets for 8,512 thousand euro (7,241 thousand euro in 2020).

Depreciation of property, plant and equipment includes 4,581 thousand euro (1,655 thousand euro at December 31, 2020) relating to the depreciation of the right of use on leased assets, following the application of IFRS 16.

### 32) IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

In 2021, property investments were written down for 350 thousand euro (6,056 thousand euro at December 31, 2020). There were no impairment losses on intangible assets.

### 33) FINANCE INCOME AND COSTS, NET GAINS (LOSSES) ON EXCHANGE-RATE DIFFERENCES AND DERIVATIVES

Net finance costs amount to 1,890 thousand euro. This amount is composed as follows:

(in thousands of euro)	2021		2020	
	Income	Costs	Income	Costs
Interest income	140		52	
Interest expense		(754)		(1,858)
Dividends and income (costs) from equity investments	36	(838)	105	(29)
Other finance income	17		303	
Other finance costs		(627)		(947)
<b>Total finance income (costs)</b>	<b>193</b>	<b>(2,219)</b>	<b>460</b>	<b>(2,834)</b>
Gains/(losses) from derivatives on interest-rate risk		(32)		
Gains/(losses) from derivatives on exchange-rate risk				(10)
Net exchange-rate differences	168			(821)
<b>Exchange-rate differences and net gains (losses) on derivatives</b>	<b>136</b>			<b>(831)</b>
<b>Total finance income (costs), exchange-rate differences and net gains (losses) on derivatives</b>		<b>(1,890)</b>		<b>(3,205)</b>

The caption mainly consists of interest on loans for 467 thousand euro (1,619 thousand euro in 2020), interest expenses for leases for 319 thousand euro following the application of IFRS 16 (239 thousand euro in 2020) and bank charges and commissions of 457 thousand euro (917 thousand euro in 2020).

### 34) IMPAIRMENT OF FINANCIAL ASSETS

In 2021, following the impairment test performed, there were no impairment losses (749 thousand euro at December 31, 2020).

### 35) SHARE OF PROFIT/(LOSS) OF EQUITY-ACCOUNTED INVESTEEES

(in thousands of euro)	2021	2020	Change	Change %
Tecnica Group	12,744	4,009	8,735	n.s.
Iseo	4,622	671	3,951	n.s.
Autogas Nord	5,577	2,819	2,758	97.8%
Officina Profumo-Farmaceutica di Santa Maria Novella		360	(360)	-100.0%
Dokimè	(46)	6,560	(6,606)	-100.7%
CCC Holding Europe	(604)	(33)	(571)	n.s.
Gardawind	343	362	(19)	-5.2%
MFS Web	6,940	267	6,673	n.s.
<b>Total</b>	<b>29,576</b>	<b>15,015</b>	<b>14,561</b>	<b>97.0%</b>

### 36) INCOME TAX

Income tax for the period was negative for 48,777 thousand euro, analysed as follows:

<b>(in thousands of euro)</b>	<b>2021</b>	<b>2020</b>	<b>Change</b>	<b>Change %</b>
Current tax	(40,812)	(17,300)	(23,512)	n.s.
Prior-year tax and other prior-year tax items	(9,593)	2,804	(12,397)	n.s.
Deferred tax	1,628	43,299	(41,671)	-96.2%
<b>Total</b>	<b>(48,777)</b>	<b>28,803</b>	<b>(77,580)</b>	<b>n.s.</b>

As regards the parent company, the 27,230 thousand euro change is mainly due to better results on the part of the company, which produced a tax profit and therefore higher current taxes. 2021 was also affected by tax provisions that had to be made on previous years for 11 million euro, due to the negative result of the tax dispute.

As regards Caffè Borbone, the change is equal to 43,221 thousand euro. Note that the tax effect in 2021 benefits not only from "hyper-accelerated depreciation", but also as a result of the company's decision in 2020 to benefit from the tax realignment pursuant to art. 110 paragraph 8 of Legislative Decree no. 104/2020 which allowed it to make tax deductible (for both IRES and IRAP) the amortisation on certain intangible assets that have a different statutory value compared with their fiscal value. In particular, the benefit relating to trademarks/brands (with an indefinite useful life) amounts to 532 thousand euro; for the customer list, on the other hand, it amounts to 1,821 thousand euro. Again in relation to the "realignment" (or "step-up"), there is an additional tax benefit of 4,615 thousand euro linked to the reversal of the substitute tax for the realignment of goodwill, which the company decided to revoke following the changes introduced by the Budget Law 2022 laying down new rules for the revaluation of business assets, which made it less worthwhile; in addition, deferred taxes are also affected for 533 thousand euro by the difference between the statutory and fiscal amortisation on trademarks with an indefinite useful life.

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)	2021
<b>Consolidated profit (loss) before tax relating to continuing operations</b>	<b>172,861</b>
Current IRES tax rate	24,0%
<b>Theoretical tax charge</b>	<b>(41,487)</b>
Tax effect on permanent differences:	
- foreign dividends and other exempt income	8,970
- non-deductible costs	(2,755)
Net effect for the year of deferred tax assets and liabilities not recognized on temporary differences	(3,308)
Recovery in year of deferred tax assets not recognised in previous years on deductible temporary differences and/or tax losses	(54)
Effect of difference between Italian and foreign tax rate	55
Other changes	(6,198)
<b>Effective income tax charge</b>	<b>25.9%</b> <b>(44,777)</b>
Effective IRAP tax charge	(3,993)
Other components not related to income for the year	(7)
<b>Total income tax relating to continuing operations</b>	<b>28.2%</b> <b>(48,777)</b>

No offsets were made in the item "net effect for the year of deferred tax assets and liabilities not recognized on temporary differences".

### 37) PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

This item concerns the consolidation of the Sirap group according to IFRS 5. The composition is shown in the following table:

(in thousands of euro)	2021	2020	Change	Change %
Result of the companies being sold	(3,092)	5,156	(8,248)	n.s.
Reclassification of items in other comprehensive income	(3,189)		(3,189)	n.s.
Net capital gain of the companies being sold	46,718		46,718	n.s.
<b>Total</b>	<b>40,437</b>	<b>5,156</b>	<b>35,281</b>	<b>n.s.</b>

The net capital gain deriving from the sale of the Sirap group's operating companies is calculated as follows:

- Selling price of 151,928 thousand euro
- Costs to sell of 6,900 thousand euro
- Net assets sold of 105,210 thousand euro
- Total capital gain of 46,718 thousand euro.

Of the above selling price, 3,190 thousand euro has not yet been collected at December 31, 2021 (so the impact on cash flow at December 31, 2021 is equal to 148,738 thousand euro).

### 38) 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	17,649	(102)	17,547
Derivatives	(619)		(619)
Translation differences	1,765		1,765
Actuarial gains (losses) on defined benefit plans	130	(15)	115
<b>Total other comprehensive income from continuing operations</b>	<b>18,925</b>	<b>(117)</b>	<b>18,808</b>
Other comprehensive income from discontinued operations	4,703		4,703
<b>Total other comprehensive income</b>	<b>23,628</b>	<b>(117)</b>	<b>23,511</b>

The change in financial assets measured at FVTOCI is made of 16,542 thousand euro for changes in fair value and 1,107 thousand euro for gains on sales.

### 39) EARNINGS PER SHARE

Earnings per share at December 31, 2021 and 2020, were determined on the parent profit for the respective periods.

#### Basic earnings per share

The weighted average number of shares and attributable profit are shown below:

	2021	2020
(no. shares in thousands)	Ordinary shares	Ordinary shares
No. shares at January 1	42,500	42,500
Treasury shares at January 1	(278)	(512)
Weighted average number of treasury shares sold in the year	51	211
<b>Total</b>	<b>42,273</b>	<b>42,199</b>
Attributable profit in thousands of euro	139,697	68,315
Basic earnings per share in euro	3.305	1.619

Profit attributable by share category was determined as follows:

	2021	2020
(in thousands of euro)	Ordinary shares	Ordinary shares
Residual profit apportioned to all shares	139,697	68,315
<b>Total</b>	<b>139,697</b>	<b>68,315</b>

#### Diluted earnings per share

Diluted earnings per share are computed in the same way as basic earnings per share, taking account of the dilutive effect of stock options, if any.



The weighted average number of shares and attributable profit are shown below:

	2021	2020
<b>(thousands of shares)</b>	<b>Ordinary shares</b>	<b>Ordinary shares</b>
Weighted average number of shares at December 31	42,273	42,199
Dilutive effect of stock options		35
<b>Total</b>	<b>42,273</b>	<b>42,234</b>
Attributable profit for diluted earnings per share in thousands of euro	139,697	68,315
Diluted earnings per share in euro	3.305	1.618

Profit attributable by share category was determined as follows:

	2021	2020
<b>(in thousands of euro)</b>	<b>Ordinary shares</b>	<b>Ordinary shares</b>
Residual profit apportioned to all shares	139,697	68,315
<b>Total</b>	<b>139,697</b>	<b>68,315</b>

## IFRS 7

### Net financial position

The net financial position at December 31, 2021 is set out below:

(in thousands of euro)	Caption	NOT NFP	NFP	Current assets	Current liabilities	Non-current assets	Non-current liabilities	NFP held for sale
Trade receivables and other noncurrent assets	205,895	194,122	11,773			11,773		
Other current assets including derivative financial instruments	28,795	18,794	10,001	10,001				
Investments, bonds and current financial receivables	350,770		350,770	350,770				
Cash and cash equivalents	135,406		135,406	135,406				
Non-current financial liabilities	(69,319)		(69,319)				(69,319)	
Other non-current payables and liabilities	(16,084)	(16,049)	(35)				(35)	
Current financial liabilities	(75,261)		(75,261)		(75,261)			
Other liabilities	(60,968)	(51,561)	(9,407)		(9,407)			
<b>Total</b>	<b>499,234</b>	<b>145,306</b>	<b>353,928</b>	<b>496,177</b>	<b>(84,668)</b>	<b>11,773</b>	<b>(69,354)</b>	
Assets classified as held for sale	56		56					56
Liabilities directly associated with assets classified as held for sale								
<b>Total</b>	<b>499,290</b>	<b>145,306</b>	<b>353,984</b>	<b>496,177</b>	<b>(84,668)</b>	<b>11,773</b>	<b>(69,354)</b>	<b>56</b>

The net financial position at December 31, 2021 amounted to 353.984 thousand euro, as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
<b>Current financial assets</b>	<b>496,177</b>	<b>456,505</b>	<b>39,672</b>
Cash and cash equivalents	135,406	123,066	12,340
Derivative financial instruments	151	539	(388)
Other current financial assets	360,620	332,900	27,720
<b>Current financial liabilities</b>	<b>(84,668)</b>	<b>(67,904)</b>	<b>(16,764)</b>
Bank loans and overdrafts	(59,672)	(10,937)	(48,735)
Borrowings	(24,559)	(56,413)	31,854
Derivative financial instruments	(437)	(554)	117
<b>Non-current financial assets</b>	<b>11,773</b>	<b>35,179</b>	<b>(23,406)</b>
Non-current financial assets	11,741	35,179	(23,438)
Derivative financial instruments	32		32
<b>Non-current financial liabilities</b>	<b>(69,354)</b>	<b>(83,171)</b>	<b>13,817</b>
Borrowings	(69,319)	(83,050)	13,731
Derivative financial instruments	(35)	(121)	86
<b>Net financial position relating to continuing operations</b>	<b>353,928</b>	<b>340,609</b>	<b>13,319</b>
Assets classified as held for sale	56	2,529	(2,473)
Liabilities directly associated with assets classified as held for sale		(22,307)	22,307
<b>Net financial position relating to discontinued operations</b>	<b>56</b>	<b>(19,778)</b>	<b>19,834</b>
<b>Total net financial position</b>	<b>353,984</b>	<b>320,831</b>	<b>33,153</b>

Net financial debt as at December 31, 2021, calculated as envisaged in the Consob communication "Call for attention no. 5/21 of April 29, 2021", is negative (i.e. the net financial position is positive) for 342,211 thousand euro (negative for 285,652 thousand euro at December 31, 2020). This amount does not include non-current financial assets.

## 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, 2021, divided on the basis of the new IFRS 9 categories and the related hierarchy:

(in thousands of euro)	Carrying amount					Fair value				
	FVTPL	FVTOCI	Amortised cost	FV hedges	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>										
<b>Other equity investments</b>		<b>131,515</b>				<b>131,515</b>	<b>64,212</b>	<b>21,072</b>	<b>46,231</b>	<b>131,515</b>
<b>Trade receivables and other non-current assets</b>	<b>191,410</b>		<b>14,453</b>	<b>32</b>		<b>205,895</b>	<b>256</b>	<b>2,673</b>	<b>188,513</b>	<b>191,442</b>
Financial assets at FVTPL in NFP	2,897					2,897	256	2,641		2,897
Financial assets at FVTPL not in NFP	188,513					188,513			188,513	188,513
Non-current receivables			10,678			10,678				
Trade receivables			1,846			1,846				
Derivatives				32		32		32		32
Guarantee deposits			1,929			1,929				
<b>Decrease/(increase) in trade receivables</b>			<b>129,875</b>			<b>129,875</b>				
<b>Current assets including derivative financial instruments</b>	<b>151</b>		<b>28,644</b>			<b>28,795</b>		<b>151</b>		<b>151</b>
Derivatives	151					151		151		151
Trade receivables			9,850			9,850				
Other amounts due			18,794			18,794				
<b>Equity investments, bonds and current financial receivables</b>	<b>323,358</b>		<b>27,412</b>			<b>350,770</b>	<b>48,209</b>	<b>275,032</b>	<b>117</b>	<b>323,358</b>
NFP Equity investments FVTPL	16,601					16,601	16,601			16,601
Financial assets at FVTPL in NFP	306,757					306,757	31,608	275,032	117	306,757
Financial receivables and accruals			27,412			27,412				
<b>Cash and cash equivalents</b>			<b>135,406</b>			<b>135,406</b>				
<b>Total</b>	<b>514,919</b>	<b>131,515</b>	<b>335,790</b>			<b>982,256</b>	<b>112,677</b>	<b>298,928</b>	<b>234,861</b>	<b>646,466</b>
<b>Financial liabilities</b>										
<b>Non-current financial liabilities</b>					<b>69,319</b>	<b>69,319</b>		<b>69,319</b>		<b>69,319</b>
Loans and borrowings					31,255	31,255		31,255		31,255
Finance lease payables					37,899	37,899		37,899		37,899
Other loans and borrowings					165	165		165		165
<b>Other non-current payables and liabilities</b>	<b>35</b>		<b>191</b>			<b>226</b>		<b>35</b>		<b>35</b>
Derivatives	35					35		35		35
Other non-current payables			191			191				
<b>Current financial liabilities</b>					<b>75,261</b>	<b>75,261</b>		<b>75,261</b>		<b>75,261</b>
<b>Loans and borrowings</b>					<b>63,892</b>	<b>63,892</b>		<b>63,892</b>		<b>63,892</b>
Finance lease payables					5,180	5,180		5,180		5,180
Other loans and borrowings					110	110		110		110
Other financial payables					6,079	6,079		6,079		6,079
<b>Trade payables</b>			<b>53,119</b>			<b>53,119</b>				
<b>Other liabilities</b>	<b>437</b>		<b>60,531</b>			<b>60,968</b>		<b>437</b>		<b>437</b>
Derivatives	437					437		437		437
Trade receivables			8,970			8,970				
Other payables, accruals and deferrals			51,561			51,561				
<b>Total</b>	<b>472</b>		<b>113,841</b>		<b>144,580</b>	<b>258,893</b>		<b>145,052</b>		<b>145,052</b>

The table below compares the carrying amount and the fair value of financial assets and liabilities at December 31, 2020, divided on the basis of the new IAS 39 categories and the related hierarchy:

(in thousands of euro)	Carrying amount					Fair value				
	FVTPL	FVTOCI	Amortised cost	FV hedges	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>										
<b>Other equity investments</b>		<b>119,737</b>				<b>119,737</b>	<b>96,447</b>	<b>15,868</b>	<b>7,422</b>	<b>119,737</b>
<b>Trade receivables and other non-current assets</b>	<b>126,132</b>		<b>35,272</b>			<b>161,404</b>	<b>248</b>	<b>3,070</b>	<b>122,814</b>	<b>126,132</b>
Financial assets at amortised cost			9,000			9,000				
Financial assets at FVTPL in NFP	3,318					3,318	248	3,070		3,318
Financial assets at FVTPL not in NFP	122,814					122,814			122,814	122,814
Non-current receivables			23,127			23,127				
Trade receivables			2,015			2,015				
Guarantee deposits			1,130			1,130				
<b>Decrease/(increase) in trade receivables</b>			<b>76,892</b>			<b>76,892</b>				
<b>Current assets including derivative financial instruments</b>	<b>539</b>		<b>18,922</b>			<b>19,461</b>		<b>539</b>		<b>539</b>
Derivatives	539					539		539		539
Trade receivables			8,644			8,644				
Other amounts due			10,278			10,278				
<b>Equity investments, bonds and current financial receivables</b>	<b>308,301</b>		<b>15,873</b>			<b>324,174</b>	<b>64,548</b>	<b>243,661</b>	<b>92</b>	<b>308,301</b>
NFP Equity investments FVTPL	21,228					21,228	21,193		35	21,228
Financial assets at FVTPL in NFP	287,073					287,073	43,355	243,661	57	287,073
Financial receivables and accruals			15,873			15,873				
<b>Cash and cash equivalents</b>			<b>123,066</b>			<b>123,066</b>				
<b>Total</b>	<b>434,972</b>	<b>119,737</b>	<b>270,025</b>			<b>824,734</b>	<b>161,243</b>	<b>263,138</b>	<b>130,328</b>	<b>554,709</b>
<b>Financial liabilities</b>										
<b>Non-current financial liabilities</b>						<b>83,050</b>		<b>83,050</b>		<b>83,050</b>
Loans and borrowings						54,182		54,182		54,182
Finance lease payables						27,995		27,995		27,995
Other loans and borrowings						873		873		873
<b>Other non-current payables and liabilities</b>			<b>476</b>	<b>121</b>		<b>597</b>		<b>121</b>		<b>121</b>
Derivatives				121		121		121		121
Other non-current payables			476			476				
<b>Current financial liabilities</b>						<b>57,844</b>		<b>57,844</b>		<b>57,844</b>
<b>Loans and borrowings</b>						<b>44,987</b>		<b>44,987</b>		<b>44,987</b>
Finance lease payables						4,762		4,762		4,762
Other loans and borrowings						187		187		187
Other financial payables						7,908		7,908		7,908
<b>Trade payables</b>			<b>51,497</b>			<b>51,497</b>				
<b>Other liabilities</b>	<b>554</b>		<b>55,006</b>			<b>55,560</b>		<b>554</b>		<b>554</b>
Derivatives	554					554		554		554
Trade receivables			9,506			9,506				
Other payables, accruals and deferrals			45,500			45,500				
<b>Total</b>	<b>554</b>		<b>106,979</b>	<b>121</b>	<b>140,894</b>	<b>248,548</b>		<b>141,569</b>		<b>141,569</b>

Trade receivables and payables were short term current assets and liabilities and their amounts were reasonable approximations of their fair value.

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, 2021 were as follows:

(in thousands of euro)	Level 3 31/12/2020	Increases					Decreases					Level 3 31/12/2021		
		Purchases	Gains on disposals in income statement	Other gains in income statement	Gains in equity	Other changes	Transfers from other levels	Sales	Repayments	Losses on disposals in income statement	Other losses in income statement		Losses in equity	Other changes
Non-current equity investments	7,422	29,739			10,707	2	(256)	(15)		(25)	(1,341)	(2)		46,231
Receivables and other non-current assets	122,814	39,148		58,856				(32,279)		(26)				188,513
Equity investments, bonds and current financial assets	92	68	23				(8)	(25)	(6)			(27)		117

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 Italgen for a nominal amount of 12.1 million euro and by the Casa della Salute group for a nominal amount of 3.9 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. 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, 2021, is set out below, subdivided by operating segment and maturity:

Notional amounts					
(in millions of euro)	Italmobiliare	Italgen	Casa della Salute	Officina Profumo-Farmaceutica di Santa Maria Novella	Total
Derivatives on interest rates		12.1		3.9	16.0
Derivatives on shares	24.0				24.0
Derivatives on indices	7.0				7.0
<b>Total</b>	<b>31.0</b>	<b>12.1</b>		<b>3.9</b>	<b>47.0</b>

Notional amounts					
(in millions of euro)	< 1 year	1 - 2 years	2 - 5 years	> 5 years	Total
Derivatives on interest rates	2.4	2.4	9.2	2.0	16.0
Derivatives on shares	24.0				24.0
Derivatives on indices	7.0				7.0
<b>Total</b>	<b>33.4</b>	<b>2.4</b>	<b>9.2</b>	<b>2.0</b>	<b>47.0</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, 2021:

(in millions of euro)	Maturity				Total
	< 1 year	1 - 2 years	2 - 5 years	Beyond	
Total financial liabilities	(77.8)	(23.3)	(27.2)	(25.3)	(153.6)
Undrawn committed lines of credit					
Cash and cash equivalents	135.4				135.4

The Group also has uncommitted lines of credit for 103.0 million euro.

At December 31, 2020:

(in millions of euro)	Maturity				Total
	< 1 year	1 - 2 years	2 - 5 years	Beyond	
Total financial liabilities	(80.9)	(42.3)	(7.8)	(19.4)	(150.4)
Undrawn committed lines of credit	27.6				27.6
Cash and cash equivalents	125.5				125.5

The Group also has uncommitted lines of credit for 258.6 million euro.

### 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, 2021:

<b>(in millions of euro)</b>	
<b>Balance at December 31, 2021</b>	
Fixed-rate financial liabilities	(68.1)
Fixed-rate financial assets	20.5
<b>Fixed rate NFP at inception</b>	<b>(47.6)</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	(16.0)
<b>Fixed rate NFP after hedging</b>	<b>(63.6)</b>
Floating-rate financial liabilities	(78.3)
Floating-rate financial assets	12.6
<b>Floating rate NFP at inception</b>	<b>(65.7)</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	16.0
<b>Floating rate NFP after hedging</b>	<b>(49.7)</b>
Net fair value of derivatives	
Other instruments not subject to interest-rate risk	467.3
<b>Total NFP</b>	<b>354.0</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.

<b>(in millions of euro)</b>	<b>euro</b>	<b>USD (*)</b>	<b>Other (*)</b>
Financial assets (**)			1.1
Financial liabilities (**)			
<b>Net exposure by currency</b>			<b>1.1</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, 2021	December 31, 2020	Change
Investments at FVTOCI	64,212	96,447	(32,235)
Equity investments FVTPL	16,601	21,192	(4,591)
<b>Overall exposure</b>	<b>80,813</b>	<b>117,639</b>	<b>(36,826)</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	22.8	Baa1	5.68
Bonds at amortised cost	9.0	n/a	1.00
Deposits	55.2	n/a	n/a
Other financial assets	192.5	n/a	n/a
Derivatives on shares	(0.3)	n/a	< 1

(\*) determined on first call

Assuming a parallel shift of +100 bps in the credit curve of CDS, the estimated total change in financial instruments would be -1.0 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, 2021 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	(4.7)	(1.1)	(1.2)		<b>(7.0)</b>
Total financial assets	97.7	1.1	8.1	237.6	<b>344.5</b>
<b>Total NFP</b>	<b>93.0</b>		<b>6.9</b>	<b>237.6</b>	<b>337.5</b>

Undrawn committed lines of credit

Short-term drawings on committed lines of credit are reclassified on expiry of the respective facility.

Unconfirmed credit lines available amount to 103.0 million euro, while the residual commitment to subscribe to private equity funds amounts to 97,475 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, 2021, and exposure to interest-rate risk; reference should be made to the specific note for a detailed breakdown of the NFP.

<b>(in millions of euro)</b>	
<b>Balance at December 31, 2021</b>	
Fixed-rate financial liabilities	(0.3)
Fixed-rate financial assets	11.4
<b>Fixed rate NFP at inception</b>	<b>11.1</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
<b>Fixed rate NFP after hedging</b>	<b>11.1</b>
Floating-rate financial liabilities	(3.0)
Floating-rate financial assets	11.7
<b>Floating rate NFP at inception</b>	<b>8.7</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
<b>Floating rate NFP after hedging</b>	<b>8.7</b>
Assets not exposed to interest-rate risk	321.4
Liabilities not exposed to interest-rate risk	(3.7)
<b>Total NFP</b>	<b>337.5</b>

Floating-rate assets include amounts due from Group companies and floating-rate bonds; fixed-rate liabilities include amounts due to Group companies and 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 -5.5 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, 2021, listed financial assets exposed to price risk amounted to 80.8 million euro, of which 64.2 million euro measured at FVTOCI and 16.6 million euro measured at FVTPL.

A hypothetical reduction of 5% in share prices would have a negative impact of 4.0 million euro on the assets' fair value, of which 3.2 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	16.6	-5%	(0.8)	
Shares at FVTOCI	64.2	-5%		(3.2)

## Other risks

### CYBER SECURITY

During 2021, the company put in place a mapping activity of the level of exposure to Cyber Security Risk for the Group, in order to identify areas for improvement and define a plan for the future activities of interventions to strengthen or adopt organizational, procedural and technological measures to mitigate the risk. The objectives set are as follows:

- Identify the most critical business assets with respect to Cyber threats;
- Assess the associated Cyber risk and current protection measures (based on ISO 27001 framework);
- Identify interventions to strengthen protection measures with their priority;
- Formalize a program to strengthen Cyber Security.

### CLIMATE CHANGE

With regard to climate change, the Group has not yet identified climate neutrality objectives for its subsidiaries/associates. The Company carried out a risk assessment activity, where each company of the Italmobiliare Group was assigned a degree of risk established on the basis of physical and transition risk factors (political risk, legal risk, technological risk, market risk and reputational risk). See the Non-Financial Statement attached to this report for better granularity in the description of these risk factors.

The only portfolio company with a degree of risk rated "high" is Autogas due to the business in which the company operates.

With reference to the potential accounting impacts arising from the risk of climate change on the financial statements, the Company believes that at 31 December 2021 the only impact could be included in the calculation of the recoverable amount of investments in subsidiaries and associates determined according to the value in use method, since the fair value methodology (also applied to Autogas) is supposed to already factor those risks in the exit value from the investment at the balance sheet date.

The Company, given the uncertainty of the possible impacts in the medium / long term, the lack of identified targets at the level of climate neutrality and the low/average risk assessment for the subsidiaries, has not been able to quantify the potential impact on the calculation of the value in use.

Management is committed to addressing the challenge of climate change and therefore continues to monitor any changes that may impact Group.

## 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 2018, Italgén changed its commercial policy by giving preference to selling on an electricity exchange at a variable price rather than selling to third-party customers at a fixed price. The new strategy allowed a drastic reduction in credit risk as most of the production is sold on the National Electricity Exchange and to highly rated wholesalers. The company is therefore exposed to a very low risk of trade receivables not being collectible.

### 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 its total gross debt is at a floating rate, indexed to 6-month Euribor.

In addition, the loan contracts of Italgén S.p.A. have covenants requiring compliance with financial indicators, typically on an annual basis. The financial indicator of reference is leverage (gross financial debt, net of cash and cash equivalents/gross operating profit), with a top limit of 3.5. Failure to comply with covenants leads to termination and consequent early repayment, although the covenants also include a stand-by period prior to actual execution. Italgén complied with the covenants at December 31, 2021.

At December 31, a positive change of 1% in the reference rates would have led to another 43 thousand euro of finance costs.

### Liquidity risk

Italgén has unconfirmed credit lines for a total of 23 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.

## SIRAP

### Credit risk

The Company no longer holds significant levels of trade receivables, so its credit risk is immaterial. However, receivables of a financial nature remain to be collected for a total of approximately 3.2 million euro, of which 2.0 million euro (Zeuss Packaging) are backed by a bank guarantee, while the rest (1.0 million euro with the final deadline in November 2024) are governed by a vendor loan with specific conditions.

The repayment schedule is as follows:

(in millions of euro)	2022	2023	Total
Zeus Packaging (repayments in February)	1.0	1.0	2.0
PFF Packaging (repayments in November)	0.6	0.6	1.2
<b>Total</b>	<b>1.6</b>	<b>1.6</b>	<b>3.2</b>

It should also be noted that the first deadline in February 2022 was met and Sirap Gema S.p.A. collected the amount due at the end of the month.

### Market risks

#### CURRENCY RISK

The receivables due from PFF Packaging Ltd, shown in the table above for a total of 1.2 million euro, are in GB pounds and for this reason are subject to euro/pound exchange rate risk.

This risk has decreased significantly compared with previous years when exposure to foreign currencies was much greater.

# CAFFÈ BORBONE

## Risk management policies

By its nature, the Company 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 Company 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 transaction to which they refer.

## Credit risk

The company 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 Company 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 2021 the Company increased the provision for bad and doubtful accounts by 619 thousand euro to align the nominal amount, mainly of some specific credit positions, with the estimated realisable amount.

## Liquidity risk

The company 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 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	(0.4)	(0.5)	(0.7)	(0.4)	(2.0)
Total financial assets	10.0				10.0
<b>Total NFP</b>	<b>9.6</b>	<b>(0.5)</b>	<b>(0.7)</b>	<b>(0.4)</b>	<b>8.0</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.

Although the loans granted are not covered by swap derivative instruments, the company is only marginally exposed to interest rate risk in consideration of the economic conditions underlying the outstanding agreements.

### 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 Company.

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.



# 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 transaction 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 Company 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.

With particular reference to the current situation, a new risk that has never happened before is that of access to shops being limited because of the pandemic. To cope with and mitigate this risk, the group has been concentrating its efforts on 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.

## 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.

## 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 90% 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 2021, as a result of these evaluations, the allowance for doubtful accounts was increased by 50 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 2021 and the repayment plan.

(in millions of euro)	Maturity				Total
	< 1 year	1 - 2 years	2 - 5 years	Beyond	
Total financial liabilities	(5.1)	(11.4)	(8.9)	(12.1)	<b>(37.5)</b>
Total cash and cash equivalents	2.5				<b>2.5</b>
<b>Total NFP</b>	<b>(2.6)</b>	<b>(11.4)</b>	<b>(8.9)</b>	<b>(12.1)</b>	<b>(35.0)</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 twelve bank loans outstanding, of which nine 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 Company's results.

## CALLMEWINE

The company, which operates in the online sale of wines and spirits, is mainly exposed to market risk, specifically the price risk of raw materials and products for resale.

### 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.

The sector is mainly exposed to changes in energy costs which in 2021 posted a significant increase in the price of both glass, essential for the production of bottles, and fuel and the consequent costs of transporting goods. The price of the cardboard used for packaging also had a sharp surge and, to mitigate the negative effects, the Company opted to use raw materials with a lower aesthetic impact, but more in line with the Group's sustainability policies.

The risk associated with a temporary lack of and possible rise in the price of certain products for resale should also be highlighted, due in some cases to the seasonal characteristics intrinsic to the sector, in others to commercial strategies adopted by distributors to adjust their prices.

## OTHER INFORMATION

### Transactions with related parties

Data relating to transactions with related parties in 2021 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	5,763	1,212	15,088	47	
	(10)				
Other related parties	47	13			
	(901)				(500)
<b>Total</b>	<b>5,810</b>	<b>1,225</b>	<b>15,088</b>	<b>47</b>	<b>(500)</b>
	<b>(911)</b>				
% impact on financial statement items	1.2%	0.9%	3.0%	24.4%	
	0.3%				2.4%

The comparatives for 2020 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	2,623	604	15,031	31	
	(19)	(1)			
Other related parties	43	12			
	(648)	(29)			(800)
<b>Total</b>	<b>2,666</b>	<b>616</b>	<b>15,031</b>	<b>31</b>	<b>(800)</b>
	<b>(667)</b>	<b>(30)</b>			
% impact on financial statement items	0.5%	0.8%	3.1%	6.4%	
	0.2%	0.1%			2.2%

During 2021, the Italmobiliare Group disbursed funds totalling 500 thousand euro to the Fondazione Cav. Lav. Carlo Pesenti (800 thousand euro in 2020).

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)	2021	2020
Short-term benefits: fees and remuneration	6,910	7,207
Other long-term benefits: length-of-service bonuses and incentives	3,276	3,347
Share-based payments (stock options)	861	1,063
<b>Total</b>	<b>11,047</b>	<b>11,617</b>

## Audit fees

The following table provides details of the 2021 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	611		
Other attestation services	73		
Other legal, tax and corporate services	93	10	
Expenses	14		
<b>Total</b>	<b>791</b>	<b>10</b>	

With regard to Clessidra, 126 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. 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 6,433 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 1,039 thousand euro, and FER-E incentivised electric energy sales for 306 thousand euro, also from Gestore dei Servizi Energetici S.p.A.;
- In 2021, the Casa della Salute group collected 32 thousand euro from the government for a "Sostegni bis" grant, 22 thousand euro as a super-Ace credit and 22 thousand euro as an advertising bonus;
- with reference to the grants received as a result of Covid-19, please refer to the specific paragraph at the beginning of this note.

## Statement of cash flows

### B) CASH FLOWS FROM INVESTING ACTIVITIES

The table below shows the main equity investments acquired by the Group in 2021:

(in millions of euro)	2021	2020
Officina Profumo-Farmaceutica di Santa Maria Novella group	42.1	162.9
Casa della Salute group	0.3	24.1
Private equity funds	39.1	16.0
Florence InvestCo	4.1	13.8
Callmewine		13.2
Clessidra Factoring		13.1
CCC Holding Europe		5.0
Farmagorà group	3.7	
Bacco	19.2	
Ariston	10.0	
KKR Teemo	10.5	
Idrodezzo and Idroenergy	5.6	
Other	0.3	1.5
Cash acquired	(0.4)	(21.6)
<b>Total</b>	<b>134.5</b>	<b>228.0</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 2021:

(in millions of euro)	2021	2020
Sale of property, plant & equipment	5.7	9.4
Sales of investments:		
HeidelbergCement	50.4	62.3
Partial reimbursement of Clessidra funds	28.3	35.4
Aksia fund (partial reimbursement)		11.4
BDT fund (partial reimbursement)	2.8	5.8
Ideami reimbursement		3.0
Dokimè (partial reimbursement)		1.4
Sale of operating activities of the Sirap group	143.8	
ITM Bacco (partial sale)	7.7	
Casa della Salute (partial sale)	2.0	
San Carlo	1.9	
Other	2.4	0.8
<b>Total</b>	<b>245.0</b>	<b>129.5</b>

The change in financial assets is mainly attributable to the increase in the investment in the Vontobel fund by Sirap S.p.A.

## Events after the reporting date

2021 posted an estimated +5.9% change in real global GDP, the highest figure since 1980. This significant rate of growth was determined by unprecedented expansion in terms of economic policy, as a joint action by fiscal and monetary policy, as well as by a hefty rebound in demand after the restrictive anti-Covid measures were eased. China and the United States helped to synchronise this expansion, with the USA supporting the advanced economies, which achieved +5%, and China supporting emerging nations, where GDP rose by +6.5%.

After reaching a peak at the end of the first half, the dynamics of the expansion decelerated, while still remaining at high levels, due to the effects of new waves of Covid and, in general, the repercussions of greater rigidity in supply due to bottlenecks in supply chains. 2022 promises to be a year of transition from the post-pandemic recovery to a gradual normalisation, with a reduction in the pro-cyclical impact of economic policy.

At the beginning of the year, before the geopolitical crisis between Russia and Ukraine deteriorated, the leading indicators were compatible with a global expansion of 4%, slowing down but 1% higher than potential GDP. Expectations for the Eurozone converged at +3.9% (after the +5.2% estimated in 2021) benefiting from various factors: on the consumption side, the excess savings accumulated during the lockdowns and the reduction in unemployment; on the investment side, the contribution expected from implementation of the budget and Next Generation EU with multiplier effects deriving from the activation of private investments; In this context, Italy's growth expectations come to +4% (+6.3% in 2021).

However, the scenario presents significant elements of uncertainty. The structural deficit of raw materials, energy and non-energy, deriving from the stagnation of production capacity during the last decade, at the same time as the jump in demand in the short term (counter-shock of the Covid crisis) and in the medium/long term (energy transition), is weighing on the expansion with repercussions on the rate of inflation and the purchasing power of consumers.

However, the rise in inflation is also supported by other components, not just raw materials and distortions in supply chains. In the USA, there is a significant acceleration in wage dynamics, capable of triggering off a price-wage spiral. The risk of monetary tightening being needed, more than previously expected, would have further repercussions on the economic cycle by making financial markets more unstable.

Geopolitical tensions are further exacerbating this imbalance: an economic scenario made highly uncertain by the politico-military factors triggered off by the crisis between Russia and Ukraine, with a possible spectrum of outcomes that are currently difficult to predict.

The focus that Italmobiliare, together with its Portfolio Companies, has placed on governance and careful risk management will further characterise this scenario of major uncertainty.

The highest priority will be given to identifying measures to protect the production chains, adopting where possible diversification strategies, particularly of outsourced supplies and services, in order to stem any bottlenecks or shortages of production inputs. To date, the only Group asset directly affected by the conflict, albeit to a marginal extent up to now, is a production plant of the Tecnica Group, for which, in addition to assistance and direct support initiatives to protect local employees, temporary alternatives are being sought to guarantee production continuity. The area involved in the conflict does not represent a significant business partner for any of the portfolio companies. However, it will be essential to monitor any restrictions and logistical difficulties carefully in handling the main commercial channels.

Cash and cash equivalents, still abundant in Italmobiliare's portfolio, are held through very low risk financial instruments in order to minimise fluctuations in value, finance the new investment opportunities under consideration and support the growth and resilience of the portfolio companies, both organically and externally.



With regard to the portfolio companies in particular, considerable effort will be dedicated to consolidating the success of the iconic brands of the Tecnica Group recorded in 2021, to further expansion by Caffè Borbone among the market leaders in the sector, also by developing internationally, and the evolution initiated by Officina Profumo-Farmaceutica di Santa Maria Novella in the wake of a centuries-old tradition of excellence that is unique in the whole world. These dynamics of great change in the respective sectors will also guide the development of the small caps of the Italmobiliare portfolio: Casa Della Salute, thanks to the ample space in the market for high quality, efficient health services, Callmewine expanding beyond the by now established trend of buying wines from sought-after wineries online, Italgen involved in the energy transition that is more topical than ever for Italy, Capitelli at the forefront in the search for high quality in the traditional sectors of food Made in Italy. Finally, it will be essential to support AGN and Iseo in protecting the impressive results that they have achieved in terms of higher margins from the inflationary trends affecting the raw materials market.

As for the alternative investment funds, in addition to the diversification of a portfolio increasingly articulated across different geographies and asset classes, Italmobiliare continues its leading role in the development of the Clessidra Group's multi-asset platform, through the launch of the fourth Private Equity fund and of the first Private Debt fund, which joins the UTP non-performing loans and factoring activities.

As regards the Portfolio Companies, it should be noted in relation to the subsidiary Iseo that on January 28, 2022 an increase in share capital for a total of 100,000 euro was fully subscribed and paid up in connection with the co-investment of a manager. As a result, Italmobiliare's stake went to 39.24%.

Furthermore, in February 2022, FT3 S.r.l. consolidated its shareholding in Callmewine S.r.l., having bought a further 20% of the capital from the minority shareholders.

For further information on the outlook, please refer to the specific paragraphs in the Director's report.

**Milan, March 8, 2022**

**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			Method	Non-controlling interest %
				Direct	Indirect	%		
Parent Company								
Italmobiliare S.p.A.	Milan	I	EUR	100,166,937.00				
035 Investimenti S.p.A.	Bergamo	I	EUR	3,950,000.00	11.15	-	11.15	Italmobiliare S.p.A. Fair Value
Antica Valserschio S.r.l.	Castelnuovo di Garfagnana (LU)	I	EUR	1,249,180.00	-	100.00	100.00	Gruppo AVS S.r.l. Equity
Arctic I.R.E. S.A.	Torres de la Alameda, Madrid	E	EUR	143,000.00	-	100.00	100.00	Roen Est S.p.A. Equity
Atmos Venture S.p.A. in liquidation	Milan	I	EUR	880,040.00	10.13	-	10.13	Italmobiliare S.p.A. Fair Value
Autogas Nord S.p.A.*	Volpiano (TO)	I	EUR	11,287,783.00	30.00	-	30.00	Italmobiliare S.p.A. Equity
Autogas Riviera S.r.l.	Taggia (IM)	I	EUR	102,000.00	-	50.00	50.00	Autogas Nord S.p.A. Equity
Bea Arquata S.r.l.	Busalla (GE)	I	EUR	60,000.00	-	80.00	80.00	Casa della Salute S.p.A. Cost
BEA Biella S.r.l.	Busalla (GE)	I	EUR	130,000.00	-	51.00	51.00	Casa della Salute S.p.A. Line-by-line 49.00
Beijing Tecnica Sport Equipment Co., Ltd	Beijing	RC	CNY	25,727,280.00	-	50.00	50.00	Tecnica Group S.p.A. Equity
Blizzard Sport Liegenschaftsverwaltungs GmbH	Mittersill	A	EUR	36,336.00	-	99.00	99.00	Blizzard Sport GmbH Equity
Blizzard Produktion GmbH	Chop	UA	EUR	6,001,701.00	-	100.00	100.00	Blizzard Sport GmbH Equity
Blizzard Sport GmbH	Mittersill	A	EUR	36,336.00	-	100.00	100.00	IQ-Sports Verwaltungs GmbH Equity
Caffè Borbone S.r.l.	Caivano (NA)	I	EUR	1,000,000.00	60.00	-	60.00	Italmobiliare S.p.A. Line-by-line 40.00
Callmewine S.r.l.	Milan	I	EUR	12,245.92	-	60.00	60.00	FT3 S.r.l. Line-by-line 40.00
Capitelli F.lli S.r.l.	Borgonovo Val Tidone (PC)	I	EUR	51,480.00	80.00	-	80.00	Italmobiliare S.p.A. Line-by-line 20.00
Casa della Salute S.p.A.	Genova	I	EUR	2,507,385.00	84.63	-	84.63	Italmobiliare S.p.A. Line-by-line 15.37
CCC Holdings Europe S.p.A.	Bergamo	I	EUR	6,130,000.00	16.36	-	16.36	Italmobiliare S.p.A. Equity
Cerraduras Iseo Iberica S.L.	Ajalvir - Madrid	E	EUR	300,500.00	-	90.00	90.00	Iseo Serrature S.p.A. Equity
Ciemmecci Fashion S.r.l.	Empoli (FI)	I	EUR	110,000.00	-	100.00	100.00	Gruppo Florence S.p.A. Equity
Clessidra Capital Credit SGR S.p.A.	Milan	I	EUR	2,400,000.00	-	100.00	100.00	Clessidra Holding S.p.A. Line-by-line
Clessidra CRF G.P. società semplice	Milan	I	EUR	10,000.00	-	49.00	49.00	Clessidra Capital Credit SGR S.p.A. Line-by-line 51.00
Clessidra Factoring S.p.A.	Milan	I	EUR	10,650,000.00	-	100.00	100.00	Clessidra Holding S.p.A. Line-by-line
Clessidra Holding S.p.A.	Milan	I	EUR	10,000,000.00	100.00	-	100.00	Italmobiliare S.p.A. Line-by-line
Clessidra Private Equity SGR S.p.A. (former Clessidra SGR S.p.A.)	Milan	I	EUR	3,600,000.00	-	100.00	100.00	Clessidra Holding S.p.A. Line-by-line
Compagnia Fiduciaria Nazionale S.p.A.	Milan	I	EUR	90,000.00	16.67	-	16.67	Italmobiliare S.p.A. Fair Value
Crédit Mobilier de Monaco S.A.	Monte Carlo	MC	EUR	5,355,000.00	99.91	-	99.91	Italmobiliare S.p.A. Line-by-line 0.09
Dokimè S.r.l.	Milan	I	EUR	100,000.00	20.63	-	20.63	Italmobiliare S.p.A. Equity
Eco Park Wind Power	Sofia	BG	BGN	5,000.00	-	100.00	100.00	Gardawind S.r.l. Equity
Ecoclima S.r.l.	Ariano nel Polesine (RO)	I	EUR	90,000.00	-	55.00	55.00	Autogas Nord S.p.A. Equity
Emmegi S.r.l.	Bulciago (LC)	I	EUR	10,000.00	-	100.00	100.00	Rilo S.r.l. Equity
Energy for MISR B.V. (under liquidation)	Amsterdam	NL	EUR	1,000.00	-	100.00	100.00	Italgas S.p.A. Line-by-line
ENEX S.r.l.	Padernello di Paese (TV)	I	EUR	300,000.00	-	100.00	100.00	Roen Est S.p.A. Equity
Eurotex PPH SP. Z.O.O.	Varsavia (Poland)	PL	PLN	116,000.00	-	100.00	100.00	Giuntini S.p.A. Equity
Farmacia Baboni S.r.l.	Cernusco sul Naviglio (MI)	I	EUR	10,000.00	-	100.00	100.00	Farmagorà 5 S.r.l. Equity -
Farmacia Brioschi S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity -
Farmacia Limited	London	UK	£	1,000.00	-	100.00	100.00	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. Line-by-line -
Farmacia Tarditi S.r.l.	Ponte Nizza (PV)	I	EUR	102,000.00	-	100.00	100.00	Farmagorà 2 S.r.l. Equity -
Farmagorà 2 S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity
Farmagorà 4 S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity
Farmagorà 5 S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity
Farmagorà 6 S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity
Farmagorà 7 S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity
Farmagorà 8 S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity
Farmagorà 9 S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity
Farmagorà 10 S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity
Farmagorà Barlassina S.r.l.	Barlassina (MB)	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Prima S.r.l. Equity
Farmagorà Holding S.p.A.	Bergamo	I	EUR	12,580,000.00	29.81	-	29.81	Italmobiliare S.p.A. Equity -
Farmagorà Prima S.r.l.	Bergamo	I	EUR	10,000.00	-	100.00	100.00	Farmagorà Holding S.p.A. Equity -
Farmagorà Solza S.r.l.	Solza (BG)	I	EUR	30,000.00	-	100.00	100.00	Farmacia Brioschi S.r.l. Equity

Company	Head Office			Share Capital		Interest held by Group Companies			Method	Non-controlling interest %
						Direct	Indirect	%		
Feroneria Prod. S.A.	Arad	RO	RON	20,628,636.40	-	100.00	99,9999 0,0001	Iseo Serrature S.p.A. Microhard S.r.l.	Equity	
Fin.Priv. S.r.l.	Milan	I	EUR	20,000.00	14.28	-	14.28	Italmobiliare S.p.A.	Fair Value	
Florence InvestCo S.r.l.	Milan	I	EUR	983,000.00	18.08	-	18.08	Italmobiliare S.p.A.	Equity	
Franco Tosi Ventures S.r.l.	Milan	I	EUR	100,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line	
FT2 S.r.l.	Milan	I	EUR	10,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line	
FT3 S.r.l.	Milan	I	EUR	10,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line	
Gardawind S.r.l.	Vipiteno (BZ)	I	EUR	100,000.00	-	49.00	49.00	Italgen S.p.A.	Equity	
Giuntini S.p.A.	Peccioli (PI)	I	EUR	500,000.00	-	100.00	100.00	Gruppo Florence S.p.A.	Equity	
GRES Hub S.r.l.	Milan	I	EUR	10,000.00	-	100.00	100.00	Italmobiliare Servizi S.r.l.	Line-by-line	
Gruppo AVS S.r.l.	Milan	I	EUR	10,000.00	-	100.00	100.00	Gruppo Florence S.p.A.	Equity	
Gruppo Cesari S.r.l.	Milan	I	EUR	10,000.00	-	100.00	100.00	Gruppo Florence S.p.A.	Equity	
Gruppo Energia Italia S.r.l.	Volpiano (TO)	I	EUR	108,000.00	-	50.00	50.00	Autogas Nord S.p.A.	Equity	
Gruppo Florence S.p.A.	Milan	I	EUR	1,463,921.00	-	65.38	65.38	Florence InvestCo S.r.l.	Equity	
Haekon Eood	Sofia	BG	BGN	5,000.00	-	100.00	100.00	Gardawind S.r.l.	Equity	
Idrodezzo S.r.l.	Villa di Serio (BG)	I	EUR	10,000.00	-	100.00	100.00	Italgen S.p.A.	Line-by-line	
Idroenergy S.r.l.	Villa di Serio (BG)	I	EUR	99,000.00	-	100.00	100.00	Italgen S.p.A.	Line-by-line	
Immobiliare Lido di Classe S.r.l. in liquidation	Rome	I	EUR	255,000.00	18.04	-	18.04	Italmobiliare S.p.A.	Cost	
IQ-Sports Verwaltungs GmbH	Mittersill	A	EUR	35,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity	
Iseo (Beijing) Security Technology Co., Ltd	Beijing	RC	CNY	500,000.00	-	100.00	100.00	Iseo Asia Limited	Equity	
Iseo Asia Limited	Hong Kong	HK	HKD	1,000,000.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Iseo Asia Pacific Sdn Bhd	Puchong, Selangor D.E.	MAL	MYR	715,560.00	-	100.00	100.00	Iseo Asia Limited	Equity	
Iseo Colombia S.A.S.	Bogotá	CO	COP	1,000,000,000.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Iseo Denmark A.P.S.	Copenhagen	DK	EUR	18,000.00	-	55.00	55.00	Iseo Serrature S.p.A.	Equity	
Iseo Deutschland GmbH	Gera	D	EUR	1,000,000.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Iseo France S.A.S.	Vaux Le Pénil	F	EUR	1,075,440.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Iseo Galvanica S.r.l.	Arad	RO	RON	2,800,000.00	-	99.50 0.50	99.50 0.50	Iseo Serrature S.p.A. Microhard S.r.l.	Equity	
Iseo Gulf LLC	Dubai	UAE	AED	300,000.00	-	100.00	100.00	Iseo Middle East FZE	Equity	
Iseo Middle East FZE	Dubai	UAE	AED	1,000,000.00	-	100.00	100.00	Iseo Denmark A.P.S.	Equity	
Iseo Peru S.A.C.	Lima	PE	PEN	1,250,000.00	-	90.00	90.00	Iseo Serrature S.p.A.	Equity	
Iseo Projects And Access Control DMCC (under liquidation)	Dubai	UAE	AED	75,000.00	-	80.00	80.00	Iseo Serrature S.p.A.	Equity	
Iseo Serrature S.p.A.	Pisogne (BS)	I	EUR	24,410,700.00	39.28	-	39.28	Italmobiliare S.p.A.	Equity	
Iseo South Africa Proprietary Limited	Cape Town	ZA	ZAR	2,163.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Italgen Maroc Ener S.A. (under liquidation)	Casablanca	MAR	MAD	39,100,000.00	-	100.00	99.99 0.01	Italgen S.p.A. Italmobiliare Servizi S.r.l.	Line-by-line	
Italgen Misr for Energy SAE (under liquidation)	Cairo	EGY	EGP	76,940,000.00	-	100.00	98.00 1.00 1.00	Energy for MISR B.V. (under liquidation) Italmobiliare S.p.A. Italmobiliare Servizi S.r.l.	Line-by-line	
Italgen S.p.A.	Villa di Serio (BG)	I	EUR	20,000,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line	
Italmobiliare Servizi S.r.l.	Milan	I	EUR	3,520,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line	
ITM Bacco S.r.l.	Milan	I	EUR	100,000.00	60.00	-	60.00	Italmobiliare S.p.A.	Line-by-line	40.00
Kobol Refrigeration s.l.u.	Peralta (Navarra)	E	EUR	3,000.00	-	100.00	100.00	Arctic I.R.E. SA	Equity	
Liras S.A.S.	Courbevoie	F	EUR	16,151,640.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
Locken Iberica S.L.	Madrid	ES	EUR	5,000.00	-	100.00	100.00	Liras S.A.S.	Equity	
Locken Services S.A.	Courbevoie	F	EUR	116,590.00	-	100.00	100.00	Liras S.A.S.	Equity	
Locken UK Limited	London	GB	GBP	1,000.00	-	99.20	99.20	Liras S.A.S.	Equity	
Lowa Boots LLC	Stanford	USA	USD	35,000.00	-	100.00	99.90 0.10	Lowa Sportschuhe GmbH Tecnica Group S.p.A.	Equity	
Lowa Production Sro (former Rialto Sro)	Bošany	SK	EUR	1,068,115.00	-	100.00	100.00	Lowa R&D S.r.l. (former Riko Sport S.r.l.)	Equity	
Lowa R&D S.r.l. (former Riko Sport S.r.l.)	Caselle di Altivole (TV)	I	EUR	780,000.00	-	100.00	100.00	Lowa Sportschuhe GmbH	Equity	
Lowa Schuhe AG	Interlaken	CH	CHF	1,100,000.00	-	100.00	100.00	MM Holding AG	Equity	
Lowa Sportschuhe GmbH	Jetzendorf	D	EUR	5,000,000.00	-	80.00	80.00	Teclor S.r.l.	Equity	
Manifatture Cesari S.r.l. Unipersonale	Città di Castello (PG)	I	EUR	500,000.00	-	100.00	100.00	Gruppo Cesari S.r.l.	Equity	
Max Conf S.r.l.	Citerna (PG)	I	EUR	70,000.00	-	100.00	100.00	Romolini S.r.l.	Equity	
Mely'S Maglieria S.r.l.	Arezzo	I	EUR	1,500,000.00	-	100.00	100.00	Gruppo Florence S.p.A.	Equity	
Mesomarket Eood	Sofia	BG	BGN	5,000.00	-	100.00	100.00	Gardawind S.r.l.	Equity	
Metaphor S.r.l.	Milan	I	EUR	10,000.00	-	100.00	100.00	Gruppo Florence S.p.A.	Equity	
Microhard S.r.l.	Rovellasca (CO)	I	EUR	100,000.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity	
MM Holding AG	Stans	CH	CHF	100,000.00	-	100.00	100.00	Lowa Sportschuhe GmbH	Equity	

Company	Head Office		Share Capital		Interest held by Group Companies			Method	Non-controlling interest %
					Direct	Indirect	%		
New Flour S.p.A.	Milan	I	EUR	163,000.00	16.97	-	16.97	Italmobiliare S.p.A.	Fair Value
Norfin S.r.l.	Giavera del Montello (TV)	I	EUR	95,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity
Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.	Florence	I	EUR	2,100,000.00	-	100.00	100.00	FT2 S.r.l.	Line-by-line
Officina Profumo-Farmaceutica di Santa Maria Novella of America Corporation	New York	USA	USD	2,000,000.00	-	100.00	100.00	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.	Line-by-line
Olso Meccanica S.r.l. in liquidation	Pisogne (BS)	I	EUR	10,400.00	-	100.00	100.00	Iseo Serrature S.p.A.	Equity
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milano	I	EUR	1,300,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
Red Pixel S.r.l.	Città di Castello (PG)	I	EUR	220,000.00	-	90.00	90.00	Romolini S.r.l.	Equity
Rilo S.r.l.	Bulciago (LC)	I	EUR	10,400.00	-	100.00	100.00	Giuntini S.p.A.	Equity
Roen Est S.p.A.	Ronchi dei Legionari (GO)	I	EUR	27,000,000.00	-	100.00	100.00	CCC Holdings Europe S.p.A.	Equity
Roen Est S.r.o (Slovakia)	Nové Mesto nad Vahom	SK	EUR	165,971.00	-	98.00	98.00	Roen Est S.p.A.	Equity
Romolini S.r.l.	Città di Castello (PG)	I	EUR	30,000.00	-	100.00	100.00	Gruppo Cesari S.r.l.	Equity
S.E.S. Società Editrice Sud S.p.A	Messina	I	EUR	10,695,505.08	31.10	-	31.10	Italmobiliare S.p.A.	Equity
Schöffel-Lowa-Sportartikel GmbH & Co. KG	Schwabmünchen	D	EUR	100,523.00	-	50.00	50.00	Lowa Sportschuhe GmbH	Equity
Simed S.r.l. in liquidation	Albenga (SV)	I	EUR	100,000.00	-	50.00	50.00	Casa della Salute S.p.A.	Cost
Sirap Gema S.p.A.	Bergamo	I	EUR	15,000,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
Société d'Etudes de Participations et de Courtages S.A.	Monte Carlo	MC	EUR	1,290,000.00	99.98	-	99.98	Italmobiliare S.p.A.	Line-by-line 0.02
Sofia S.r.l.	Pisogne (BS)	I	EUR	18,918.00	-	55.00	55.00	Iseo Serrature S.p.A.	Equity
Solar Rooftop S.r.l.	Villa di Serio (BG)	I	EUR	50,000.00	-	100.00	100.00	Italgen S.p.A.	Line-by-line
Splendorgas S.r.l.	Santi Cosma e Damiano (LT)	I	EUR	10,000.00	-	60.00	60.00	Autogas Nord S.p.A.	Equity
Stoccaggi Riuniti Cotignola Scarl	Cotignola (RA)	I	EUR	12,000.00	-	50.00	50.00	Autogas Nord S.p.A.	Equity
Teclor S.r.l.	Giavera del Montello (TV)	I	EUR	10,000,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity
Tecnica Group Canada Inc	Saint-Laurent	CA	CAD	4,000,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity
Tecnica Group France S.a.r.l.	Annecy-Le-Vieux	FR	EUR	1,000,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity
Tecnica Group Germany GmbH	Jetzendorf	D	EUR	715,808.00	-	100.00	100.00	Blizzard Sport GmbH	Equity
Tecnica Group Japan Ltd	Tokyo	JP	YEN	100,000,000.00	-	99.90	99.90	Tecnica Group S.p.A.	Equity
Tecnica Group S.p.A.	Giavera del Montello (TV)	I	EUR	38,533,835.00	40.00	-	40.00	Italmobiliare S.p.A.	Equity
Tecnica Group Schweiz AG	Stans	CH	CHF	500,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity
Tecnica Group USA Corp.	West Lebanon	USA	USD	5,800,000.00	-	100.00	100.00	Tecnica Group S.p.A.	Equity
Tecnica Ungheria Kft	Nagykállò	H	EUR	98,352.00	-	100.00	99.00 1.00	Tecnica Group S.p.A. Norfin S.r.l.	Equity
Tecnigas S.r.l.	Prevalle (BS)	I	EUR	49,920,000.00	-	50.00	50.00	Autogas Nord S.p.A.	Equity
Tianjing Tecnica International Trading Co., Ltd	Tianjin Port	RC	CNY	2,417,770.00	-	50.00	50.00	Tecnica Group S.p.A.	Equity
Versilgas S.r.l.	S. Stefano di Magra (SP)	I	EUR	36,400.00	-	50.00	50.00	Autogas Nord S.p.A.	Equity

\* Italmobiliare S.p.A.'s investment in Autogas Nord S.p.A. increased in the third quarter of 2019 from 26.88% to 32.82%, it being understood that (i) a portion of this investment, equal to 2.82% of Autogas, is deposited in escrow with a notary, as well as any dividends relating to this 2.82% that may be distributed will be deposited in a trustee current account opened with the same notary, (ii) the Quiris shareholders of Francesco Quirico, Umberto Rizzo & C. - S.A.P.A. and Mr. Casini will be able to exercise a call option to purchase (on a pro-rata basis), in whole or in part, this 2.82%, for 1 euro, if after the approval of the 2021 financial statements of Autogas Nord S.p.A. the Equity Value 2021 is higher than 318.7 m euro (whereas if the Equity Value 2021 of Autogas Nord S.p.A. is equal to or less than 318.7 m, the 2.82% will remain definitively acquired by Italmobiliare), and (iii) all or part of the dividends deposited temporarily in escrow (and the related shares) will be released to those who will be the final owners of the 2.82% stake in the share capital of Autogas Nord S.p.A.

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# ITALMOBILIARE

## INVESTMENT HOLDING

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### **Certification pursuant to art. 154-bis paragraph 5 of the Italian Consolidated Law on Finance (TUF) 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, 2021 to December 31, 2021.
  
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, 2021 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, 2021:
    - 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 scope, together with a description of the main risks and uncertainties to which they are exposed.

March 8, 2022

Chief Executive Officer

Manager in charge of financial reporting

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Carlo Pesenti

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Mauro Torri



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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, 2021, 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 a summary of the significant accounting policies.

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, 2021, 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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*Measurement of financial assets with fair value levels 2 and 3*

Description of the key audit matter      The consolidated financial statements at December 31, 2021 include financial assets measured at fair value categorized into hierarchy levels 2 and 3 amounting to Euro 533,6 million, equal to 54,3% of total financial assets and 26,7% 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, 2021 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;
- 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 technics, 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, 2021 include goodwill amounting to Euro 245,2 million, and intangible assets with indefinite useful life related to the "Caffè Borbone" and the "Officina Profumo Farmaceutica di Santa Maria Novella" trademark amounting Euro 92,1 million and Euro 124,2 million respectively. The latter amount comes from the final purchase price allocation exercise concluded in the current year.

The above reported assets, as required by IAS 36, are not systematically amortized but are subject to impairment test at least annually.

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 2022 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” 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 2022 budget and the plan for the following years, the explicit royalty rates and the discount rate (“Relief from royalty method”). This methodology is in line with the one used during the purchase price allocation exercise when their fair value was determined.

The impairment tests performed did not identify any impairment loss.

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.

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 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, where applicable, the impacts of the Covid-19 virus, and the reliability of the budgeting process;
- analyzing the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate);
- 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 IAS36.

#### *Recoverability of investments in associates*

Description of the key audit matter

The consolidated financial statements at December 31, 2021 include investments in associates amounting Euro 208,6 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 2021, 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 2022 budget 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.

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, 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, where applicable, the impacts of the Covid-19 virus, and the reliability of the budgeting process;
- analyzing the reasonableness of the market multiples method used;
- 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.



- 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, related safeguards.

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.

### 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, 2021, 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, 2021 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, 2021 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.



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 17, 2022

*As disclosed by the Directors on page D10, 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  
2021

# FINANCIAL STATEMENTS

## Statement of financial position

(euro)	Notes	31.12.2021	31.12.2020	Change	
<b>Non-current assets</b>					
Property, plant and equipment	1	6,837,563	6,746,360	91,203	
Investment property	2	7,348,764	8,307,328	(958,564)	
Intangible assets	3	6,117	107,542	(101,425)	
Equity investments in subsidiaries and associates	4	727,764,104	660,080,617	67,683,487	
Other equity investments	5	103,402,902	119,565,009	(16,162,107)	
Deferred tax assets	6	4,656,139	7,829,321	(3,173,182)	
Other non-current assets	7	208,073,243	155,964,095	52,109,148	
		<b>Total non-current assets</b>	<b>1,058,088,832</b>	<b>958,600,272</b>	<b>99,488,560</b>
<b>Current assets</b>					
Trade receivables	8	724,529	655,793	68,736	
Other current assets including derivative financial instruments	9	849,307	1,262,882	(413,575)	
Tax assets	10	21,832,029	12,249,156	9,582,873	
Equity investments, bonds and current financial receivables	11	279,469,799	312,147,027	(32,677,227)	
Cash and cash equivalents	12	55,233,522	54,654,301	579,221	
		<b>Total current assets</b>	<b>358,109,187</b>	<b>380,969,159</b>	<b>(22,859,972)</b>
		<b>Total assets</b>	<b>1,416,198,019</b>	<b>1,339,569,431</b>	<b>76,628,587</b>
<b>Equity</b>					
Share capital	13	100,166,937	100,166,937	-	
Share premium	14	55,606,873	55,606,873	-	
Reserves	14	4,900,281	(7,692,609)	12,592,890	
Treasury shares	15	(5,165,730)	(6,620,158)	1,454,428	
Retained earnings	16	1,165,304,369	1,138,881,166	26,423,203	
		<b>Total equity</b>	<b>1,320,812,730</b>	<b>1,280,342,209</b>	<b>40,470,521</b>
<b>Non-current liabilities</b>					
Borrowings	18	114,486	178,342	(63,856)	
Employee benefits	17	809,369	758,177	51,192	
Provisions	19	19,383,000	19,362,000	21,000	
Tax liabilities	19	15,858,159	7,262,252	8,595,907	
Other non-current liabilities	20	7,801,824	105,253	7,696,571	
Deferred tax liabilities	21	214,052	93,094	120,957	
		<b>Total non-current liabilities</b>	<b>44,180,890</b>	<b>27,759,119</b>	<b>16,421,771</b>
<b>Current liabilities</b>					
Loans and borrowings	18	-	13,964	(13,964)	
Financial liabilities	18	3,158,911	2,116,589	1,042,322	
Employee benefits	22	2,114,190	1,657,600	456,590	
Provisions		-	-	-	
Tax liabilities		34,844,723	13,452,228	21,392,495	
Other current liabilities	23	11,086,575	14,227,723	(3,141,147)	
		<b>Total current liabilities</b>	<b>51,204,399</b>	<b>31,468,103</b>	<b>19,736,296</b>
		<b>Total liabilities</b>	<b>95,385,289</b>	<b>59,227,222</b>	<b>36,158,067</b>
		<b>Total equity and liabilities</b>	<b>1,416,198,019</b>	<b>1,339,569,430</b>	<b>76,628,589</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	2021	%	2020	%	Change amount	%
<b>Revenue</b>							
Revenue and income		110,782,771		67,921,423		42,861,348	
<b>Total revenue and income</b>	<b>24</b>	<b>110,782,771</b>	<b>100.0</b>	<b>67,921,423</b>	<b>100.0</b>	<b>42,861,348</b>	<b>63.1</b>
Other revenue and income	25	741,246		1,611,952		(870,706)	
Raw materials and supplies	26	(270,060)		(225,532)		(44,528)	
Services	27	(8,899,814)		(8,101,988)		(797,826)	
Personnel expenses	28	(15,884,504)		(15,551,275)		(333,229)	
Other operating income (expenses)	29	(10,260,233)		(37,247,364)		26,987,131	
<b>Gross operating profit</b>		<b>76,209,406</b>	<b>68.8</b>	<b>8,407,216</b>	<b>12.4</b>	<b>67,802,190</b>	<b>806.5</b>
Amortisation and depreciation	30	(800,397)		(686,929)		(113,468)	
<b>Operating profit</b>		<b>75,409,009</b>	<b>68.1</b>	<b>7,720,287</b>	<b>11.4</b>	<b>67,688,722</b>	<b>876.8</b>
Finance income and costs	31	(29,089)		(106,144)		77,055	
Impairment of financial assets	32	(434,685)		18,519,641		(18,954,326)	
<b>Profit/(loss) before tax</b>		<b>74,945,235</b>	<b>67.7</b>	<b>26,133,784</b>	<b>38.5</b>	<b>48,811,451</b>	<b>186.8</b>
Income tax	33	(21,798,805)		5,430,914		(27,229,719)	
<b>Profit/(loss) for the year</b>		<b>53,146,430</b>	<b>48.0</b>	<b>31,564,698</b>	<b>46.5</b>	<b>21,581,732</b>	<b>68.4</b>

## Statement of comprehensive income

(euro)	Notes	2021	2020	Change amount	%
<b>Profit/(loss) for the year</b>		<b>53,146,430</b>	<b>31,564,697</b>	<b>21,581,733</b>	<b>68.4</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Financial assets measured at FVTOCI	5	14,065,353	(25,587,588)	39,652,941	
Income tax related to other comprehensive income		(102,012)	63,968	(165,980)	
Remeasurement of net defined benefit liability/asset		1,862	(24,351)	26,213	
<b>Total items that will not be reclassified to profit or loss</b>		<b>13,965,203</b>	<b>(25,547,971)</b>	<b>39,513,174</b>	
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign exchange differences on translation of foreign operations		(474)	1,712	(2,186)	
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(474)</b>	<b>1,712</b>	<b>(2,186)</b>	
<b>Total other comprehensive income for the year</b>		<b>13,964,729</b>	<b>(25,546,259)</b>	<b>39,510,988</b>	
<b>Total comprehensive income</b>		<b>67,111,159</b>	<b>6,018,438</b>	<b>61,092,721</b>	<b>n.s.</b>

## Statement of changes in equity

(euro)	Reserves						Total equity
	Share capital	Share premium	OCI reserve	Other reserves	Treasury shares	Retained earnings	
<b>Balances at December 31, 2019</b>	<b>100,166,937</b>	<b>55,606,873</b>	<b>(134,081)</b>	<b>1,598,168</b>	<b>(12,153,618)</b>	<b>1,201,936,002</b>	<b>1,347,020,281</b>
Statement of comprehensive income			(25,523,620)			(22,639)	(25,546,259)
Reclassification for sale of investments at FVTOCI			17,616,116			(17,616,116)	
Profit for the year						31,564,697	31,564,697
Reduction of stock option plans for extinction and/or exercise				(1,249,192)		1,249,192	
Stock options exercised					5,533,460	(2,231,216)	3,302,244
Profit distribution:							
Dividends						(75,998,754)	(75,998,754)
<b>Balances at December 31, 2020</b>	<b>100,166,937</b>	<b>55,606,873</b>	<b>(8,041,585)</b>	<b>348,976</b>	<b>(6,620,158)</b>	<b>1,138,881,166</b>	<b>1,280,342,209</b>
Statement of comprehensive income			13,963,341			1,388	13,964,729
Reclassification for sale of investments at FVTOCI			(1,021,475)			1,021,475	
Profit for the year						53,146,430	53,146,430
Reduction of stock option plans for extinction and/or exercise				(348,976)		348,976	
Stock options exercised					1,454,428	(611,161)	843,267
Profit distribution:							
Dividends						(27,483,905)	(27,483,905)
<b>Balances at December 31, 2021</b>	<b>100,166,937</b>	<b>55,606,873</b>	<b>4,900,281</b>		<b>(5,165,730)</b>	<b>1,165,304,369</b>	<b>1,320,812,730</b>

## Statement of cash flows

(in thousands of euro)	Notes	2021	2020
<b>A) Cash flows from operations</b>			
Profit/(loss) before tax		74,945	26,134
Amortisation, depreciation and impairment losses		800	668
Impairment losses and reversals		435	
(Capital gains)/losses on securities, investments, PPE and investment property		(2,852)	(375)
Change in employee benefits and other provisions		72	(1,069)
Reversal of impairment adjustments to financial assets			(18,520)
Reversal of net finance income/costs	34	(107,080)	(49,419)
<b>Cash flows from operating activities before tax, finance income/costs and change in working capital</b>		<b>(33,680)</b>	<b>(42,581)</b>
		Change in trade receivables	(69)
		Change in trade payables	457
		Change in other receivables/payables, accruals and deferrals	28,784
		<b>Total changes in working capital</b>	<b>29,172</b>
		<b>29,172</b>	<b>14,566</b>
Net finance costs paid		9,196	19,077
Dividends received	24	32,377	30,342
Tax payments, net of rebates		(19,798)	(4,970)
		<b>Total A)</b>	<b>17,267</b>
		<b>17,267</b>	<b>16,434</b>
<b>B) Cash flows from investing activities:</b>			
Capital expenditure:			
PPE and investment property	2	(516)	(1,625)
Intangible assets			-
Change in financial receivables		2,200	(109)
Financial assets (Investments and Private Equity funds)	34	(135,479)	(234,164)
Change in current equity investments and securities	34	(29,769)	42,222
		<b>Total capital expenditure</b>	<b>(163,563)</b>
		<b>(163,563)</b>	<b>(193,676)</b>
PPE and investment property		1,121	
Change in receivables for sale of financial assets			-
Proceeds from disposal of non-current assets	34	92,589	112,533
Change in current equity investments and securities		78,842	
		<b>Total disposals</b>	<b>172,552</b>
		<b>172,552</b>	<b>112,533</b>
		<b>Total B)</b>	<b>(81,143)</b>
		<b>(81,143)</b>	<b>(81,143)</b>
<b>C) Cash flows from financing activities:</b>			
Change in financial liabilities	18	965	(251)
Change in treasury shares	15	843	5,533
Dividends paid	15	(27,484)	(75,999)
		<b>Total C)</b>	<b>(25,676)</b>
		<b>(25,676)</b>	<b>(70,717)</b>
<b>D) Change in cash and cash equivalents (A+B+C)</b>		<b>579</b>	<b>(135,426)</b>
<b>E) Cash and cash equivalents at the beginning of the year</b>		<b>54,654</b>	<b>190,080</b>
<b>D+E) Cash and cash balances at the end of the year</b>	<b>12</b>	<b>55,233</b>	<b>54,654</b>

# NOTES

The draft financial statements of Italmobiliare S.p.A. for the year ended December 31, 2021 were approved by the Board of Directors on March 8, 2022. During the meeting, the Directors authorised also the publication of a press release dated March 8, 2022, containing the abovementioned financial statements' key information.

The financial statements have been presented on a going-concern basis. Despite the continuing pandemic emergency and the actual economic and financial situation, Italmobiliare's management assessed that there are not significant uncertainties on its going concern, thanks to its creditworthiness and solid financial structure (net financial position of 337.5 million euro at December 31, 2021 and lines of credit of 103 million euro available and not yet used) and to the performance of its portfolio companies in 2021. This is also confirmed by the 2021 performance of its shares on the market.

## 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, 2021 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 at December 31, 2021 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, 2021**

The following accounting standards, amendments and IFRS interpretations were applied for the first time by the Company starting from January 1, 2021:

- On March 31, 2021 the IASB published an amendment called "Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)", with which it extends the period of application of the amendment issued in 2020 for one year. This amendment gave lessees the right to account for Covid-19 related rent reductions without having to analyse the contracts to assess whether there had been a lease modification as defined by IFRS 16. Lessees who applied this option in 2020 therefore recorded the effects of any rent reductions directly in the income statement at the effective date of the reduction. The 2021 amendment, available only to entities that have already adopted the 2020 amendment, is effective from April 1, 2021 and early adoption is allowed.
- On June 25, 2020 the IASB published the amendment called "Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)". The amendment allows insurance companies to extend the temporary exemption from application of IFRS 9 until January 1, 2023.
- In light of the reform of interbank interest rates such as the IBOR, on August 27, 2020, the IASB published its "Interest Rate Benchmark Reform – Phase 2", which contains amendments to the following standards:
  - IFRS 9 Financial Instruments;
  - IAS 39 Financial Instruments: Recognition and Measurement;
  - IFRS 7 Financial Instruments: Disclosures;
  - IFRS 4 Insurance Contracts;
  - IFRS 16 Lease.

Application of these standards did not have significant impacts on the Company.

### **Accounting standards, amendments and IFRS interpretations endorsed by the European Union, not yet compulsorily applicable and not adopted in advance by the Company at December 31, 2021.**

- On May 18, 2017, the IASB published IFRS 17 - Insurance Contracts which is intended to replace IFRS 4 - Insurance Contracts. 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 new standard measures an insurance contract based on a General Model, or a simplified version of it called the Premium Allocation Approach ("PAA").
- The entity shall apply the new standard to insurance contracts issued, including reinsurance contracts issued, to reinsurance contracts held and to investment contracts with a discretionary participation feature (DPF). The standard comes into force from January 1, 2023 but earlier application is allowed, only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.

- On May 14, 2020, the IASB published the following amendments called:
  - Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing changes to the provisions of IFRS 3.
  - Amendments to IAS 16 Property, Plant and Equipment: the amendments are intended not to allow the amount received from the sale of goods produced during the test phase of a fixed asset to be deducted from its cost. Such revenues and the related costs are to be recorded in the income statement.
  - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all costs directly attributable to the contract must be considered when estimating whether a contract could make a loss. This means that when assessing whether a contract could make a loss, one has to include not only the incremental costs (e.g. the cost of direct materials used in processing), but also any other costs that the company cannot avoid as it has stipulated the contract (e.g. a share of the labour cost and depreciation of the machinery used to fulfil the contract).
  - Annual Improvements 2018-2020: amendments have been made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

All changes came into force on January 1, 2022. The directors do not expect these standards to have a significant effect on the Company's financial statements.

**Accounting standards, amendments and IFRS interpretations published at December 31, 2021, 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 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". The document aims to clarify how to classify payables and other short or long term liabilities. The changes come into force from January 1, 2023; but early application is permitted.
- On February 12, 2021, the IASB published an amendment called "Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2". The amendments are aimed at improving disclosure on accounting policies 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 amendments will apply from January 1, 2023, but early application is permitted.
- On February 12, 2021, the IASB published an amendment called "Definition of Accounting Estimates—Amendments to IAS 8". The amendments are aimed at improving disclosure on accounting policies 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 amendments will apply from January 1, 2023, but early application is permitted.
- 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, must be accounted for. The amendments will apply from January 1, 2023, but early application is permitted.

- On December 9, 2021, the IASB published an amendment to IFRS 17 called "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information". The amendment is a transition option relating to comparative information on financial assets presented at the date of first-time application of IFRS 17. The amendment aims to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, i.e. to improve the usefulness of comparative information for readers of financial statements. The amendments will apply from January 1, 2023, together with the application of IFRS 17.
- On January 30, 2014, the IASB published the "IFRS 14 - Regulatory Deferral Accounts", which allows 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.

The directors do not expect these standards and amendments to have a significant effect on the Company's financial statements.

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).

## 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 reporting date;
- 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: fair value changes on financial assets valued at FVTOCI, derivative financial instruments designated in hedge accounting, differences in conversion 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.

## USE OF ESTIMATES

In preparing the separate financial statements, no significant judgments were taken during the process of applying the accounting standards of Italmobiliare S.p.A, with the exception of those concerning estimates that had a significant effect on the amounts recognized in the financial statements.

The main assumptions regarding the future and the main causes of uncertainty in the estimate at year end that present a significant risk of giving rise to significant 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 19);
- impairment losses and reversals on investments in subsidiaries and associates (for further details, see note 4).

## 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.

## PURCHASE PRICE OF BUSINESS COMBINATIONS

Under IFRS 3 revised, 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.

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 fair value of assets and liabilities identifiable at the acquisition date.

Negative differences are recognized immediately to the income statement.

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).

## 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. The carrying amount of some assets existing at the IFRS first-time adoption date of January 1, 2005, reflects revaluations applied in prior years 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 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 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;
- The amount of guarantees for the residual value that the lessee expects to pay;
- The exercise price of the purchase option, which should only be included if it is deemed reasonably certain that the option will be exercised;
- Penalties for early termination of the contract, if the lease term provides an option to cancel the lease and it is reasonably certain that it will be exercised.

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 Company restates the value of Lease Liability (and adjusts the value of the corresponding Right of Use) if:

- The duration of the lease changes or there is a reassessment of whether the option right will be exercised; in this case, the Lease Liability is recalculated by discounting the new lease payments at the revised discount rate;
- The value of lease payments changes as a result of changes in the indices or rates, in such cases the Lease Liability is recalculated by discounting the new lease payments at the initial discount rate (unless payments due under the lease contract change following a fluctuation in interest rates, in which case a revised discount rate must be used);
- A lease contract has been modified and the change is not one of the situations leading to separate recognition of the lease contract. In such cases, the Lease Liability is recalculated by discounting the new lease payments at the revised interest rate.

The Company did not find any of such changes during the period.

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 2021.

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 consolidated 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 consolidated 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.

## IMPAIRMENT

At each balance sheet date, the Company checks whether there are any internal or external signs of possible impairment or recovery in the value of property, plant and machinery or intangible assets according to IAS 36.

If the conditions are verified, the recoverable amount of these assets is estimated to determine the amount of any write-down or write-back.

The recoverable amount is the greater 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.

## 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 (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 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").

The 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/FVTPL 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 former 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.

**Employment termination plans**

Employment termination plans include provisions for restructuring costs recognized when the company 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 profit or loss, as are costs for benefits 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 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 capital 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 investee 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 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.

## 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.

## The impacts of COVID-19 on the financial statements

The persistence of the health emergency caused by the pandemic impacted also the year 2021, albeit in the context of a more favourable global macroeconomic framework. Moreover, despite the important progress made in terms of reopening economic activities thanks to the vaccination campaign, the persistence of uncertainties regarding the progress of the pandemic at an international level is still contributing to the high level of global uncertainty that characterises the first few months of 2022.

Italmobiliare continued to implement all safety and control measures in favour of its employees on a timely basis, both at the Holding Company and at the Portfolio Companies, so as to limit possible occasions for contagion and to ensure continuity of production and commercial activities. As regards the Portfolio Companies, initiatives for the development of alternative commercial channels (e-commerce) have continued in order to cope with the restrictions affecting traditional distribution channels, together with forms of flexibility of production cycles to limit possible inventory imbalances and a careful rescheduling of investment flows.

For further information on the pandemic's impact on the economic performance, future plans and other details, please refer to the specific paragraphs of the individual Portfolio Companies in the Directors' report. In terms of grants received, Italmobiliare has not received any subsidies for 2021.

Lastly, it should be noted that the Company has not suffered significant impacts on liquidity due to the persistence of the health emergency; in fact, it can count on a decidedly positive cash position that should leave ample room for manoeuvre, avoiding any liquidity tension. Please refer to the part of the notes relating to the net financial position for further information.

## Significant events during the period

In January 2021, Sirap's main assets in Italy, Poland and Spain were sold to the Faerch group - a Danish company that is a leader in the food packaging sector - based on an enterprise value of approximately 162 million euro.

In February 2021 Sirap and Zeus Packaging - an Irish company that operates in the distribution of packaging products - then signed a binding agreement for the sale of the Petruzalek Group and the German subsidiary of the Sirap Group (Sirap GmbH), based on an enterprise value of around 12 million euro. The deal, which was subject to usual conditions precedent, was completed in April.

In March 2021 Italmobiliare, already an investor in the Clessidra Capital Partners 3 fund, participated as one of the fund's co-investors in the operation which saw the acquisition by the Clessidra Capital Partners 3 fund of a majority stake in Botter S.p.A., a Venetian company that is one of the major exporters of Italian wine in the world, owned by the Botter family and DeA Capital. Italmobiliare's investment, initially of 36 million euro for a 31% interest, is in support of Clessidra's project, which has identified Botter as the cornerstone of an initiative to consolidate the wine sector: a strategy of targeted acquisitions with the idea of creating an Italian leader in this sector with strong growth potential in new

markets. In July, part of the co-investment was sold to Clessidra's Fund IV and the remaining 13.69% was sold to ITM Bacco, a Group company.

On July 27, 2021, Marinella Soldi resigned as an independent director following her appointment as the new President of RAI, the Italian state broadcaster. On July 29, the Board of Directors co-opted Valentina Casella.

On October 11, 2021, Italmobiliare S.p.A. completed its purchase of the residual 20% of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. This will allow Italmobiliare to operate with greater strategic flexibility in the company's development path with the acceleration of international expansion.

On October 16, 2021, Italmobiliare sold 158,250 shares in Casa della Salute S.p.A. to Bootes for 1.9 million euro, which did not lead to the recognition of a capital gain or loss as the investment was sold at book value, reducing its stake from 92.5% to 84.63%.

In November 2021, the subsidiary Sirap Gema S.p.A. completed its sale of Sirap France to the Happy Group. In this way, Italmobiliare has completed its plan to exit from the food packaging sector. The process, which started in January 2021 by selling the assets in Italy, Poland and Spain, as mentioned above, continued with the sale of the Petruzalek Group and Sirap GmbH (in February 2021) and Sirap UK (in November 2021). The cash generated by these sales, including costs to sell (145 million euro), has been added to Italmobiliare's cash resources, ready to be allocated to future investments according to the Holding Company's diversification strategy.

On November 17, Italmobiliare finalised the agreement to buy 19.99% of Bene Assicurazioni, continuing its diversification of investments in Italian companies of excellence. The execution of the deal is subject to the approval by IVASS - the Insurance Supervisory Authority. Italmobiliare will enter into the company's share capital through an investment of 40 million euro made by a capital increase, which as a result will give it 19.99% of Bene Assicurazioni.

# ASSETS

## Non-current assets

### 1) PROPERTY, PLANT AND EQUIPMENT

At December 31, 2021 and at December 31, 2020, property, plant and equipment totalled respectively 6,837 thousand euro and 6,746 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	6,085	1,164	901	499	8,649
Accumulated depreciation	(1,102)	(330)	(283)	(188)	(1,903)
<b>Carrying amount at December 31, 2020</b>	<b>4,983</b>	<b>834</b>	<b>618</b>	<b>311</b>	<b>6,746</b>
Additions	242	106	43	124	515
Decreases				(32)	(32)
Depreciation	(67)	(139)	(102)	(102)	(410)
Utilisation of accumulated depreciation				18	18
<b>Carrying amount at December 31, 2021</b>	<b>5,158</b>	<b>801</b>	<b>559</b>	<b>319</b>	<b>6,837</b>
Gross amount	6,327	1,270	944	591	9,132
Accumulated depreciation	(1,169)	(469)	(385)	(272)	(2,295)
<b>Carrying amount at December 31, 2021</b>	<b>5,158</b>	<b>801</b>	<b>559</b>	<b>319</b>	<b>6,837</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, recognizing the right of use of the underlying asset (contracts for car and property rental).

The increase during the year is mainly related to the renovation of the Company head office.

### 2) INVESTMENT PROPERTY

Investment property amounting to 7,349 thousand euro (8,307 thousand euro at December 31, 2020) is measured at cost.

The fair value of investment properties at December 31, 2021 was 10.4 million euro. The designation of their fair value is a level 3 calculated 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	9,661
Accumulated depreciation	(1,354)
<b>Carrying amount at December 31, 2020</b>	<b>8,307</b>
Decreases	(801)
Depreciation	(288)
Utilisation of accumulated depreciation	131
<b>Carrying amount at December 31, 2021</b>	<b>7,349</b>
Gross amount	8,860
Accumulated depreciation	(1,511)
<b>Carrying amount at December 31, 2021</b>	<b>7,349</b>



Investment properties were depreciated at an annual rate of 3%, which reflects their residual useful life. The decrease was due to the sale of some properties in Rome. The cash inflow from this sale amounted to 930,000 euro while the net book value was 671,000 euro, which is why a capital gain of 260 thousand euro was realised and recorded in the "Other operating income (expenses)" caption. This cash flow essentially constitutes the "Cash flows from investing activities" relating to the disposal of property, plant and equipment and investment property.

### 3) INTANGIBLE ASSETS

Intangible assets consist of investments in software applications for administrative purposes.

(in thousands of euro)	Sundry licences and rights	Total
Gross amount	634	634
Accumulated amortisation	(527)	(527)
<b>Carrying amount at December 31, 2020</b>	<b>107</b>	<b>107</b>
Amortisation	(101)	(101)
<b>Carrying amount at December 31, 2021</b>	<b>6</b>	<b>6</b>
Gross amount	634	634
Accumulated amortisation	(628)	(628)
<b>Carrying amount at December 31, 2021</b>	<b>6</b>	<b>6</b>

### 4) INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The movements on this caption compared to December 31, 2020, are illustrated below:

(in thousands of euro)	
<b>At December 31, 2020</b>	<b>660,081</b>
Increase for purchase of equity investments or capital contribution	123,349
Increase for equity investment acquisition projects	920
Decrease	(56,151)
Impairment loss	(435)
<b>At December 31, 2021</b>	<b>727,764</b>

The following corporate changes occurred in 2021:

- Bea S.p.A. was merged with Casa della Salute S.p.A. on June 28, and a capital increase for 4 million euro was subscribed and paid-up (the value of the reclassified investment was equal to 24,441 thousand euro);
- Reorganisation of the Clessidra Group with the establishment of Clessidra Holding S.p.A. through a payment of 4,000 thousand euro as capital increase (the book value of the investment at the date of the reorganization was approximately 22,000 thousand euro). For details of the operation, please refer to the Directors' report.

Net of these transactions, the increase mainly refers to the establishment of the newco ITM Bacco (19,275 thousand euro, subsequently used by the newco to purchase the 13.69% of Botter S.p.A. from Italmobiliare), to the purchase of the remaining 20% of Officina Profumo-Farmaceutica di Santa Maria Novella through the newco FT2 (40,000 thousand euro), to the capital increase in Florence InvestCo S.r.l. (3,970 thousand euro) and Farmagorà (3,750 thousand euro).

Whereas the decrease relates to the sale of the 40% of ITM Bacco for 7.7 million euro and the sale of some shares in Casa della Salute for 1.9 million euro in 2021, which resulted in a reduction of the investment from 92.5% to 84.63%, recognizing a loss of 6 euro.

The investments in subsidiaries and associates at December 31, 2021 are listed below:

<b>Subsidiaries</b>	<b>Head Office</b>	<b>% held</b>
Caffè Borbone S.r.l.	Caivano	60%
Capitelli F.lli S.r.l.	Borgonovo Val Tidone	80%
Casa della Salute S.p.A.	Genoa	84.63%
Clessidra Holding S.p.A.	Milan	100%
Credit Mobilier de Monaco	Monte Carlo	99.91%
Franco Tosi Ventures S.r.l.	Milan	100%
FT2 S.r.l.	Milan	100%
FT3 S.r.l.	Milan	100%
Italgen S.p.A.	Villa di Serio	100%
Italmobiliare Servizi S.r.l.	Milan	100%
ITM Bacco S.r.l.	Milan	60%
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milan	100%
Société d'Etudes de Participations et de Courtages S.A.	Monte Carlo	99.98%
Sirap Gema S.p.A.	Verolanuova	100%

<b>Associates</b>	<b>Head Office</b>	<b>% held</b>
Autogas Nord S.p.A.	Volpiano	30%
Cartiere Burgo S.p.A.	Altavilla Vicentina	11.68%
CCC Holdings Europe S.p.A.	Bergamo	16.36%
Dokimè S.r.l.	Milan	20.63%
Farmagorà' Holding S.p.A.	Bergamo	29.81%
Florence InvestCo S.r.l.	Milan	18.08%
Iseo Serrature S.p.A.	Pisogne	39.28%
Società Editrice Sud S.p.A.	Messina	31.10%
Tecnica Group S.p.A.	Giavera del Montello	40%

See annexes "A" and "B" for further information on the investments in subsidiaries and associates.

An impairment test was performed on Sirap Gema S.p.A., with the help of an independent expert, to determine its recoverable amount (equity value) in accordance with IAS 36.

The recoverable amount of Sirap Gema S.p.A. was calculated according to the so-called equity method which determines the overall recoverable amount of Sirap Gema by aggregating: i) the equity of Sirap Gema at 31.12.2021, which includes the effects from the sale of all the group's operating subsidiaries in 2021 ii) less the holding operating costs foreseen for the period 2022-2024. The test did not show any evidence of impairment loss on the investment.

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-the- Parts (SOTP) approach was adopted, which determines the equity value of the investee based on 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., Clessidra Private Equity SGR S.p.A., and Clessidra Capital Credit SGR S.p.A., the recoverable amount was determined according to an equity-side approach based on an estimate of its future discounted cash flows; while for Clessidra Factoring S.p.A. the recoverable amount was determined according to an equity-side approach based on the P/E 2022 multiple. In particular, the recoverable amount was estimated on the basis of the existing liquidity and the future discounted cash flows taken from the company's financial projections of the 2022-2025 Plan approved by the Board of Directors of Clessidra Holding S.p.A. Given the particular nature of Clessidra's business

and the importance of human resources, a "finite" term has been adopted which is based on the projections of future cash flows expected in the years covered by the plan. The cash flows were discounted using a post-tax discount rate of 8.9%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) for the specific risk. 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.

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 budget 2022 approved by the company's Board the present value of (unlevered) future cash flows, net of taxes, based on the and business projections for the three-year period 2023-2025 prepared by its management. The 2021-2025 CAGR of revenues foreseen in the plan is equal to 10.6%, compared with an actual growth rate of 14.5% in 2021 and 27.0% in 2020. The cash flows were discounted using a post-tax discount rate (WACC) of 7.3%, 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 1.4% was used. The test did not reveal any evidence of impairment losses since the recoverable amount is significantly higher than the carrying amount.

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. Moreover, another sensitivity analysis verified that a 77% 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 2021-2025 to 5% (decrease of 5.6 percentage points compared with what is foreseen in the plan), with the same discount rate (WAAC) and growth rate (g) in the terminal value, no impairment loss would emerge.

With regard to Italgen 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. The main risk factors are linked to the trend in rainfall, which is only partially exposed to climate change factors over the finite time horizon considered for the valuation, and to the trend in electricity prices, though the impact is partly offset by the fact that there are government incentives on part of the production.

Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. (SMN) was tested for impairment in accordance with IAS 36. The recoverable amount of the subsidiary 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 2022 budget approved by the company's Board and on the plan projections for the period 2023-2026 prepared by its management in January 2022. The cash flows were discounted using a post-tax discount rate (WACC) of 12.3%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) to take into account the specific risk (also connected to the uncertainties deriving from the continuation of the Covid-19 pandemic that particularly affect the SMN business). For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g) of 1.4% was used from 2027 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 78 basis points (+0.78%) 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 7.0%, with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge. Lastly, another sensitivity analysis verified that an 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 expected 2022 EBITDA (as resulting from the 2022 budget approved by the company's Board of Directors). The test did not identify any evidence of impairment losses on the investment. This test is also supported by the results of the method of control analyses carried out based on the discounted expected future cash flows.

The sensitivity analysis carried out indicates that even in the event of significant changes (-15%) in the EBITDA or in the reference multiple used, there would be no evidence of impairment. A 50% 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 determined by applying the market multiples method using the multiple EV/EBITDA 2021. The test did not identify any evidence of impairment losses on the investment. The sensitivity analysis indicates that a 5% decrease in EBITDA or in the multiple used would result in a recoverable value in line with the carrying amount of the investment.

With regard to the investment in Callmewine S.r.l., the recoverable amount was determined by applying the market multiples method, using the multiple EV/Sales 2021 and 2022. The test did not identify any evidence of impairment losses on the investment. The sensitivity analysis indicates that a 14% and 31% decrease respectively in the sales or the multiple used for 2021 and 2022 would result in a recoverable value in line with the carrying amount of 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 2021 (using the 2021 forecast approved by the company's Board of Directors), as this approach is more conservative with respect to the figure contained in the 2022 budget. 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 two associates ISEO Serrature S.p.A. and Autogas Nord 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, EV/EBITDA 2022 was used for Iseo, EV/EBITDA 2021 for Autogas).

The expected 2021 result of Autogas (in terms of EBITDA FCST) is determined according to Italian accounting standards, adjusted to reflect the best available estimate of the effects of applying IFRS. In both cases, 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 subsidiary 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 both for Autogas and Iseo.

With regard to the investment in Autogas, the sensitivity analysis carried out indicates that even in the event of significant changes (-20%) in the reference EBITDA used, there would be no evidence of impairment, while a decrease in the multiple/EBITDA of 28% would determine a recoverable value in line with the carrying amount of the investment.

With regard to the investment in ISEO, the sensitivity analysis carried out indicates that even in the event of significant changes (-20%) in the reference EBITDA used, there would be no evidence of impairment. A decrease in the multiple/EBITDA of 22.5% 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 the company reported a negative consolidated EBITDA at December 31, 2020 and since there are no further 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 median EV/Sales 2020 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.

With reference to the investment in CCC Holdings Europe S.p.A., the recoverable amount was determined by applying the market multiple method (specifically the EV/EBITDA 2022 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 8% decrease in EBITDA or the multiple used would result in a recoverable value in line with the carrying amount of the investment.

With reference to the investment in the Florence Group, the recoverable amount was determined by applying the multiples method, using the multiple EV/EBITDA 2021 implicit in the recent increases in capital carried out by the company. The test did not identify any evidence of impairment losses on the investment. The sensitivity analysis indicates that a 14% decrease in EBITDA or the multiple used would result in a recoverable value in line with the carrying amount of the investment.

In conclusion, the analyses carried out on the main investments of the Company did not reveal any impairment.

## 5) OTHER EQUITY INVESTMENTS

The caption, classified in the non-current assets reflects equity investments designated at FVTOCI as allowed by IFRS 9.

<b>(in thousands of euro)</b>	
<b>At December 31, 2020</b>	<b>119,565</b>
Purchases	20,238
Disposals	(44,201)
Change in fair value	7,801
<b>At December 31, 2021</b>	<b>103,403</b>

The increases of the caption refer to the investment in KKR Teemo Co-Invest and the purchase of shares in Ariston Holding N.V.

The decreases are related to the sale of the investment in HeidelbergCement AG (44,202 thousand euro). This sale resulted in a recognition of a capital gain of 6,264 thousand euro in the comprehensive income statement.

The positive change in the fair value of other equity investments was due to the positive performance of financial markets.

Please refer to annex "A" for other movements.

Other equity investments measured at FVTOCI at December 31, 2021 were as follows:

(in thousands of euro)	Number of shares	December 31, 2021
<b>Equity investments in listed companies:</b>		
Ariston Holding N.V.	975,000	9,887
Cairo Communication S.p.A.	189,198	386
Coima Res S.p.A.	412,332	3,084
HeidelbergCement AG	650,000	38,688
Piaggio S.p.A.	169,699	488
Unicredit S.p.A.	204,331	2,767
Vontobel Holding AG	115,238	8,912
<b>Total</b>		<b>64,212</b>
<b>Equity investments in non-listed companies</b>		
Atmos Venture S.p.A.	222,909	73
Compagnia Fiduciaria Nazionale S.p.A.	20,001	1,090
Can Fite Biopharma	204	-
Fin. Priv. S.r.l.	2,857	21,072
Immobiliare Astra S.p.A.	12,012	30
KKR Teemo Co-Invest	1	9,002
New Flour S.p.A.	27,667	5,779
Sesaab S.p.A.	700,000	1,300
035 Investimenti S.p.A.	1,114,550	844
<b>Total</b>		<b>39,190</b>
<b>Total equity investments</b>		<b>103,402</b>

The analysis of movements in equity investments is shown in annex "A".

## 6) DEFERRED TAX ASSETS

Deferred tax assets amount to 4,656 thousand euro (7,829 thousand euro at December 31, 2020) and consist of the deferred tax assets calculated on temporary differences of the company Italmobiliare and the subsidiaries included in the National Tax Consolidation. It should be noted that the 2020 balance included 1,514 thousand euro of carry-forward tax losses, which were offset against the taxable income of the subsidiaries that form part of the National Tax Consolidation.

## 7) OTHER NON-CURRENT ASSETS

The balance on this caption was as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Receivables due from subsidiaries	7,000	15,000	(8,000)
Bonds and Private equity funds	191,155	134,884	56,271
Other assets	2,089	2,138	(49)
Guarantee deposits	5	4	1
Receivables on tax consolidation due from subsidiaries	7,824	3,938	3,886
<b>Total</b>	<b>208,073</b>	<b>155,964</b>	<b>52,109</b>

The increase in "Receivables on tax consolidation due from subsidiaries" is mainly due to the higher incomes achieved in 2021 by the Group companies included in the National Tax Consolidation.

The change in "Bonds and Private equity funds" is due to the better performance of funds. Details of "Bonds and mutual funds" are provided in annex "D".

## Current assets

### 8) TRADE RECEIVABLES

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Customers	123	180	(57)
Associates	137	124	13
Subsidiaries	465	352	113
<b>Total</b>	<b>725</b>	<b>656</b>	<b>69</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, 2021	December 31, 2020	Change
Receivables from social security institutions	90	83	7
Receivables from tax authorities for VAT	15	14	1
Sundry other current receivables	517	482	35
Options on securities	151	539	(388)
Prepaid expenses – other	76	145	(69)
<b>Total</b>	<b>849</b>	<b>1,263</b>	<b>(414)</b>

The decrease is mainly due to the purchase or change in the fair value of the derivatives.

### 10) TAX ASSETS

Tax assets totalled 21,832 thousand euro (12,249 thousand euro at December 31, 2020). The change is due to receivables from the tax authorities relating to Italmobiliare S.p.A. and the advances paid by the National Tax Consolidation.

### 11) EQUITY INVESTMENTS, BONDS AND CURRENT FINANCIAL RECEIVABLES

This caption is broken down as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Bonds and mutual funds held for trading (FVTPL)	243,948	270,222	(26,274)
Listed shares held for trading (FVTPL)	16,601	21,192	(4,591)
Other financial assets	13,365	13,025	340
Current financial receivables from subsidiaries	2,038	5,017	(2,979)
Accrued finance income	3,518	2,691	827
<b>Total</b>	<b>279,470</b>	<b>312,147</b>	<b>(32,677)</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, 2021	December 31, 2020	Change
Cash and cheques in hand	5	5	
Bank and postal accounts	55,229	54,649	580
<b>Net amount</b>	<b>55,234</b>	<b>54,654</b>	<b>580</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 no restricted current accounts.

For more information on the change of the caption, please refer to the analysis provided in the cash flow statement.



## EQUITY AND LIABILITIES

### Share capital, reserves and retained earnings

#### 13) SHARE CAPITAL

At December 31, 2021, 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, 2021	December 31, 2020	Change
Ordinary shares	42,500,000	42,500,000	
<b>Total</b>	<b>42,500,000</b>	<b>42,500,000</b>	

#### 14) SHARE PREMIUM AND OTHER RESERVES

At December 31, 2021 other reserves amount to 4,900 thousand euro, showing an overall increase of 12,593 thousand euro compared with December 31, 2020, related for 12,942 thousand euro to the changes of the OCI reserve and for 349 thousand euro to the change of Other Reserves due to the reclassification of the reserve related to stock option plans in retained earnings.

#### 15) TREASURY SHARES

At December 31, 2021, the cost of treasury shares purchased totalled 5,166 thousand euro (6,620 thousand euro at December 31, 2020), 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, 2020</b>	<b>278,470</b>	<b>6,620</b>
Exercise of stock options	(61,400)	(1,454)
<b>December 31, 2021</b>	<b>217,070</b>	<b>5,166</b>

The change is due to stock options exercised by relevant beneficiaries.

During 2021, the Company terminated the stock option plan, having collected 843 thousand euro during the year.

No more ordinary treasury shares in portfolio at December 31, 2021 are allocated for use in stock option plans for directors and managers.

#### Dividends paid

Ordinary dividends declared and paid in 2021 and 2020 are detailed in the table below:

	2021 (euro per share)	2020 (euro per share)	December 31, 2021 (in thousands of euro)	December 31, 2020 (in thousands of euro)
Ordinary shares	0.650	1.800	27,484	75,999
<b>Total dividends</b>			<b>27,484</b>	<b>75,999</b>

## 16) RETAINED EARNINGS

The overall change, which amounts to +26,423 thousand euro, mainly relates to the 2021 result for 53,146 thousand euro, -27,484 thousand euro for the payment of dividends, and 1,021 thousand euro for disposals of investments valued at FVTOCI and reclassified from the OCI reserve.

## Non-current liabilities

### 17) 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, 2020</b>	<b>553</b>	<b>205</b>	<b>758</b>
Utilization of year	(23)		(23)
Provision for year	51	25	76
Actuarial gains/losses	(2)	-	(2)
<b>At December 31, 2021</b>	<b>579</b>	<b>230</b>	<b>809</b>

Costs for the year included:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Current costs of services	(64)	(55)	(9)
Finance costs	(6)	(7)	1
<b>Total</b>	<b>(70)</b>	<b>(62)</b>	<b>(8)</b>

The assumptions used to determine liabilities arising from long-term benefits are set out below:

	Post-employment benefits	Other employee benefits
Discount rate	1.30%	0.90%
Future wage and salary increases	2.85%	2.92%
Inflation	1.80%	1.00%

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, 2021.

Inflation describes the implied inflation in the Eurozone for the duration of the company at December 31, 2021.

## 18) FINANCIAL LIABILITIES

Financial liabilities are shown below by category, broken down by current and non-current liabilities:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Bank loans and overdrafts		14	(14)
Current financial liabilities	3,003	1,979	1,024
Lease liabilities	145	138	7
Options on securities	402	506	(104)
Accrued finance expense	-	16	(16)
<b>Total financial liabilities</b>	<b>3,550</b>	<b>2,653</b>	<b>897</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, 2021	December 31, 2020	Change
Non-current financial liabilities	114	178	(64)
Loans and borrowings	-	14	(14)
Current financial liabilities	3,159	2,117	1,042
<b>Total financial liabilities</b>	<b>3,273</b>	<b>2,309</b>	<b>964</b>

Current financial liabilities include the balances of the intragroup current accounts and the lease liabilities deriving from the application of IFRS 16.

Information on available credit lines is included in the section IFRS 7 (there are no covenants to comply with on existing loans).

## 19) TAX LIABILITIES AND PROVISIONS

The provisions at December 31, 2021 amounted to 19,383 thousand euro and mainly included provisions for risks from the sale of equity investments.

The change compared with December 31, 2020 of 21 thousand euro refers to an adjustment to the estimate included in these financial statements.

(in thousands of euro)	Opening amount	Increases	Decreases	Closing amount
Provisions	19,362	21	-	19,383

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 made.

Tax liabilities amounted to 15,858 thousand euro at December 31, 2021 (7,262 thousand euro at December 31, 2020). Movements on the caption are detailed below:

(in thousands of euro)	Opening amount	Increases	Decreases	Closing amount
Tax liabilities	7,262	11,155	2,559	15,858

The difference compared with 2020 is due to the utilization for 2,559 thousand euro and the accrual of 11,155 thousand euro related to the tax dispute described below. This provision is included in tax payables in accordance with the provisions of IFRIC 23.

Furthermore, it should be noted that the current tax payables of 34,845 thousand euro at December 31, 2021 (13,452 thousand euro at December 31, 2020) refer to the debt deriving from the Tax Consolidation which increased due to the higher taxable income made during the year by Italmobiliare and the companies participating in the consolidation.

#### Tax disputes

In June, 2021 the CTP of Milan, with sentence 2929, accepted the Company's appeal regarding Controlled Foreign Companies in 2014.

In November 2021 the Court of Cassation with sentence no. 31930 accepted the Revenue Agency's appeal concerning the deductibility of a 11 million euro cost involved in a settlement reached in 2007 with Ansaldo Energia, deeming it not relevant to the business. In the same month with sentence no. 41365, the Court of Cassation accepted the appeal presented by Italmobiliare against the Revenue Agency about the sale price of a property in Rome owned by Italcementi.

## 20) OTHER NON-CURRENT LIABILITIES

The increase of 7,697 thousand euro is mainly due to the LTI accrual for the three-year period 2021-2023.

## 21) DEFERRED TAX LIABILITIES

Total deferred tax liabilities amounted to 214 thousand euro (93 thousand euro at December 31, 2020), divided as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Current and deferred taxes on shares at FVTOCI	164	61	103
Current and deferred taxes on taxable temporary differences	50	32	18
<b>Total</b>	<b>214</b>	<b>93</b>	<b>121</b>

## Current liabilities

## 22) TRADE PAYABLES

This caption is made up as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Due to suppliers	1,420	1,452	(32)
Due to Group companies	694	206	488
<b>Total</b>	<b>2,114</b>	<b>1,658</b>	<b>456</b>

## 23) OTHER CURRENT LIABILITIES

(in thousands of euro)	December 31, 2021	December 31, 2020	Change
Payables to employees	2,709	6,294	(3,585)
Due to social security bodies	1,328	1,009	319
Due to the tax authorities	363	377	(14)
Accrued expenses and deferred income	76	88	(12)
Other liabilities	3,829	4,939	(1,110)
Payables on tax consolidation due to subsidiaries for IRES advances	2,380	1,015	1,365
Options on securities	401	506	(105)
<b>Total</b>	<b>11,086</b>	<b>14,228</b>	<b>(3,142)</b>

The change in Payables to employees (3,585 thousand euro) is mainly related to the liquidation of the LTI plan.

## COMMITMENTS

(in thousands of euro)	December 31, 2021	December 31, 2020
Collateral given	43,333	43,333
Deposits, guarantees, sureties, commitments and other	154,702	183,270
<b>Total</b>	<b>198,035</b>	<b>226,603</b>

The decrease in "Deposits, guarantees, sureties, commitments and other" with respect to December 31, 2020 is due to the change in sureties given at fair value at the reporting date and commitments for subscription of private equity fund units. In 2021 the commitment to Clessidra SGR S.p.A. to co-invest in the capital of Bacco S.p.A. (the vehicle company established and controlled by Clessidra Capital Partners 3 fund for the purpose of acquiring a majority stake in Botter S.p.A. indirectly through a subsidiary company) for 60,000 thousand euro was closed.

The guarantees on behalf of Sirap were also closed following the sales that the Group carried out during the year.

Furthermore, as reported in "Significant events during the period", the commitment of 40 million euro versus Bene Assicurazioni was included.

Commitments include, for 97,475 thousand euro (56,912 thousand euro at 31 December 2020), the residual commitment for the subscription of private equity funds.

# INCOME STATEMENT

## 24) REVENUE AND INCOME

Revenue from sales and services and income totalled 110,783 thousand euro, broken down as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change	Change %
Dividends	32,377	30,342	2,035	6.7%
Gains on disposals and fair value increases on equity investments and securities	2,591	1,257	1,334	n.s.
Other finance income	74,745	35,595	39,150	n.s.
Services provided	1,069	727	342	47.1%
<b>Total</b>	<b>110,783</b>	<b>67,921</b>	<b>42,862</b>	<b>63.1%</b>

n.s. not significant

The breakdown of the various items was as follows:

Revenue from dividends:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change	Change %
<b>Subsidiaries</b>				
Caffè Borbone S.r.l.	18,000	12,000	6,000	50%
Capitelli S.r.l.	1,600	-	1,600	n.s.
Italgen S.p.A.	4,800	7,200	(2,400)	-33%
<b>Total</b>	<b>24,400</b>	<b>19,200</b>	<b>5,200</b>	<b>27%</b>
<b>Associates</b>				
Autogas Nord S.p.A.	1,290	1,290	(0)	0%
Dokimè S.r.l.		6,817	(6,817)	-100%
Iseo Serrature S.p.A.	1,381	480	-	
<b>Total</b>	<b>2,670</b>	<b>8,587</b>	<b>(6,817)</b>	<b>-79%</b>
<b>Other companies</b>				
Banco BPM	9	-	9	n.s.
BNP Paribas	35	-	35	n.s.
Cairo Communication S.p.A.	8	-	8	n.s.
Coima S.p.A.	124	124	0	n.s.
Compagnia Fiduciaria Nazionale S.p.A.	250	330	(80)	-24%
Dassault Systèmes	1	2	(1)	-29%
EDP RENOVAVEIS S.A.	0	3	(3)	-87%
Enel S.p.A.	38	25	13	50%
ENI S.p.A.	235	245	(11)	-4%
EUSKALTEL S.A.	14	11	3	31%
Fin.Priv. S.r.l.	1,291	-	1,291	n.s.
HeidelbergCement AG	2,182	1,405	777	55%
Intesa SanPaolo S.p.A.	83	-	83	n.s.
Mediobanca S.p.A.	13	-	13	n.s.
Mediaset S.p.A.	594	-	594	n.s.
MRR	6	-	6	n.s.
Natixis	8	-	8	n.s.
Piaggio S.p.A.	19	16	3	18%
Royal Dutch	57	62	(5)	-8%
SANOFI-AVENTIS FRANCE S.A.	9	13	(4)	-31%
SAP AG	5	6	(1)	-24%
STMICROELECTRON	0		0	n.s.
Telecom Italia	9	13	(4)	-31%
Total SA	29	54	(25)	-47%
Total Energies	29		29	n.s.
Unicredit S.p.A.	25	-	25	n.s.
Vontobel S.A.	234	246	(12)	-5%
<b>Total</b>	<b>5,306</b>	<b>2,555</b>	<b>2,707</b>	<b>106%</b>
<b>Grand total</b>	<b>32,377</b>	<b>30,342</b>	<b>1,090</b>	<b>4%</b>

n.s. not significant

Gains on disposals and fair value increases on equity investments and securities:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change	Change %
BNP PARIBAS	-	57	(57)	100%
Dassault Systèmes	-	22	(22)	100.0%
EDP RENOVAVEIS S.A.	-	234	(234)	100.0%
ENI S.p.A.	224	-	224	n.s.
Enel S.p.A.	-	109	(109)	100.0%
EUSKALTEL S.A.	105	39	66	n.s.
Intesa SanPaolo S.p.A.	-	30	(30)	100.0%
IAG	31	-	31	n.s.
Mediobanca S.p.A.	-	17	(17)	100.0%
Mediaset S.p.A.	1,444	3	1,441	n.s.
MFE - MediaForEurope N.V.	352	-	352	n.s.
NATIXIS	168	6	162	n.s.
OVS S.p.A.	198	-	198	n.s.
Royal Dutch	41	-	41	n.s.
Datadog	2	-	2	n.s.
SANOFI-AVENTIS FRANCE S.A.	-	1	(1)	100.0%
Team Viewer AG	-	146	(146)	100.0%
Telecom Italia	25	3	22	n.s.
ZOOM VIDEO Communications Inc.	-	590	(590)	100.0%
<b>Total</b>	<b>2,591</b>	<b>1,257</b>	<b>951</b>	<b>75.7%</b>
<b>Grand total</b>	<b>2,591</b>	<b>1,257</b>	<b>951</b>	<b>75.7%</b>

n.s. not significant

Other finance income:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change	Change %
Interest and finance income from subsidiaries	163	707	(544)	-77.0%
Interest and finance income from associates	719	723	(4)	-0.5%
Interest and finance income from others	315	1,458	(1,143)	-78.4%
Interest income on bonds and securities	527	510	17	3.4%
Bank interest income	1	14	(13)	-93.1%
Options on securities	4,304	10,401	(6,097)	-58.6%
Income from currency trading	7	248	(241)	-97.2%
Income from currency valuation	6,933	115	6,818	n.s.
Income from futures	359	681	(322)	-47.2%
Positive change in fair value of Funds	61,416	20,738	40,678	n.s.
<b>Total</b>	<b>74,745</b>	<b>35,595</b>	<b>39,150</b>	<b>110.0%</b>

n.s. not significant

The positive change in the fair value of the funds of 40,678 thousand euro is mainly due to BDT (+12.7 million euro), Iconiq (+10.9 million euro), Clessidra (+5.9 million euro, the amount also includes the effect on the new CCP4 fund) and Isomer (+4.0 million euro). The income arising from options on securities principally refer to HeidelbergCement's stock.

Revenue from services provided amounted to 1,069 thousand euro (727 thousand euro in 2020).

## 25) OTHER REVENUE AND INCOME

Other revenue and income amounted to 741 thousand euro (1,612 thousand euro at December 31, 2020) and included rents and recharges of condominium expenses for 519 thousand euro and other income for 222 thousand euro.

## 26) RAW MATERIALS AND SUPPLIES

Expense for raw materials and supplies amounted to 270 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change	Change %
Materials and machinery	23	13	10	76.9%
Purchases of other materials	186	146	40	27.4%
Electricity and gas	61	66	(5)	-7.6%
<b>Total</b>	<b>270</b>	<b>225</b>	<b>45</b>	<b>20.0%</b>

## 27) SERVICES

Services amounted to 8,900 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change	Change %
Legal expenses, consultancy and fees for the board of statutory auditors	7,184	6,748	436	6.5%
Rents and leases	54	49	5	10.2%
Insurance	578	470	108	23.1%
Residential building rent and expenses	9	6	3	50.0%
Repairs and maintenance	178	189	(11)	-6.0%
Membership fees	249	243	6	2.3%
Communication and entertainment	331	30	301	>100%
Post and telephone	90	82	8	9.8%
Cleaning	88	88	0	0.0%
Other expenses and services	139	197	(58)	-29.6%
<b>Total</b>	<b>8,900</b>	<b>8,102</b>	<b>798</b>	<b>9.8%</b>

## 28) PERSONNEL EXPENSES

Personnel expenses totalled 15,885 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change	Change %
Wages and salaries	11,697	11,474	223	1.9%
Social contributions	2,963	2,707	256	9.5%
Pension fund contributions	48	43	5	11.6%
Directors' fees	1,068	1,259	(191)	-15.2%
Miscellaneous costs	109	68	41	59.6%
<b>Total</b>	<b>15,885</b>	<b>15,551</b>	<b>334</b>	<b>2.1%</b>

The change in employee benefits expense was largely due to higher bonuses paid to employees in 2021. The cost for the year also includes the LTI accrual for 2021. The number of employees is shown below:

(headcount)	December 31, 2021	December 31, 2020
Employees (headcount) at the end of the year	43	38
Average number of employees	41	37



## 29) OTHER OPERATING INCOME (EXPENSES)

Other operating expenses net of other operating income amounted to 10,260 thousand euro, divided as follows:

(in thousands of euro)	December 31 2021	December 31 2020	Change	Change %
<b>Finance income and costs</b>				
Bank and loan interest expense	10	18	(8)	n.s.
Bonds and securities	2	5,113	(5,111)	n.s.
Currency trading	99	399	(300)	-75.3%
Exchange-rate valuation differences	21	1,363	(1,342)	n.s.
Options on securities	5,011	10,812	(5,801)	-53.7%
Other charges	49	70	(21)	-30.0%
<b>Total</b>	<b>5,192</b>	<b>17,775</b>	<b>(12,583)</b>	<b>-70.8%</b>
Losses and negative changes in fair value				
Sale of securities		1,539	(1,539)	n.s.
Sale of mutual funds	24	2,987	(2,963)	100.0%
Loss on Mittel TF 6%				.
Losses on P&G	60	199	(139)	n.s.
Write-down of trading investments	1,315	5,343	(4,028)	n.s.
Write-down of mutual funds	204	642	(438)	-68.2%
Write-down of bonds	33	639	(606)	n.s.
Write-down of put/call options	34	170	(136)	-80.0%
<b>Total</b>	<b>1,670</b>	<b>11,519</b>	<b>(9,849)</b>	<b>n.s.</b>
Other income and expenses				
Covid donation	-	450	(450)	100.0%
Condominium expenses on own properties	115	125	(10)	-8.0%
Other operating expenses	559	450	109	24.2%
Non-deductible VAT	1,767	2,153	(386)	-17.9%
IMU (municipal tax)	218	227	(9)	-4.1%
Registration tax	5	7	(2)	-22.6%
Other tax	66	127	(61)	-48.0%
Out-of-period expenses	537	4,970	(4,433)	n.s.
Capital gain on investment property	(260)	(375)	115	-30.7%
Capital gain on vehicles	(1)	-	(1)	n.s.
Loss from IFRS 16	-	1	(1)	100.0%
Other income and expenses	(129)	156	(285)	n.s.
Fondazione Cav. Lav. Carlo Pesenti	500	800	(300)	-37.5%
<b>Total</b>	<b>3,377</b>	<b>9,091</b>	<b>(5,714)</b>	<b>n.s.</b>
<b>Use/accruals of provisions for risks</b>				
Release of risk provisions		(1,138)	1,138	100.0%
Accrual of provision for risks	21	-	21	n.s.
<b>Total</b>	<b>21</b>	<b>(1,138)</b>	<b>1,159</b>	<b>n.s.</b>
<b>Total other operating income/expenses</b>	<b>10,260</b>	<b>37,247</b>	<b>(26,987)</b>	<b>-72.4%</b>

n.s. not significant

The decrease in finance costs is mainly due to a better performance in bonds and securities as well as to the positive changes in the fair value of options and trading securities.

The decrease in other income and expenses is due to the decrease in out-of-period expenses.

### 30) AMORTISATION AND DEPRECIATION

The overall amount of 800 thousand euro (687 thousand euro at December 31, 2020) reflects the depreciation of property, plant and equipment and investment properties for 699 thousand euro (563 thousand euro at December 31, 2020) and the amortisation of intangible assets for 101 thousand euro (124 thousand euro at December 31, 2020).

### 31) FINANCE INCOME AND COSTS

Net finance costs amounted to 29 thousand euro. The amount is composed as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change	Change %
Financial services	46	97	(51)	-52.6%
Other financial income (expenses)	(17)	9	(26)	n.s.
<b>Total</b>	<b>29</b>	<b>106</b>	<b>(77)</b>	<b>-72.6%</b>

n.s. not significant

### 32) IMPAIRMENT OF FINANCIAL ASSETS

During the year, write-downs were made for 435 thousand euro and refer to minor companies (Italmobiliare Servizi and Franco Tosi Venture).

### 33) INCOME TAX

This caption reflects a negative effect for the year of 21,799 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2021	December 31, 2020	Change	Change %
Current tax	(10,984)	3,321	(14,305)	n.s.
Deferred tax assets/liabilities on temporary differences	(1,678)	1,840	(3,518)	n.s.
Irrecoverable withholding tax on dividends (HeidelbergCement AG)	-	(235)	235	-100.0%
Reimbursement of prior-year tax	-	1,378	(1,378)	100.0%
Prior-year tax	(9,157)	(865)	(8,292)	n.s.
Other	20	(8)	28	n.s.
<b>Total</b>	<b>(21,799)</b>	<b>5,431</b>	<b>(27,230)</b>	<b>n.s.</b>

n.s. not significant

The 27.2 million euro change in this item is mainly due to better results of the Company, which led to a taxable profit and therefore higher current taxes. 2021 was also affected by tax provisions that had to be made on prior-year tax for 11 million euro, due to the negative result of the tax dispute.

### 34) 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 107,080 thousand euro includes dividends (note 24), other finance income (note 31) and write-downs of financial assets (note 29).

Investments in financial assets (135,479 thousand euro) are due to acquisitions of subsidiaries and associates for 75,837 thousand euro (see Annex A), other companies for 20,994 thousand euro and investment funds for 39,148 thousand euro (see Annex D).

The item proceeds from disposal of non-current assets (135,479 thousand euro) is due to sales of properties for 1,121 thousand euro, investments in associates for 7,719 thousand euro (see Annex A), investments in other companies for 50,721 thousand euro and bonds and mutual funds for 32,766 thousand euro (see Annex D).

## IFRS 7

### Net financial position

At December 31, 2021, the Company had a positive Net Financial Position of 337,505 thousand euro, showing a decrease of 49,669 thousand euro from December 31, 2020.

The breakdown of the Net Financial Position is set out below:

(in thousands of euro)	December 31 2021	December 31 2020	Change
Cash and cash equivalents	55,234	54,654	580
Financial receivables due from Group companies	9,037	20,017	(10,980)
Government securities and bonds - non-current	2,641	3,069	(428)
Mutual funds	214,826	250,921	(36,095)
P&G bonds	20,122	19,301	821
Receivables for extended payment terms of companies sold	6,072	6,067	5
Receivable for carried interest in CCP3 Fund	3,712	2,222	1,490
Receivable for Bea (Casa del Salute) escrow	3,315	4,420	(1,105)
Tecnica Group 2017/2022 convertible bond loan	9,000	9,000	-
Investments held for trading	16,601	21,193	(4,592)
Put/call options on equities	151	539	(388)
Derivatives on initial margin requirements	266	316	(50)
Prepayments and accrued income	3,518	2,691	827
<b>Total financial assets</b>	<b>344,495</b>	<b>394,410</b>	<b>(49,915)</b>
Bank loans and borrowings	-	(14)	14
Payable for Bea (Casa del Salute) escrow	(3,315)	(4,420)	1,105
Financial payables vs subsidiaries	(3,159)	(2,117)	(1,042)
IFRS 16 long-term portion	(114)	(178)	64
Put/call options on equities	(402)	(506)	104
<b>Total financial liabilities</b>	<b>(6,990)</b>	<b>(7,235)</b>	<b>245</b>
<b>Net financial position</b>	<b>337,505</b>	<b>387,175</b>	<b>(49,670)</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 12/31/2021 and 12/31/2020.

(in thousands of euro)	Carrying amount				Total	Fair value			
	FVTPL	FVTOCI	Amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
<b>Other equity investments</b>		<b>103,403</b>			<b>103,403</b>	<b>64,212</b>	<b>21,072</b>	<b>18,119</b>	<b>103,403</b>
<b>Trade receivables and other non-current assets</b>	<b>191,154</b>		<b>5</b>		<b>191,159</b>		<b>2,641</b>	<b>188,513</b>	<b>191,154</b>
Financial assets held to maturity									
Financial assets at FVTPL in NFP	2,641				2,641		2,641		2,641
Financial assets at FVTPL not in NFP	188,513				188,513			188,513	188,513
Non-current receivables									
Guarantee deposits			5		5				
<b>Trade receivables</b>			<b>725</b>		<b>725</b>				
<b>Current assets including derivative financial instruments</b>	<b>151</b>		<b>15,454</b>		<b>15,605</b>		<b>151</b>		<b>151</b>
Derivatives	151				151		151		151
Other amounts due			15,454		15,454				
<b>Equity investments, bonds and current financial receivables</b>	<b>251,549</b>		<b>21,556</b>		<b>273,105</b>	<b>46,990</b>	<b>204,559</b>		<b>251,549</b>
Equity investments FVTPL in NFP	16,601				16,601	16,601			16,601
Financial assets at FVTPL in NFP	234,948				234,948	30,389	204,559		234,948
Financial receivables and accruals			21,556		21,556				
<b>Cash and cash equivalents</b>			<b>55,234</b>		<b>55,234</b>				
<b>Total</b>	<b>442,854</b>	<b>103,403</b>	<b>92,974</b>		<b>639,231</b>	<b>111,202</b>	<b>228,423</b>	<b>206,632</b>	<b>546,257</b>
<b>Financial liabilities</b>									
<b>Non-current financial liabilities</b>				<b>115</b>	<b>115</b>		<b>115</b>		<b>115</b>
Finance lease payables				115	115		115		115
<b>Other non-current payables and liabilities</b>									
Other non-current payables									
<b>Bank loans and overdrafts</b>									
<b>Current financial liabilities</b>				<b>6,463</b>	<b>6,463</b>		<b>6,463</b>		<b>6,463</b>
Finance lease payables				145	145		145		145
Other loans and borrowings				6,318	6,318		6,318		6,318
<b>Trade payables</b>			<b>2,086</b>		<b>2,086</b>				
<b>Other liabilities</b>	<b>402</b>		<b>11</b>		<b>413</b>		<b>402</b>		<b>402</b>
Derivatives	402				402		402		402
Other payables, accruals and deferrals			11		11				
<b>Total</b>	<b>402</b>		<b>2,097</b>	<b>6,578</b>	<b>9,077</b>		<b>6,980</b>		<b>6,980</b>

(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>Other equity investments</b>		119,565			119,565	96,447	15,868	7,250	119,565
<b>Trade receivables and other non-current assets</b>	125,883		30,196		156,079	21,192	3,069	122,814	147,075
Financial assets held to maturity			9,000		9,000				
Financial assets at FVTPL in NFP	3,069				3,069		3,069		3,069
Financial assets at FVTPL not in NFP	122,814				122,814			122,814	122,814
Non-current receivables			21,192		21,192	21,192			21,192
Guarantee deposits			4		4				
<b>Decrease/(increase) in trade receivables</b>			<b>656</b>		<b>656</b>				
<b>Current assets including derivative financial instruments</b>	<b>539</b>		<b>13,736</b>		<b>14,275</b>		<b>539</b>		<b>539</b>
Derivatives	539				539		539		539
Other amounts due			13,736		13,736				
<b>Equity investments, bonds and current financial receivables</b>	<b>291,415</b>		<b>7,707</b>		<b>299,122</b>	<b>47,754</b>	<b>243,661</b>		<b>291,415</b>
Equity investments FVTPL in NFP	21,193				21,193	21,193			21,193
Financial assets at FVTPL in NFP	270,222				270,222	26,561	243,661		270,222
Financial receivables and accruals			7,707		7,707				
<b>Cash and cash equivalents</b>			<b>54,654</b>		<b>54,654</b>				
<b>Total</b>	<b>417,837</b>	<b>119,565</b>	<b>106,949</b>		<b>644,351</b>	<b>165,393</b>	<b>263,137</b>	<b>130,064</b>	<b>558,594</b>
<b>Financial liabilities</b>									
<b>Non-current financial liabilities</b>				<b>178</b>	<b>178</b>		<b>178</b>		<b>178</b>
Finance lease payables				178	178		178		178
<b>Other non-current payables and liabilities</b>			<b>105</b>		<b>105</b>				
Other non-current payables			105		105				
<b>Bank loans and overdrafts</b>				<b>14</b>	<b>14</b>		<b>14</b>		<b>14</b>
<b>Current financial liabilities</b>				<b>6,537</b>	<b>6,537</b>		<b>6,537</b>		<b>6,537</b>
Finance lease payables				138	138		138		138
Other loans and borrowings				6,399	6,399		6,399		6,399
<b>Trade payables</b>			<b>1,629</b>		<b>1,629</b>				
<b>Other liabilities</b>	<b>506</b>		<b>13,722</b>		<b>14,228</b>		<b>506</b>		<b>506</b>
Derivatives	506				506		506		506
Other payables, accruals and deferrals			13,722		13,722				
<b>Total</b>	<b>506</b>		<b>15,456</b>	<b>6,729</b>	<b>22,691</b>		<b>7,235</b>		<b>7,235</b>

The 2020 amount of the non-current liabilities has been modified excluding the amount of the tax liabilities in order to better represent the fair value hierarchy levels and be consistent with the 2021 amount.

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, 2020</b>	<b>122,814</b>	<b>7,250</b>	<b>130,064</b>
Changes arising from acquisitions	39,148	54,183	<b>93,331</b>
Gains and losses in profit or loss	58,831	625	<b>59,456</b>
Gains and losses in equity			<b>0</b>
Sales/reductions in capital	(32,280)	(43,939)	<b>(76,219)</b>
Other changes			<b>0</b>
<b>Total changes</b>	<b>65,699</b>	<b>10,869</b>	<b>76,568</b>
<b>Balance at December 31, 2021</b>	<b>188,513</b>	<b>18,119</b>	<b>206,632</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	22.8	Baa1	5.68
Bonds at amortised cost	9.0	n.a.	1.00
Deposits	55.2	n.a.	n.a.
Other financial assets	192.5	n.a.	n.a.
Derivatives on shares	(0.3)	n.a.	<1

(\*) determined on first call

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 -1.0 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, 2021 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	(4.7)	(1.1)	(1.2)		(7.0)
Total financial assets	97.7	1.1	8.1	237.6	344.5
<b>Net financial position</b>	<b>93.0</b>	<b>-</b>	<b>6.9</b>	<b>237.6</b>	<b>337.5</b>
Undrawn committed lines of credit	103.0				103.0

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, 2021 and its exposure to interest rate risk; reference should be made to the specific note for a detailed analysis of the net financial position.

<b>(in millions of euro)</b>	
<b>Balance at December 31, 2021</b>	
Fixed-rate financial liabilities	(0.3)
Fixed-rate financial assets	11.4
<b>Fixed-rate NFP at inception</b>	<b>11.1</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
<b>Fixed-rate NFP after hedging</b>	<b>11.1</b>
Floating-rate financial liabilities	(3.0)
Floating-rate financial assets	11.7
<b>Floating-rate NFP at inception</b>	<b>8.7</b>
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
<b>Floating-rate NFP after hedging</b>	<b>8.7</b>
Assets not exposed to interest-rate risk	321.4
Liabilities not exposed to interest-rate risk	(3.7)
<b>Total NFP</b>	<b>337.5</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 -5.5 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 S.p.A. is particularly exposed to the risk of fluctuations in the prices of listed equities carried at fair value.

Since Italmobiliare S.p.A. 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, 2021, listed financial assets exposed to price risk amounted to 80.8 million euro, of which 64.2 million euro measured at FVTOCI and 16.6 million euro measured at FVTPL.

A hypothetical reduction of 5% in share prices would have a negative impact of 4.0 million euro on the assets' fair value, of which 3.2 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	16.6	-5%	(0.8)	
Shares at FVTOCI	64.2	-5%		(3.2)

## Other risks

### CYBER SECURITY

During 2021, the Company put in place a mapping activity of the level of exposure to Cyber Security Risk for the Group, in order to identify areas for improvement and define a plan for the future activities of interventions to strengthen or adopt organizational, procedural and technological measures to mitigate the risk. The objectives set are as follows:

- Identify the most critical business assets with respect to Cyber threats;
- Assess the associated Cyber risk and current protection measures (based on ISO 27001 framework);
- Identify interventions to strengthen protection measures with their priority;
- Formalize a program to strengthen Cyber Security.

### CLIMATE CHANGE

With regard to climate change, the Group has not yet identified climate neutrality objectives for its subsidiaries/associates. The Company carried out a risk assessment activity, where each company of the Italmobiliare Group was assigned a degree of risk established on the basis of physical and transition risk factors (political risk, legal risk, technological risk, market risk and reputational risk). See the Non-Financial Statement attached to this report for better granularity in the description of these risk factors.

The only portfolio company with a degree of risk rated "high" is Autogas due to the business in which the company operates.

With reference to the potential accounting impacts arising from the risk of climate change on the financial statements, the Company believes that at 31 December 2021 the only impact could be included in the calculation of the recoverable amount of investments in subsidiaries and associates determined according to the value in use method, since the fair value methodology (also applied to Autogas) is supposed to already factor those risks in the exit value from the investment at the balance sheet date.

The Company, given the uncertainty of the possible impacts in the medium / long term, the lack of identified targets at the level of climate neutrality and the low/average risk assessment for the subsidiaries, has not been able to quantify the potential impact on the calculation of the value in use.

Management is committed to addressing the challenge of climate change and therefore continues to monitor any changes that may impact the Group companies.

## OTHER INFORMATION

### Audit fees

The table below sets out details of the fees paid in 2021 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	207	-	207
Review of non-financial disclosure	46	-	46
Non-audit services	69	-	69
<b>Total</b>	<b>322</b>	<b>-</b>	<b>322</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, 2021 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 amounts	Carrying amounts	Reference
Trade receivables					
subsidiaries	Caffè Borbone S.r.l.	99,719			
	Callmewine S.r.l.	12,226			
	Capitelli F.lli S.r.l.	25,580			
	Casa della Salute S.r.l.	31,800			
	Clessidra SGR	116,830			
	Clessidra Capital Credit SGR S.p.A.	13,476			
	Clessidra Factoring S.p.A.	1,830			
	Clessidra Holding S.p.A.	9,726			
	Franco Tosi Ventures S.r.l.	2,500			
	FT2 S.r.l.	12,500			
	FT3 S.r.l.	5,000			
	Gres Hub S.r.l.	2,500			
	Italgem S.p.A.	27,768			
	Italmobiliare Servizi S.r.l.	20,000			
	ITM BACCO S.r.l.	2,503			
	Officina Profumo-Farmaceutica di Santa Maria Novella	14,740			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	7,500			
	Sirap Gema S.p.A.	58,713			
Trade receivables					
associates	Autogas Nord S.p.A.	30,000			
	Farmagorà Holding S.p.A.	616			
	Iseo Serrature S.p.A.	60,000			
	Tecnica Group S.p.A.	46,650			
<b>Total trade receivables</b>		<b>602,177</b>	<b>83.11%</b>	<b>724,529</b>	<b>Note 8</b>
Other amounts due					
subsidiaries	Casa della Salute S.r.l.	7,000,000			
Other amounts due					
associates	Tecnica Group S.p.A.	9,000,000			
<b>Total other non-current assets</b>		<b>16,000,000</b>	<b>7.69%</b>	<b>208,073,243</b>	<b>Note 7</b>
Receivables for tax consolidation					
subsidiaries	Caffè Borbone S.r.l.	5,092,268			
	Clessidra Private Equity SGR S.p.A.	253,358			
	Italgem S.p.A.	2,306,074			
	Italmobiliare Servizi S.r.l.	172,714			
<b>Total other current assets including derivatives</b>		<b>7,824,414</b>	<b>n.s.</b>	<b>849,307</b>	<b>Note 9</b>
Current account receivables					
subsidiaries	Credit Mobilier Monaco	1,832,313			
	Franco Tosi Ventures S.r.l.	4,084			
	FT2 S.r.l.	2,002,936			
	FT3 S.r.l.	21,437			
	Italgem S.p.A.	6,823			
	ITM BACCO S.r.l.	2,541			
Prepayments and accrued income					
subsidiaries	Casa della Salute S.r.l.	113,507			
associates	Tecnica Group S.p.A.	2,119,315			
<b>Total current financial receivables</b>		<b>6,102,956</b>	<b>2.18%</b>	<b>279,469,799</b>	<b>Note 11</b>
Current account payables					
subsidiaries	Gres Hub S.r.l.	(596,950)			
	Italmobiliare Servizi S.r.l.	(1,900,069)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(505,917)			
<b>Total current financial liabilities</b>		<b>(3,002,936)</b>	<b>95.06%</b>	<b>(3,158,911)</b>	<b>Note 18</b>

n.s. not-significant

<b>(euro)</b>					
<b>Description</b>	<b>Company</b>	<b>Amount</b>	<b>% impact on carrying amounts</b>	<b>Carrying amounts</b>	<b>Reference</b>
Trade payables					
subsidiaries	Caffè Borbone S.r.l.	(1,729)			
	Callmewine S.r.l.	(1,162)			
	Capitelli F.lli S.r.l.	(1,589)			
	Italmobiliare Servizi S.r.l.	(677,498)			
	Officina Profumo-Farmaceutica di Santa Maria Novella	(22,717)			
associates					
	Tecnica Group S.p.A.	(398)			
<b>Total trade payables</b>		<b>(705,093)</b>	<b>33.35%</b>	<b>(2,114,190)</b>	<b>Note 22</b>
Other payables tax consolidation					
associates	Callmewine S.r.l.	(263,028)			
	Capitelli F.lli S.r.l.	(18,059)			
	Casa della Salute S.r.l.	(220,185)			
	Clessidra Factoring S.p.A.	(1,544)			
	Clessidra Holding S.p.A.	(117,122)			
	Clessidra Capital Credit SGR S.p.A.	(350,695)			
	Franco Tosi Ventures S.r.l.	(4,087)			
	FT2 S.r.l.	(13,193)			
	FT3 S.r.l.	(6,530)			
	Gres Hub S.r.l.	(14,602)			
	ITM BACCO S.r.l.	(1,198)			
	Officina Profumo-Farmaceutica di Santa Maria Novella	(509,419)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(11,031)			
	Sirap Gema S.p.A.	(679,125)			
Other liabilities					
subsidiaries	Italmobiliare Servizi S.r.l.	(28,703)			
<b>Total other non-current liabilities</b>		<b>(2,238,521)</b>	<b>28.69%</b>	<b>(7,801,824)</b>	<b>Note 20</b>
<b>Total other current liabilities</b>		<b>0</b>	<b>0.00%</b>	<b>(11,086,575)</b>	<b>Note 23</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.Ili S.r.l.	1,600,000			
	Italgen S.p.A.	4,800,000			
associates	Autogas Nord S.p.A.	1,289,860			
	Iseo Serrature S.p.A.	1,380,617			
<b>Total dividends</b>		<b>27,070,477</b>	<b>83.61%</b>	<b>32,377,303</b>	<b>Note 24</b>
Current account and financial interest income and other income					
subsidiaries	Casa della Salute S.r.l.	113,507			
	Franco Tosi Ventures S.r.l.	29			
	FT2 S.r.l.	3,858			
	FT3 S.r.l.	6			
	Italgen S.p.A.	1,396			
	ITM BACCO S.r.l.	3			
	Gres Hub S.r.l.	1			
	Sirap Gema S.p.A.	37,978			
associates	Tecnica Group S.p.A.	719,260			
<b>Total interest income</b>		<b>876,038</b>	<b>6.57%</b>	<b>13,328,556</b>	<b>Note 24</b>
Recovery of cost of services					
subsidiaries	Caffè Borbone S.r.l.	137,219			
	Callmewine S.r.l.	44,167			
	Capitelli F.Ili S.r.l.	37,500			
	Casa della Salute S.r.l.	40,000			
	Clessidra SGR S.p.A.	135,778			
	Clessidra Capital Credit SGR S.p.A.	17,778			
	Clessidra Holding S.p.A.	8,750			
	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.	7,750			
	Italgen S.p.A.	75,000			
	Italmobiliare Servizi S.r.l.	45,085			
	ITM BACCO S.r.l.	4,583			
	Officina Profumo-Farmaceutica di Santa Maria Novella	49,391			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	30,000			
	Sirap Gema S.p.A.	147,625			
associates	Autogas Nord S.p.A.	30,000			
	Farmagorà Holding S.p.A.	616			
	Iseo Serrature S.p.A.	60,000			
	Tecnica Group S.p.A.	60,000			
<b>Total services</b>		<b>1,017,242</b>	<b>95.12%</b>	<b>1,069,486</b>	<b>Note 24</b>
<b>Total revenue</b>		<b>28,963,757</b>	<b>61.92%</b>	<b>46,775,345</b>	<b>Note 24</b>
Other revenue and income					
subsidiaries	Caffè Borbone S.r.l.	12,153			
	Callmewine S.r.l.	1,971			
	Capitelli F.Ili S.r.l.	3,866			
	Casa della Salute S.r.l.	2,500			
	Clessidra SGR S.p.A.	2,752			
	Clessidra Capital Credit SGR S.p.A.	800			
	Clessidra Factoring S.p.A.	1,500			
	Clessidra Holding S.p.A.	800			
	Italgen S.p.A.	52,509			
	Italmobiliare Servizi S.r.l.	134,059			
	Officina Profumo-Farmaceutica di Santa Maria Novella	29,291			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	161			
	Sirap Gema S.p.A.	27,506			
<b>Total other operating revenue and income</b>		<b>269,868</b>	<b>36.41%</b>	<b>741,246</b>	<b>Note 25</b>
Services					
subsidiaries	Italmobiliare Servizi S.r.l.	(2,813,183)			
	Other related parties	(61,092)			
<b>Total services</b>		<b>(2,874,275)</b>	<b>32.28%</b>	<b>(8,905,323)</b>	<b>Note 27</b>

<b>(euro)</b>					
<b>Description</b>	<b>Company</b>	<b>Amount</b>	<b>% impact on carrying amounts</b>	<b>Carrying amounts</b>	<b>Reference</b>
Employee benefit expense	Other related parties	(110,288)			
<b>Total employee benefits expenses</b>		<b>(110,288)</b>	<b>0.69%</b>	<b>(15,884,504)</b>	<b>Note 28</b>
Current account and financial interest expense					
subsidiaries	Italmobiliare Servizi S.r.l.	(3,649)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(901)			
Other (income) expense					
subsidiaries	Caffè Borbone S.r.l.	(4,094)			
	Callmewine S.r.l.	(2,594)			
	Capitelli F.lli S.r.l.	(2,755)			
	Italmobiliare Servizi S.r.l.	(67,474)			
	Officina Profumo -Farmaceutica di Santa Maria Novella	(75,756)			
<b>Total other operating income/expenses</b>		<b>(157,223)</b>	<b>1.53%</b>	<b>(10,254,765)</b>	<b>Note 29</b>
Interest expense on trade payables					
subsidiaries	Italmobiliare Servizi S.r.l.	(3)			
<b>Total finance income/costs</b>	Other related parties				
<b>Total other operating income/expenses</b>		<b>(3)</b>	<b>0.00%</b>	<b>(463,774)</b>	<b>Note 31-32</b>

### Impact of transactions with related parties on cash flows

<b>(in thousands of euro)</b>	<b>Cash flows</b>	
	<b>Amount</b>	<b>%</b>
Cash flow from operating activities with related parties	23,547	n.s.
Total A) - from statement of cash flows	17,267	
Cash flow from investing activities with related parties	(67,198)	n.s.
Total B) - from statement of cash flows	8,989	
Cash flow from financing activities with related parties	11,433	-44.5%
Total C) - from statement of cash flows	(25,676)	
<b>Change in cash and cash equivalents with related parties</b>	<b>(32,218)</b>	
<b>Change in cash and cash equivalents from statement of cash flows (A+B+C)</b>	<b>579</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:

<b>(euro)</b>	<b>2021</b>	<b>2020</b>
Short-term benefits: fees and remuneration	6,909,750	7,206,592
Post-employment benefits	-	-
Other long-term benefits	3,275,670	3,347,400
Share-based payments (stock options)	861,196	1,063,092
<b>Total</b>	<b>11,046,616</b>	<b>11,617,084</b>

## Events after the reporting date

2021 posted an estimated +5.9% change in real global GDP, the highest figure since 1980. This significant rate of growth was determined by unprecedented expansion in terms of economic policy, as a joint action by fiscal and monetary policy, as well as by a hefty rebound in demand after the restrictive anti-Covid measures were eased. China and the United States helped to synchronise this expansion, with the USA supporting the advanced economies, which achieved +5%, and China supporting emerging nations, where GDP rose by +6.5%.

After reaching a peak at the end of the first half, the dynamics of the expansion decelerated, while still remaining at high levels, due to the effects of new waves of Covid and, in general, the repercussions of greater rigidity in supply due to bottlenecks in supply chains. 2022 promises to be a year of transition from the post-pandemic recovery to a gradual normalisation, with a reduction in the pro-cyclical impact of economic policy.

At the beginning of the year, before the geopolitical crisis between Russia and Ukraine deteriorated, the leading indicators were compatible with a global expansion of 4%, slowing down but 1% higher than potential GDP. Expectations for the Eurozone converged at +3.9% (after the +5.2% estimated in 2021) benefiting from various factors: on the consumption side, the excess savings accumulated during the lockdowns and the reduction in unemployment; on the investment side, the contribution expected from implementation of the budget and Next Generation EU with multiplier effects deriving from the activation of private investments; In this context, Italy's growth expectations come to +4% (+6.3% in 2021).

However, the scenario presents significant elements of uncertainty. The structural deficit of raw materials, energy and non-energy, deriving from the stagnation of production capacity during the last decade, at the same time as the jump in demand in the short term (counter-shock of the Covid crisis) and in the medium/long term (energy transition), is weighing on the expansion with repercussions on the rate of inflation and the purchasing power of consumers.

However, the rise in inflation is also supported by other components, not just raw materials and distortions in supply chains. In the USA, there is a significant acceleration in wage dynamics, capable of triggering off a price-wage spiral. The risk of monetary tightening being needed, more than previously expected, would have further repercussions on the economic cycle by making financial markets more unstable.

Geopolitical tensions are further exacerbating this imbalance: an economic scenario made highly uncertain by the politico-military factors triggered off by the crisis between Russia and Ukraine, with a possible spectrum of outcomes that are currently difficult to predict.

The focus that Italmobiliare, together with its Portfolio Companies, has placed on governance and careful risk management will further characterise this scenario of major uncertainty.

The highest priority will be given to identifying measures to protect the production chains, adopting where possible diversification strategies, particularly of outsourced supplies and services, in order to stem any bottlenecks or shortages of production inputs. To date, the only Group asset directly affected by the conflict, albeit to a marginal extent up to now, is a production plant of the Tecnica Group, for which, in addition to assistance and direct support initiatives to protect local employees, temporary alternatives are being sought to guarantee production continuity. The area involved in the conflict does not represent a significant business partner for any of the portfolio companies. However, it will be essential to monitor any restrictions and logistical difficulties carefully in handling the main commercial channels.

Cash and cash equivalents, still abundant in Italmobiliare's portfolio, are held through very low risk financial instruments in order to minimise fluctuations in value, finance the new investment opportunities under consideration and support the growth and resilience of the portfolio companies, both organically and externally.



With regard to the portfolio companies in particular, considerable effort will be dedicated to consolidating the success of the iconic brands of the Tecnica Group recorded in 2021, to further expansion by Caffè Borbone among the market leaders in the sector, also by developing internationally, and the evolution initiated by Officina Profumo-Farmaceutica di Santa Maria Novella in the wake of a centuries-old tradition of excellence that is unique in the whole world. These dynamics of great change in the respective sectors will also guide the development of the small caps of the Italmobiliare portfolio: Casa Della Salute, thanks to the ample space in the market for high quality, efficient health services, Callmewine expanding beyond the by now established trend of buying wines from sought-after wineries online, Italgen involved in the energy transition that is more topical than ever for Italy, Capitelli at the forefront in the search for high quality in the traditional sectors of food Made in Italy. Finally, it will be essential to support AGN and Iseo in protecting the impressive results that they have achieved in terms of higher margins from the inflationary trends affecting the raw materials market.

As for the alternative investment funds, in addition to the diversification of a portfolio increasingly articulated across different geographies and asset classes, Italmobiliare continues its leading role in the development of the Clessidra Group's multi-asset platform, through the launch of the fourth Private Equity fund and of the first Private Debt fund, which joins the UTP non-performing loans and factoring activities.

In addition, as regards the Portfolio Companies, it should be noted in relation to the subsidiary Iseo that on January 28, 2022 an increase in share capital for a total of 100,000 euro was fully subscribed and paid up in connection with the co-investment of a manager. As a result, Italmobiliare's stake went to 39.24%.

Furthermore, in February 2022, FT3 consolidated its shareholding in Callmewine S.r.l., having bought a further 20% of the capital from the minority shareholders.

## Proposal for approval of the financial statements and allocation of the profit for the year

### 2021 Annual Report

1. Financial statements for the year ended December 31, 2021.
2. Proposal for the distribution of the dividend and of an additional extraordinary dividend, also out of reserves.

Dear Shareholders,

We submit for your approval the financial statements for the year ended December 31, 2021, which closed with a profit of Euro 53,146,430. 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 0.70 per share, gross of the withholdings required by law and of an extraordinary dividend of Euro 0.70 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 11, 2022 (going ex-coupon on May 9, 2022 and with a record date of May 10, 2022) 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 53,146,430 and out of retained earnings for Euro 6,049,672. 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, 2021,

resolves

to approve the report of the Board of Directors on operations and the 2021 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 53,146,430 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 2021 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 0.70 and a gross extraordinary dividend of Euro 0.70 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 53,146,430 and the retained earnings for the amount of Euro 6,049,672.
2. to establish that the dividend and the extraordinary dividend will be paid on May 11, 2022 with a coupon date of May 9, 2022 and a record date of May 10, 2022 in one tranche;
3. to authorise the Chairman and the Chief Executive Officer, 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 8, 2022**

**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, 2021

(euro)						
Shares and quotas	Balance on 1/1/2020		Increases		Decreases	
Subsidiaries	Quantity	Amounts	Quantity	Amounts	Quantity	Amounts
Bea S.p.A.	1,942,500	24,104,713		336,290 <sup>(5)</sup>	1,942,500	24,441,003 <sup>(2)</sup>
Casa della Salute S.p.A.			2,280,136	28,689,206 <sup>(2)(7)</sup>	158,250	1,991,133
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.	50,000	600,000	9,950,000	26,101,118 <sup>(3)(5)(1)</sup>		
Clessidra SGR S.p.A.	300,000	22,000,000			300,000 <sup>(1)</sup>	22,000,000 <sup>(1)</sup>
Credit Mobilier de Monaco	34,970	5,285,223				
Franco Tosi Ventures S.r.l.	1	57,261		42,739 <sup>(3)</sup>		
FT2 S.R.L.	1	161,718,295		40,057,038 <sup>(5)(6)</sup>		
FT3 S.R.L.	1	13,310,000		25,591 <sup>(5)</sup>		
Italgen S.p.A.	20,000,000	20,131,526				
Italmobiliare Servizi S.r.l.	1	11,411,491		1,000,000 <sup>(3)</sup>		
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	68,400,000	1			
ITM Bacco SRL				19,287,688 <sup>(3)(5)</sup>		
<b>Total subsidiaries</b>		<b>486,377,427</b>		<b>115,539,669 <sup>(7)</sup></b>		<b>48,432,136 <sup>(1)</sup></b>
<b>Associates</b>						
Autogas Nord S.p.a.	3,685,315	60,358,345				
CCC Holding Europe S.p.A.	1,003,750	5,020,615				
Dokimè S.r.l.	20,627	1,980,074				
Florence InvestCo S.r.l.	1	13,800,000		4,059,416 <sup>(5)(3)</sup>		
Farmagorà Holding S.p.A.			3,750,000	3,750,000		
Iseo Serrature S.p.A.	1,917,523	42,652,902				
Società Editrice Sud S.p.A.	29,275	6,400,000				
Tecnica Group S.p.A.	15,413,534	43,376,254				
Capitalized costs for ongoing investments		115,000		920,056 <sup>(5)</sup>		
<b>Total associates</b>		<b>173,703,190</b>		<b>8,729,472 <sup>(7)</sup></b>		
<b>Other companies</b>						
Atmos Venture S.p.A.	222,909	72,753				
Cairo Communication S.p.A.	189,198	239,146				
Can-Fite Biopharma	204	296				
Cartiere Burgo S.p.A.	46,153,846	1				
Coima Res S.p.A.	412,332	2,704,898				
Compagnia Fiduciaria Nazionale S.p.A.	20,001	1,189,190				
Fin.Priv. S.r.l.	2,857	15,867,721				
HeidelbergCement AG	1,372,000	83,993,840				
Idrovia Ticino Milano Nord Mincio S.p.A. in liquidation	100	568				
Immobiliare Lido di Classe S.p.A.	45,991	1				
Immobiliare Astra S.p.A.	12,012	30,350				
Italgen MISR for Energy	1	1				
New Flour S.p.A.	27,667	4,216,090				
Piaggio S.p.A.	169,699	457,508				
Sesaab S.p.A.	700,000	1,300,000				
UniCredit S.p.A. ordinary shares	204,331	1,562,724				
Vontobel Holding AG	115,238	7,489,083				
KKR Teemo Co-Invest			1	10,500,000		255,673
035 Investimenti S.p.A.	1,114,550	440,838				
Ariston Holding N.V.	-	-	975,000	9,993,750		
<b>Total other companies</b>		<b>119,565,008</b>		<b>20,493,750</b>		<b>255,673</b>
<b>Total equity investments</b>		<b>779,645,625</b>		<b>144,762,891</b>		<b>48,687,809</b>

(1) Corporate reorganisation of the Clessidra Group  
 (2) Transaction for the absorption of Bea by Casa della Salute  
 (3) Payment on capital account  
 (4) Impairment

(5) Capitalized commission  
 (6) Payment to FT2 S.r.l. for Santa Maria Novella increase in capital  
 (7) Subscription

\* The sum of these amounts, equal to 75,837 thousand euro, represents the cash outflow from investing activities in the statement of cash flows.

(euro)							
Quantity and sale value		Adjustment	Profit (loss) FVTOCI	% held	Balance at 12/31/2021		Shares and quotas
Quantity	Amounts	Amounts	Amounts	%	Quantity	Amounts	Subsidiaries
					-		Bea S.p.A.
		(6)		84.630	2,121,886	26,698,067	Casa della Salute S.p.A.
				60.000	600,000	143,568,361	Caffè Borbone S.r.l.
				80.000	1	14,232,033	Capitelli F.lli S.r.l.
				100.000	10,000,000	26,701,118	Clessidra Holding S.p.A.
				100.000			Clessidra SGR S.p.A.
				99.910	34,970	5,285,223	Credit Mobilier de Monaco
		(13,113)	(4)	100.000	1	86,887	Franco Tosi Ventures S.r.l.
				100.000	1	201,775,333	FT2 S.r.l.
				100.000	1	13,335,591	FT3 S.R.L.
				100.000	20,000,000	20,131,526	Italgen S.p.A.
		(421,572)	(4)	100.000	1	11,989,919	Italmobiliare Servizi S.r.l.
				100.000	1,300,000	1,558,523	Punta Ala Promozione e Sviluppo Immobiliare S.r.l.
				99.980	85,985	1	Société d'Etudes de Participations et de Courtages S.A.
				100.000	15,000,001	68,400,000	Sirap Gema S.p.A.
40,000	7,710,000 <sup>(*)</sup>	-5075,2		60.000	(40,000)	11,572,613	ITM Bacco S.r.l.
	<b>7,710,000</b>	<b>(439,767)</b>	-			<b>545,335,193</b>	<b>Total subsidiaries</b>
							<b>Associates</b>
				30.000	3,685,315	60,358,345	Autogas Nord S.p.a.
750	3,750	(1)		16.360	1,003,000	5,016,864	CCC Holding Europe S.p.A.
				20.630	20,627	1,980,074	Dokimè S.r.l.
				18.080	1	17,859,416	Florence InvestCo S.r.l.
				29.810	3,750,000	3,750,000	Farmagorà Holding S.p.A.
				39.280	1,917,523	42,652,902	Iseo Serrature S.p.A.
				31.100	29,275	6,400,000	Società Editrice Sud S.p.A.
				40.000	15,413,534	43,376,254	Tecnica Group S.p.A.
						1,035,056	Capitalized costs for ongoing investments
	<b>3,750</b>	<b>(1)</b>	-			<b>182,428,911</b>	<b>Total associates</b>
							<b>Other companies</b>
				10.130	222,909	72,753	Atmos Venture S.p.A.
		146,818	--	0.141	189,198	385,964	Cairo Communication S.p.A.
		(64)		0.130	204	232	Can-Fite Biopharma
				11.680	46,153,846	1	Cartiere Burgo S.p.A.
		379,345	--	0.011	412,332	3,084,243	Coima Res S.p.A.
		(99,254)		16.668	20,001	1,089,936	Compagnia Fiduciaria Nazionale S.p.A.
		5,204,262		14.285	2,857	21,071,983	Fin.Priv. S.r.l.
722,000	50,448,077	(1,105,000)	6,247.237	0.328	650,000	38,688,000	HeidelbergCement AG
100	568			0.200	-	-	Idrovia Ticino Milano Nord Mincio S.p.A. in liquidation
				18.036	45,991	1	Immobiliare Lido di Classe S.p.A.
		37		1.784	12,012	30,387	Immobiliare Astra S.p.A.
1	1			1.000			Italgen MISR for Energy
		1,563,066		16.970	27,667	5,779,156	New Flour S.p.A.
		30,206		0.470	169,699	487,714	Piaggio S.p.A.
				7.000	700,000	1,300,000	Sesaab S.p.A.
		1,204,736		0.009	204,331	2,767,460	UniCredit S.p.A. – ordinary shares
		1,423,429		0.203	115,238	8,912,512	Vontobel Holding AG
		(1,242,358)			1	9,001,969	KKK Teemo Co-Invest
		403,251		11.145	1,114,550	844,089	035 Investimenti S.p.A.
		(107,250)		0.935	975,000	9,886,500	Ariston Holding N.V.
	<b>50,448,646</b>	<b>7,801,225</b>	<b>6,247.237</b>			<b>103,402,902</b>	<b>Total other companies</b>
	<b>58,162,396</b>	<b>7,361,457</b>	<b>6,247.237</b>			<b>831,167,006</b>	<b>Total equity investments</b>

\*\* Cash inflow recognized under investing activities in the statement of cash flows.

## Annex B - List of investments in subsidiaries and associates at December 31, 2021 (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	€ 2,507,385	7,983,804	(911,865)	84.630	26,698,067
Caffè Borbone S.r.l.	Caivano	€ 1,000,000	379,790,007	63,470,705	60.000	143,568,360
Capitelli F.Ili S.r.l.	Borgonovo Val Tidone	€ 51,480	20,882,841	3,121,592	80.000	14,232,033
Clessidra Holding S.p.A.	Milano	€ 10,000,000	26,161,917	(348,019)	100.000	26,701,118
Credit Mobilier de Monaco	Monte Carlo	€ 5,355,000	5,429,564	(676,845)	99.910	5,285,223
Franco Tosi Ventures S.r.l.	Milano	€ 100,000	86,888	(13,113)	100.000	86,887
FT2 S.r.l.	Milano	€ 10,000	201,009,553	(45,791)	100.000	201,775,333
FT3 S.r.l.	Milano	€ 10,000	13,288,829	(20,894)	100.000	13,335,591
Italgen S.p.A.	Bergamo	€ 20,000,000	36,779,246	12,397,040	100.000	20,131,526
Italmobiliare Servizi S.r.l.	Milano	€ 3,520,000	11,132,122	230,654	100.000	11,989,919
ITM Bacco S.r.l.	Milano	€ 100,000	28,011,916	(3,798)	60.000	11,572,613
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milano	€ 1,300,000	1,043,035	(38,586)	100.000	1,558,523
Société d'Etudes de Participations et de Courtages S.A.	Monte Carlo	€ 1,290,000	284,010	(86,235)	99.980	1
Sirap Gema S.p.A.	Bergamo	€ 15,000,000	83,547,372	70,026,920	100.000	68,400,000
<b>Total subsidiaries</b>						<b>545,855,785</b>
<b>Associates</b>						
Autogas Nord S.p.A.	Volpiano	€ 11,287,783	191,466,186	23,936,990 (1)	30.000	60,358,345
CCC Holding Europe S.p.A.	Bergamo	€ 6,130,000	30,457,224	(162,994)	16.360	5,016,863
Dokimè S.r.l.	Milano	€ 100,000	9,375,352	(224,076) (2)	20.627	1,980,074
Florence InvestCo S.r.l.	Milano	€ 833,000	98,780,000	n.a.	18.080	17,859,416
Iseo Serrature S.p.A.	Pisogne	€ 24,410,700	96,117,995	6,026,189 (3)	39.280	42,652,902
Società Editrice Sud S.p.A.	Messina	€ 10,695,505	46,838,509	(1,550,117)	31.099	6,400,001
Farmagorà Holding S.p.A.	Genova	€ 12,580,000	n.a.	n.a.	29.810	3,750,000
Tecnica Group S.p.A.	Giavena del Montello	€ 38,534,000	40,042,000	96,230,000 (1)	40.000	43,376,255
<b>Total associates</b>						<b>181,393,856</b>

(1) figures from the consolidated financial statements at 31/12/2021

(2) figures at 07/31/2021

(3) Figures related to the financial statements of Iseo Serrature S.p.A. stated according to ITA GAAP

n.a. not available



## Annex C - Statement of changes in the accounts of trading investments that took place on December 31, 2021

Shares and quotas	Balance on 1/01/2020		Increases		Decreases		Adjustment	% held	Balance at 12/31/2021		Profits (losses) on sales
	Quantity	Amounts	Quantity	Amounts	Quantity	Amounts			Amounts	Quantity	
<b>Other companies</b>											
Banco BPM S.p.A.	150,000	271,200	-	-	-	-	124,800	0.010	150,000	396,000	-
BNP Paribas S.A.	13,020	561,226	-	-	-	-	229,998	0.001	13,020	791,224	-
Dassault Systèmes SE	2,520	418,698	-	-	-	-	240,408	0.001	2,520	659,106	-
EDP Renovaveis S.A.	4,739	108,050	-	-	-	-	(4,265)	0.000	4,739	103,785	-
ENI S.p.A.	407,500	3,483,310	-	-	97,500	833,430	1,138,320	0.009	310,000	3,788,200	224,024
Enel S.p.A.	105,000	868,980	-	-	-	-	(129,150)	0.001	105,000	739,830	-
Euskaltel S.A.	46,620	407,925	-	-	46,620	407,925	-	-	-	0	104,895
International Consolidated Airlines Group S.A.	371,000	664,461	-	-	45,000	80,595	(28,362)	0.007	326,000	555,504	31,215
Intesa Sanpaolo S.p.A.	399,799	764,656	-	-	-	-	144,487	0.002	399,799	909,143	-
Marr S.p.A.	17,341	292,370	0	0	0	0	35,376	0.026	17,341	327,746	-
Mediobanca Banca di Credito Finanziario S.p.A.	19,600	147,785	-	-	-	-	50,372	0.002	19,600	198,157	-
MFE-MEDIAFOREUROPE NV CL. B (ex. Mediaset S.p.A.)	3,932,138	8,202,440	1,329,926	5,034,677	3,932,138	11,850,004	268,645	0.001	1,329,926	1,655,758	351,632
MFE-MEDIAFOREUROPE NV CL. A	-	-	1,329,926	1,738,745	-	-	(547,797)	0.001	1,329,926	1,190,949	-
Natis S.A.	138,600	386,556	-	-	138,600	386,556	-	-	-	0	167,844,60
OVS S.p.A.	811,093	851,648	107,380	134,225	531,093	562,054	567,874	0.001	387,380	991,693	197,802,46
Royal Dutch Shell	84,580	1,236,052	-	-	8,000	116,912	359,620	0.001	76,580	1,478,760	41,487
Sanofi S.A.	2,800	220,360	-	-	-	-	27,664	0.000	2,800	248,024	-
SAP AG	2,450	262,689	-	-	-	-	43,316	0.000	2,450	306,005	-
TeamViewer AG	13,300	582,939	-	-	-	-	(425,733)	0.007	13,300	157,206	-
Telecom Italia S.p.A.	896,000	338,150	-	-	396,000	149,450	28,400	0.002	500,000	217,100	25,304
Total S.A.	21,690	765,657	-	-	-	-	202,368	0.001	21,690	968,025	-
DATADOG	-	-	2,516	403,915	800	128,431	(5,630)	0.000	1,716	269,854	-
STMICROELECTRONICS NV	-	-	10,000	422,743	-	-	14,857	0.000	10,000	437,600	-
ZOOM VIDEO Communications Inc.	1,300	357,360	-	-	-	-	(146,267)	0.000	1,300	211,093	-
<b>Total other companies</b>		<b>21,192,512</b>		<b>7,734,305</b>		<b>14,515,357</b>	<b>2,189,301</b>			<b>16,600,760</b>	<b>1,144,205</b>

## Annex D - Statement of changes in bonds and mutual fund units that took place during 2021

(euro)	Balance on 1/01/2021	Increases	Decreases	Adjustment	Balance at 12/31/2021
<b>Bonds and investment funds (non-current)</b>					
Other variable-income securities	3,069,000	-	511,500,00	83,900	2,641,400
Other fixed-income securities (*)	9,000,000	-	9,000,000,00	-	0
Investment funds	122,814,214	39,147,927	32,254,777	58,806,016	188,513,380
<b>Total</b>	<b>134,883,214</b>	<b>39,147,927</b>	<b>41,766,277</b>	<b>58,889,916</b>	<b>191,154,780</b>

The item "Investment Funds" of 188,513,380 euro is made up principally of:

Clessidra (quotas "A" and "B") for 52,583,923 euro

BDT Capital Partners Fund II and III for 71,152,222 euro

ICONIQ Strategic Partners IV-B and V for 38,278,714 euro

(euro)	Balance on 1/01/2021	Increases	Decreases	Adjustment	Balance at 12/31/2021
<b>Bonds and investment funds (non-current)</b>					
Other variable-income securities	6,019,975	0	1,503	284,147	6,302,619
Other fixed-income securities (*)		9,000,000			9,000,000
Investment funds	264,201,768	21,579,055	60,255,872	3,120,082	228,645,033
<b>Total</b>	<b>270,221,743</b>	<b>30,579,055</b>	<b>60,257,375</b>	<b>3,404,229</b>	<b>243,947,652</b>

(\*) Reclassification of the bond maturing within twelve months (November 2022).

The "Other variable-income securities" are mainly ETFs.

The item "Investment Funds" of 228,947,652 euro mainly consists of the Vontobel Fund for 204,558,573 euro.

The balance at December 31, 2021 is equal to the market value at December 31, 2021.

## Annex E - Comparison between carrying amounts and market prices at December 31, 2021 of investments in companies with listed shares

(euro)					
Shares	Number of shares	Total carrying amount	Unit carrying amount	Unit market value at December 31, 2021	Total amount at market value at December 31, 2021
<b>Other companies</b>					
Cairo Communication S.p.A.	189,198	385,964	2.0400	2.0400	385,964
Coima Res S.p.A.	412,332	3,084,243	7.4800	7.4800	3,084,243
HeidelbergCement AG	650,000	38,688,000	59.5200	59.5200	38,688,000
Can-Fite Biopharma	204	296	1,1390	1,1390	232
Piaggio S.p.A.	169,699	487,715	2.8740	2.8740	487,715
Unicredit S.p.A.	204,331	2,767,460	13.5440	13.5440	2,767,460
Vontobel Holding AG	115,238	8,912,507	77.3400	77.3400	8,912,507
Ariston Holding N.V.	975,000	9,886,500	10.1400	10.1400	9,886,500
<b>Total</b>		<b>64,212,685</b>			<b>64,212,621</b>
<b>Treasury shares (deducted from equity)</b>					
Italmobiliare Società per Azioni - ordinary shares	278,470	5,165,730	18.5501	32.5000	9,050,275
		<b>5,165,730</b>			<b>9,050,275</b>

## 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>74,945</b>
B) Current rate of corporation tax (IRES)	24.0%	
<b>C) Theoretical IRES (AxB)</b>		<b>(17,987)</b>
D) Permanent differences		
- non-deductible		(713)
- non-taxable/exempt		7,569
	tot. D)	<b>6,855</b>
F) Withholdings on foreign dividends	tot. F)	<b>0</b>
G) Deferred tax assets/liabilities arising during the year:		
- deferred tax liabilities on taxable temporary differences not recorded		(19)
- deferred tax assets on deductible temporary differences not recorded		(1,659)
- deferred tax assets on tax loss not recorded		-
	tot. G)	<b>(1,678)</b>
N) Other changes	tot. N)	<b>(8,989)</b>
<b>Total</b>	<b>(D+F+G+N)</b>	<b>(3,812)</b>
<b>O) Actual IRES shown in the income statement</b>		<b>(21,799)</b>

## Annex G - Analysis of equity items at December 31, 2021

(in thousands of euro)	Amount	Possibility of use	Available portion	Summary of uses made in the previous three years	
				to cover losses	for other reasons
<b>Nature/description</b>					
<b>Share capital</b>	<b>100,167</b>				
<b>Reserves:</b>					
Share premium	55,607	A, B, C	55,607		
Reserve for stock options	-	-	-		
Non-distributable OCI reserve	4,900	-	-		
<b>Total reserves</b>	<b>60,507</b>	-	<b>55,607</b>		
<b>Treasury shares at cost</b>	<b>(5,166)</b>				<b>(128,088)</b>
<b>Retained earnings:</b>					
Revaluation reserves	-	A, B, C	-	-	
Reserve for capital grants	-	A, B, C	-	-	
Merger surplus	159,938	A, B, C	160,549		(2,668)
Reserve as per art. 55 DPR 597/1973 and 917/86	-	A, B, C	-	-	
Reserve as per art. 54 DPR 597/1973 and 917/86	-	A, B, C	-	-	
Reserve as per Law 72/83	165	A, B, C	165	-	
Reserve as per art. 34 Law 576/75	60,087	A, B, C	60,087	-	
Legal reserve	20,034	B	-	-	
Extraordinary reserve	-	A, B, C	-	-	
Distributable retained earnings	837,851	A, B, C	837,851		(122,141)
Non-distributable retained earnings	33,132		-		
Reserve from net exchange gains	-	A, B, C	-	-	
Reserve as per art. 7 of Legislative Decree 38/2005	951	A, B, C	951		(6)
Profit for the year	53,146		53,146		
<b>Total retained earnings</b>	<b>1,165,305</b>		<b>1,112,749</b>	-	<b>(252,903)</b>
<b>Total</b>	<b>1,225,812</b>		<b>1,168,356</b>		
<b>Non-distributable portion - art. 2426 no. 5 Civil Code</b>					
<b>Residual distributable portion</b>	<b>1.225.812</b>		<b>1,168,356</b>		

Legend A: for increase in capital  
B: to cover losses  
C: for distribution to shareholders



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# ITALMOBILIARE

## INVESTMENT HOLDING

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### Certification pursuant to art. 154-bis paragraph 5 of the Italian Consolidated Law on Finance (TUF) 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, 2021 to December 31, 2021.
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, 2021 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, 2021:
    - 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 8, 2022

Chief Executive Officer

Manager in charge of financial reporting

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Carlo Pesenti

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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**

**2021**

Milan, March 17, 2022

Shareholders,

We, the Board of Statutory Auditors, pursuant to art. 153 of Legislative Decree. 58/1998 ("TUF") 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.

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 met 17 times in 2021, 6 of which in joint session with the Control and Risk Committee.

During 2021, the entire Board of Statutory Auditors or, in any case, some of us also took part in all meetings of the Board of Directors (which met 10 times), of the Control and Risk Committee (6 times), the Committee for Sustainability and Social Responsibility (3 times), the Related-Party Transactions Committee (1 time) and the Remuneration and Nominations Committee (3 times), as well as the induction meetings organised by the Company. From the start of 2022 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 2021, the investment and consolidation of the shareholding structure continued.

The most significant events that took place during 2021 were as follows:

- acquisition of a 13.69% stake in Botter S.p.A., completed in July 2021;
- acquisition of a 29.81% stake in Farmagorà S.r.l.;



- acquisition of the residual 20% of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A., completed on October 11;
- sale by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. of its investment in San Carlo S.p.A.;
- purchase of Farmacia Ltd. by Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.;
- acquisition by Italgem S.p.A. of: (i) 100% of Idroenergy S.r.l., (ii) 100% of Idrodezzo S.r.l. and (iii) establishment of Solar Roof S.r.l. Italgem;
- sale of all of the operating companies belonging to the Sirap Group, a plan implemented through several transactions during the year, which were completed in November 2021;
- sale of 7.5% of Casa della Salute S.p.A. on October 16, reducing Italmobiliare's stake from 92.5% to 85.0%;
- acquisition of 19.99% of Bene Assicurazioni on November 17; one of the conditions for completion of the deal is approval by IVASS - the Insurance Supervisory Authority.

For further details of significant events that took place in the year ended December 31, 2021, 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 2021 and up to the date of approval of the draft financial statements.

#### ***Atypical or unusual operations***

Atypical or unusual transactions as defined by 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.

#### ***Intragroup transactions or transactions with related parties***

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, which was updated in 2018 and in force at the beginning of 2021, was adjusted to take account of the Related Parties Regulation, amended by Consob resolutions nos. 21396 of June 10, 2020 and 21624 of December 10, 2020 in implementation of the so-called Shareholders' Rights Directive II, and 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 2021, the RPT Committee met once and we took part, ascertaining the correctness of the proceedings.

In 2021, to the best of our knowledge, intragroup transactions carried out without the involvement of the RPT Committee essentially consisted of reciprocal administrative, legal, organisational, leasing and financial services, on which we receive periodic 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 in the Directors' report on Group operations and Notes to the consolidated financial statements at December 31, 2021 and in the Directors' report on operations and Notes to the separate financial statements at December 31, 2021.

#### ***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 2021 and the results that emerged, as are follows.

##### *(a) Information provided to the Board of Directors and Additional Report*

We are required to inform the Company's Board of Directors about the outcome of the independent audit and to send it the additional report referred to in Article 11 of the European Regulation, accompanied by any observations.

In order to fulfil this obligation, we had 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 Information 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), each to the extent of its sphere of competence, 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 CFA 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*, CFA.

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, in some cases 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 of our committees.

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 the results of their audits. 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 her, 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.

We received and examined the Audit Plan for 2021, judging it to be adequate, being consistent with the 2020-2022 three-year Plan.

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 2021 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, which involved the inclusion of various new equity investments in the scope of consolidation. 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 2022 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, input from 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 any important issues that emerged during the audit of the separate and consolidated financial statements. Often, these concerned valuation issues, questions of impairment in particular, as well as the main impacts on the scope of consolidation of the various acquisitions that took place in 2021. These included the above mentioned transactions: (i) (ii) (iii).

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 and the accounting standards applicable in this area, in addition to the above matters regarding the scope of consolidation. Like every year, we also discussed any litigation involving with 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 2021, at Deloitte's request, we issued one authorisation 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, 2021, Deloitte and the companies belonging to the same network earned fees for a total of 777 thousand euro from the Italmobiliare Group (excluding expenses), broken down as follows: 635 thousand euro for auditing activities, 63 thousand euro for activities that involved issuing a certificate and 79 thousand euro for other services.

The fees received by the Auditors for providing NAS to the Italmobiliare Group in 2021 total approximately 19% of the overall fees received in the same period for the provision of audit services to companies of the Italmobiliare Group.

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, 2022 and the date of preparation of this report, Deloitte has submitted three authorisation requests to us for the provision of NAS, with fees of 19.5 thousand euro. We have authorised them as they were deemed compatible with the independence requirement.

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, 2021, 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, 2021 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, in force at December 31, 2020, as explained in the notes;
- there is correspondence between the separate and consolidated financial statements at December 31, 2021, on the one hand, and the facts and information of which we became aware by participating in meetings of the Board of Directors and Executive Committee 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;
- the control activity requested by Consob in its Notice no. 1/21 of February 16, 2021 has been carried out.

It should be remembered that Directive 2013/50/EU amended the regulations governing annual financial reports, laying down that a single electronic reporting format had to be used in preparing the constituent documents and that the Delegated Regulation (EU) no. 2018/815 obliges European listed companies, starting from the financial year beginning on or after January 1, 2021, to prepare annual financial reports according to the European Single Electronic Format (ESEF), using the XHTML integrated computer language - where the consolidated financial statements are prepared in accordance with IAS/IFRS - with appropriate mark-ups in iXBRL (Inline eXtensible Business Reporting Language).

The draft financial statements and the consolidated financial statements must be drawn up in XHTML instead of in the PDF used up to now. Furthermore, the consolidated financial statements must be marked up according to a specific taxonomy, using iXBRL to allow the document to be read by electronic devices.

In the notes to the separate and consolidated financial statements at December 31, 2021, the Company referred to the health emergency determined by Covid-19 and the consequent restrictive measures adopted worldwide, highlighting the effects of this phenomenon on the activity of Italmobiliare and of the Portfolio Companies.

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, 2021 and have taken note:

- of the opinions on the separate and consolidated financial statements at December 31, 2021, 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;
- that the audit reports do not highlight any particular matters;

- 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 Ownership Structures, 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.

We have also examined the attestation reports prepared by the Chief Executive Officer and by 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 for the clarity of the information contained in it and compliance with the instructions issued by Consob in its Notice 1/21 of February 16, 2021.

#### ***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 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, which the Board of Directors specifically set up during the year, assigning to it 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 4, 2020.

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*.



### ***Further activities of the Board of Statutory Auditors***

As required by art. 2403 of the Italian Civil Code and art. 149 of the CFA, 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 – through a questionnaire that has been extended and improved compared with the one used in the previous year – 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 16, 2022, 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, 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 entire Board of Statutory Auditors attended the Shareholders' Meeting, which as required by art. 106, paragraph 4, Legislative Decree no. 18 of March 17, 2020, was held in the presence of only the representative designated by the Company pursuant to art. 135-undecies CFA.

We received and examined the Report on Corporate Governance and Ownership Structures for 2021, 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 21, 2020 is made up of 12 Directors, 6 of whom meet both the independence requirements of the CFA and the Corporate Governance Code, while 2 only meet the requirements of the CFA. During 2021, the Board of Directors held 10 meetings; on July 27, 2021 Marinella Soldi resigned as a director and to replace her the Board of Directors co-opted Valentina Casella on July 29, 2021, as she was the first candidate on the same list as the person resigning not to have been elected;
- the Control and Risk Committee is made up of 3 Directors, 2 of whom meet the independence requirements of the Corporate Governance Code. In 2021, the Control and Risk Committee met 6 times;
- the Remuneration and Nominations Committee is made up of 3 Directors, all of

- the RPT Committee is made up of 3 Directors, all of whom meet the independence requirements of the Corporate Governance Code. The RPT Committee met once during 2021;
- 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 2021, Committee for Sustainability and Social Responsibility met 3 times.

Please refer to Report on Corporate Governance and Ownership Structures for 2021, 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.

The Board has not been called upon to issue any opinion pursuant to current legislation other than those provided for by art. 2389, paragraph 3, of the Italian Civil Code in relation to the remuneration paid to directors with particular responsibilities, except as specified below.

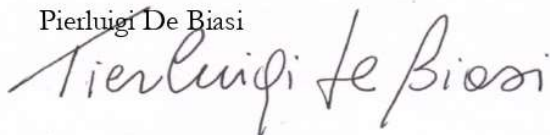
We have issued our favourable opinion on the assessments discussed and proposed by the Remuneration and Nominations Committee with reference to the MBO plan applied to the Chief Executive Officer and some senior managers.

\* \* \*

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, 2021 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







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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, 2021, 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 a summary of significant accounting policies.

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, 2021, 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

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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, 2021 include financial assets measured at fair value categorized into hierarchy levels 2 and 3 amounting to Euro 434,9 million, equal to 68,4% of total financial assets and 30,7% 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, 2021 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;
- 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, 2021 include equity investments in subsidiaries and associates amounting to Euro 546,4 million and Euro 181,4 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.

For the 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, with the exception of some minor investments where an investment loss was recognised.

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 and ebitda, together with the collection of the 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, where applicable, the impacts of the Covid-19 virus, and the reliability of the budgeting process;
- analyzing the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate);
- 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 IAS36.

#### 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.



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, related safeguards.

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, 2021, 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, 2021 and on their compliance with the law, as well as to make a statement about any material misstatement.





7

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, 2021 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 & TOUCHE S.p.A.

Signed by  
Massimiliano Semprini  
Partner

Milan, Italy  
March 17, 2022

*As disclosed by the Directors on page E9, 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.*



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# Sustainability Report 2021





# Sustainability Report 2021

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.**





# Sustainability Report

## ITALMOBILIARE GROUP

### Strategic profile

Highlights

Strategy, materiality and contribution to SDGs

Economic result and shared value

### Governance

Governance and integrity

Responsible investments

### Society

Human capital development

Health, safety and wellbeing

Product and service stewardship

Market & communities

### Environment

Responsible use of resources

Low-carbon transition

## ITALMOBILIARE

Italmobiliare

Human capital development

Health, safety and wellbeing

## PORTFOLIO COMPANIES controlled

### Caffè Borbone

Materiality and contribution to SDGs

Governance and integrity

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

### Officina Profumo-Farmaceutica di Santa Maria Novella

Materiality and contribution to SDGs

Governance and integrity

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

### Italgen

Materiality and contribution to SDGs

Governance and integrity

Procurement and supply chain

Human capital development

Health, safety and wellbeing

Service stewardship

Market and communities

Responsible use of resources

Low-carbon transition

Land and biodiversity

<b>F8</b>	<b>Casa della Salute</b>	<b>F60</b>
F13	Materiality and contribution to SDGs	F61
F14	Governance and integrity	F62
F18	Procurement and supply chain	F62
<b>F20</b>	<b>Human capital development</b>	<b>F63</b>
F20	Health, safety and wellbeing	F64
F22	Service stewardship	F64
<b>F23</b>	<b>Responsible use of resources</b>	<b>F65</b>
F23	Low-carbon transition	F65
F25	<b>Capitelli</b>	<b>F66</b>
F25	Materiality and contribution to SDGs	F67
F26	Governance and integrity	F68
<b>F28</b>	<b>Procurement and supply chain</b>	<b>F68</b>
F28	Human capital development	F69
F29	Health, safety and wellbeing	F70
	Product and service stewardship	F70
	Market and communities	F71
F32	Responsible use of resources	F71
F32	Low-carbon transition	F73
F33	<b>Callmewine</b>	<b>F74</b>
	Materiality and contribution to SDGs	F75
	Governance and integrity	F76
<b>F36</b>	<b>Procurement and supply chain</b>	<b>F76</b>
F37	Human capital development	F77
F38	Health, safety and wellbeing	F77
F38	Product and service stewardship	F78
F39	Market and communities	F78
F40	Responsible use of resources	F78
F40	Low-carbon transition	F79
F41	<b>Clessidra</b>	<b>F80</b>
F42	Materiality and contribution to SDGs	F81
F43	Governance and integrity	F82
<b>F44</b>	<b>Responsible investments</b>	<b>F83</b>
F45	Human capital development	F84
F46	Health, safety and wellbeing	F85
F46	Market and communities	F86
F47	Low-carbon transition	F87
F48		
F48	<b>PORTFOLIO COMPANIES affiliated</b>	
F49	<b>Tecnica Group</b>	F90
F50	<b>Autogas Nord - AGN Energia</b>	F92
F51	<b>Iseo</b>	F93
<b>F52</b>	<b>SUPPLEMENTARY DATA</b>	<b>F95</b>
F53		
F54	<b>REPORTING</b>	
F54		
F55	Scope and methodology	F106
F56	UN Global Compact: Communication On Progress (COP)	F110
F57	Non-financial report (NFR)	F111
F57	GRI standards	F112
F58	Report of the Independent Auditors	F117
F59		
F59		





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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 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.

<b>2017</b>	<p>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.</p> <p>Entry into the Jaggaer group, operating in the eProcurement sector, by contributing BravoSolution.</p>
<b>2018</b>	<p>Purchase of a 60% stake in Caffè Borbone, one of the leading Italian coffee producers in the compatible pods and capsules sector.</p> <p>Purchase of a 39% shareholding in Iseo Serrature, leader in the production and design of locking and access control systems.</p> <p>Private equity investments increased, including the BDT Capital Partners funds.</p>
<b>2019</b>	<p>Purchase of a 30% shareholding in Autogas-AGN Energia, a national leader in the distribution of LPG gas for domestic, commercial and industrial use.</p> <p>Purchase of an 80% shareholding in Capitelli, active in the production and marketing of cooked ham and other high-quality products.</p> <p>Italmobiliare joins in the STAR segment of the Italian Stock Exchange in September.</p> <p>The investment in Jaggaer was sold to Cinven</p>
<b>2020</b>	<p>Purchase of an 80% interest in Officina Profumo-Farmaceutica di Santa Maria Novella, a historic manufacturer of high-end perfumes and cosmetics.</p> <p>Purchase of a 92.5% interest in Casa della Salute, a network of specialist outpatient clinics.</p> <p>Purchase of a 60% stake in Callmewine, an eCommerce platform for the sale of wines.</p> <p>The Italmobiliare Group joined the United Nations Global Compact Network, the largest strategic corporate citizenship initiative in the world.</p>
<b>2021</b>	<p>Exit from the food plastic packaging sector by disposing Sirap Group's assets.</p> <p>Co-investor with Clessidra SGR in the Botter wine group.</p> <p>Investment in Farmagorà, chain of pharmacies closely linked to the local area.</p> <p>Anchor investor of the Clessidra Capital Partners 4 fund.</p> <p>Increased stake in Officina Profumo-Farmaceutica di Santa Maria Novella to 100%.</p> <p>Finalisation of the acquisition of a 19.99% interest in Bene Assicurazioni, subject to approval by IVASS.</p>

## FOCUS 2021: SUSTAINABLE GOVERNANCE

The uncertainties of the traditional economy, the climate challenge, social inequalities, the uneven distribution of wealth and, last but not least, the persistent pandemic emergency repeatedly confirm, with dramatic evidence, that sustainability is a real urgency, no longer an option.

From a different point of view, the increasing reporting and transparency obligations, the recommendations of the stock market, the expectations of consumers and stakeholders, the importance assumed by global references such as the Sustainable Development Goals, the Paris Agreement, and the positions clearly expressed by all ethical, political, associative, academic and financial entities constitute further clear directions.

However, even in this context that inevitably seems to push businesses, institutions, civil society and individuals towards a paradigm shift, the value of choice has a decisive weight. For some time, Italmobiliare has chosen sustainability as an integrated lever of success. In its long history as a holding company with diversified investments, Italmobiliare was among the forerunners, since the 1990s, with structured and challenging programs aimed at sustainability, fully integrated into the strategic development priorities of the main industrial holdings 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.

Today, Italmobiliare Investment Holding, through the flow of investments and divestments, is aiming at the sustainable success of the Group, assigning priorities and mobilizing financial resources in a targeted and selective manner. The adhesion to the UN Global Compact in 2020, gave a further boost to ESG integration in the business strategy, through the accurate assessment of the profile of potential investments, active ownership in the management phase, transparency and reporting of performance in all management phases up to divestment, also aimed at continuing the path undertaken.

Such an ambitious purpose - increasing permanently the Company's results and net worth, creating shared value for shareholder and the reference markets, and contributing to the most compelling social and environmental challenge- requires strong sustainable governance. The **Code of Ethics**, the **Sustainability Policies**, and the **Responsible Investment Policy** adopted by Italmobiliare in June 2021 build up its renewed references, made available to the Corporate Bodies and the whole management. They are inspired by the highest global references such as the Universal Declaration of Human Rights, the ILO Conventions, Protocols and Recommendations, the UN Global Compact, the SDGs, the Paris Agreement on Climate, International Regulations and Conventions on Animal Rights and Standards such as SA8000, ISO 26000, GRI, SASB and TCFD.

The Code of Ethics lays down a set of fundamental principles and rules of conduct, embedding the Group's sustainable commitments, from the Ten Principles of the Global Compact to the SDGs and the signing of the Women Empowerment Principles.

The Sustainability Policies extend and integrate the Code of Ethics. The "Guiding principles" are their cornerstone and are further detailed in four dedicated policies: Health and safety, Environment and resources, Rights and society, Quality and responsibility. They apply in relations with all the companies or counterparties of the Group and in the active involvement of all stakeholders in its sphere of influence.

The Responsible Investment Policy explains all stages of the investment process: sector criteria, pre-investment, ownership and divestment. It covers all the various components that contribute to Italmobiliare's Net Asset Value: from portfolio companies to equity investments in listed and unlisted companies, from investments in private equity funds to financial assets held for trading and cash management. Contribution to the SDGs is a fundamental metric for evaluating the sustainable success of the Group.

Together, the Code of Ethics, the Sustainability Policies and the Responsible Investment Policy inspire and support daily operations in all the Group's activities: transformative capacity, skills, management and capital for 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.

## PORTFOLIO COMPANIES

The portfolio of investments in a growing number of subsidiaries or associates makes use of Italmobiliare's experience in the management of business activities at national and international level, also thanks to a presence on their respective boards of directors. The investment horizon is medium-long term and marked by the creation of value. The Portfolio Companies' approach to sustainability is detailed in this report. The consolidation perimeter is detailed in the Reporting section is clarified in the section Reporting.

Company and % held	Investment date	Description	Notes
<b>Italgen</b> 100%	Jul 2016	Italgen operates in the production and distribution of electricity from renewable sources on international markets.	Registered office in Villa di Serio (BG). 25 hydroelectric plants in Lombardy, Piedmont and Veneto connected with 300 kilometres of transmission lines. Investments in two wind plants in Bulgaria with a total capacity of 18 MW.
<b>Clessidra</b> 100%	Sep 2016	Clessidra Holding S.p.A. is the parent company of the Clessidra Financial Group active in alternative investments, private equity, private credit and factoring.	Registered office in Milan. Clessidra Private Equity portfolio at 31 December 2021: Harmont & Blaine, Nexi/BFF-Depobank, L&S, Botter/Mondo del Vino. Clessidra Capital Credit equity portfolio at 31 December 2021: Sisma
<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.	Registered office and production site in Caivano (NA).
<b>Iseo</b> 39.28%	Oct 2018	The Iseo Group is one of Europe's leading producers of mechatronic and digital solutions for access control and security. It produces locks, cylinders, padlocks and other products such as emergency exit devices and door closers.	Registered office in Pisogne (BS). Production sites in Italy, Romania, France, Germany and Spain.
<b>Gruppo Autogas Nord-AGN ENERGIA</b> 30%	Jan 2019	The Autogas Nord Group (AGN ENERGIA) operates in Italy mainly in the LPG gas distribution for domestic, commercial and industrial use. The Group has gradually differentiated its business areas, exploiting a loyal customer base for cross-selling opportunities for products (electricity and natural gas) and services (efficiency consultancy).	Registered office in Genoa. 44 offices throughout the country.
<b>Capitelli</b> 80%	Dec 2019	Capitelli is a cured meat producer with a focus on high-quality cooked ham.	Registered office and production site in Borgonovo Val Tidone (PC).
<b>Officina Profumo-Farmaceutica di Santa Maria Novella</b> 100% (20% up to September 2020)	Jan 2020	Officina Profumo-Farmaceutica di Santa Maria Novella, a high-end cosmetics company, manufactures products for body care and ambient fragrances, age-old preparations and liqueurs.	Registered office in Florence. Over 300 owned shops and corners in different countries of the world.
<b>Casa della Salute</b> 84.63%	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 that people had rapid access to high-quality healthcare.	Registered office in Genoa. 12 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 throughout Italy.

## PRIVATE EQUITY AND ALTERNATIVE INVESTMENT FUNDS

The purpose of investing in Private Equity and Alternative Investment funds is to take advantage of growth opportunities in geographical areas or business sectors not directly covered by Italmobiliare and potentially to allow its shareholders to develop and diversify.

The portfolio of selected Italian and international investments includes financial products managed by operators who adhere to the UN Principles for Responsible Investment (UN PRI). Furthermore, with the entry into force of EU Regulation 2019/2088 (SFDR) relating to disclosure on the sustainability of financial services, information is available on the consideration of ESG risks and effects in the investment decisions adopted, at manager (AIFM) and single product level.

In 2021, 41% of NAV in Private Equity Funds and Alternative Investments is represented by products that qualify as “article 8” SFDR, explicitly promoting social and environmental characteristics, and verifying that the companies in which investments are made follow good governance practices.

### SFDR Regulation

Entered into force in March 2021, it regulates the disclosure on the sustainability of financial services. It applies to financial market participants, including alternative investment fund managers (AIFMs), venture capital and others, with progressive levels of commitment and transparency.

	UN PRI	SFDR Regulation			
		Art. 6	Art. 8	Art. 9	
Clessidra Capital Partners II		✓			SFDR: it does not consider ESG risks and effects of investment decisions
Clessidra Capital Partners 3			✓		SFDR: it considers ESG risks and effects of investment decisions, and promotes social and environmental characteristics
Clessidra Capital Partners 4	✓		✓		
Clessidra Restructuring Fund		✓			SFDR: it considers ESG risks but not ESG effects of investment decisions
BDT Capital Partners					
ICONIQ Capital					Portfolio Tech
Isomer Capital	✓	✓			SFDR: it considers ESG risks but not ESG effects of investment decisions
Connect Ventures					Portfolio Tech
Lauxera Capital Partners	✓	✓			SFDR: it does not consider ESG risks and effects of investment decisions
Lindsay Goldberg					ESG policy and active community involvement
Expedition Growth Capital					Portfolio Tech

## INVESTMENTS AND CO-INVESTMENTS

The portfolio of investments in various different 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, embeds the sustainable heritage of Italcementi, adhering to the UN Global Compact and adopting a sustainable strategy built on innovation, a culture of safety, reduction of the environmental footprint, circular economy, business citizenship and integrity. Its main focus is the fight against climate change (see sidebar).

The co-investment with Fondo Italiano d’Investimento Sgr and Vam Investments for the creation of Florence, the first production hub for luxury clothing in Italy, is of considerable importance.

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.

### HeidelbergCement: fight against climate change

“Sustainability is an integral part of HeidelbergCement and will be at the centre of our strategy going forward. Our focus is on climate protection: as an energy-intensive company, we are committed to fulfilling our share of the global responsibility to keep the rise in worldwide temperature well below 2 degrees Celsius, as set out in the Paris Agreement. Reducing our carbon footprint and increasing energy efficiency are central tasks for HeidelbergCement’s management teams on all levels. Much of our investment and research efforts have been and will continue to be directed towards achieving this goal. This is how we contribute to a sustainably built future for the world in which we operate. We want to be the industry leader on the path to carbon neutrality”.

Source: [www.heidelbergcement.com](http://www.heidelbergcement.com)

## 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, which is available to the Company in order to take advantage of new investment opportunities. At the end of 2021, this reserve represented approximately 15% of the entire NAV (target of less than 10% when fully operational). 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







The Italmobiliare Group is represented through the main financial and dimensional figures. We provide a series of non-financial indicators for all of the consolidated Portfolio Companies, which are intended as evidence of the Group's sustainable commitment and transformative capability, for the benefit of the shareholders and all other stakeholders.

- Equal opportunities, as an indicator of social inclusion and full development of human capital.
- Safety at work, as an ethical indicator and driver of managerial skills and motivation for the achievement of great results.
- The use of renewable and recycled materials as an indicator of responsible production.
- Carbon intensity, as an integrated indicator of industrial efficiency and sharing of global challenges.

The trend in indicators may be affected by changes in the Group's scope. In 2021, the **reporting perimeter** reflects the exit of Sirap and the entry of Officina Profumo-Farmaceutica di Santa Maria Novella, Casa della Salute, and Callmewine.

ITALMOBILIARE GROUP		2017	2018	2019	2020	2021
Net Asset Value (NAV)		1,545	1,421	1,741	1,838	<b>2,082</b>
% Portfolio Companies		15%	34%	43%	61%	<b>64%</b>
Revenue and income	<i>in millions of euro</i>	507.6	463.1	565.9	575.5	<b>492.3</b>
Gross operating profit (EBITDA)		146.6	41.2	125.9	106.0	<b>170.5</b>
Profit for the year		115.2	31.7	77.0	103.5	<b>164.5</b>
Employees (reporting perimeter)		1,378	1,789	1,719	1,775	<b>817</b>

### ESG LEADING KPIs (reporting perimeter)

	<b>GENDER EQUALITY</b> Women in managerial positions <sup>1</sup>	%	17%	18%	19%	22%	<b>33%</b>
	<b>DECENT WORK</b> Injury frequency rate <sup>2</sup>	<i># per million hours worked</i>	3.9	8.3	6.0	4.8	<b>6.8</b>
	<b>RESPONSIBLE PRODUCTION</b> Responsible resources <sup>3</sup>	%	-	40%	45%	52%	<b>83%</b>
	<b>CLIMATE ACTION</b> Carbon intensity <sup>4</sup>	<i>t CO<sub>2</sub> per million euro of EBITDA</i>	1,313	840	577	390	<b>88</b>
	<b>BUSINESS INTEGRITY</b> Companies with formalized instruments to combat offenses <sup>5</sup>	%	100%	80%	100%	83%	<b>88%</b>
	<b>SUSTAINABLE PARTNERSHIP</b> Companies with ESG committed identity reference documents <sup>6</sup>	%	31%	35%	50%	50%	<b>100%</b>

### NOTES AND OBJECTIVES

1 From 2020, it includes "manager" and "middle manager" job titles. The objective is to create the conditions of inclusiveness and social culture that can fuel a solid path aimed at achieving gender equality at least in management positions. The data extended to the Corporate Bodies and all personnel are shown on page F23.

2 Work-related injuries involving direct employees that caused absence from work for at least 24 hours. Any accident at work is unacceptable, therefore the only acceptable objective is a frequency rate equal to zero. Progresses can only be registered through the creation of a culture of safety, beyond mere legal obligations. Further details on Group performance on page F25.

3 Renewable or recycled materials out of the total of materials used. Also considering the changes in the perimeter and the differentiation of the investment sectors, the objective is to keep this indicator safely above the 50% threshold. The continuous research for the responsible sourcing and use of materials will allow further contribution to the transition towards a regenerative economy. Details on page F28.

4 CO<sub>2</sub> emissions, Scope 1 and Scope 2 (market based) are considered. The objective is to decouple the creation of economic value from the carbon footprint. Market-based emissions best represent the ongoing efforts, which, for example, will lead to zero CO<sub>2</sub> emissions from electricity purchase by the end of 2022. Upon further enhancement of Scope 3 emission accounting, the Group will be ready to set Science Based Target programmes towards a net-zero economy. Details of the Group's performance are shown on page F29.

5 Organization and Control Model 231. For new investments, adoption is expected within the second year of presence in the portfolio at the latest.

6 Code of Ethics explicitly oriented towards sustainability and evolved Sustainability Policies, the adoption of which is foreseen for all new investments.

## Strategy, materiality and contribution to SDGs

In line with its **Vision, Mission** and **Values**, adopting the principles and rules of conduct defined by the **Code of Ethics**, following the additional guidelines provided by the **Sustainability Policies**, and guided by the **Responsible Investment Policy**, Italmobiliare Investment Holding manages its flow of investments and disposals to ensure the sustainable success of the Group by creating shared long-term value with a view to combining multiple interdependent goals:

- A permanent increase in the Company's results and net worth.
- Adequate remuneration of shareholders and attractiveness for stock markets.
- Smart risk management and mitigation.
- Talent attraction and retention.
- Consolidation of brand equity, image and reputation.

In defining a sustainable strategy and related action plans, the **materiality analysis** offers effective tool to identify the governance, economic, social and environmental issues that are relevant for the Group matching the interests of the business with the expectations of stakeholders. In 2021, the methodological approach was radically changed, with the aim to ensure more dynamic flexibility in following the evolution of the perimeter and better support the operational management of the various components of the Group. In fact, the materiality matrix was created as the weighted aggregation of the individual materiality matrices of Italmobiliare and each Portfolio Company.

The new guidelines adopted for the materiality analysis, for each entity, provide for three evaluation phases:

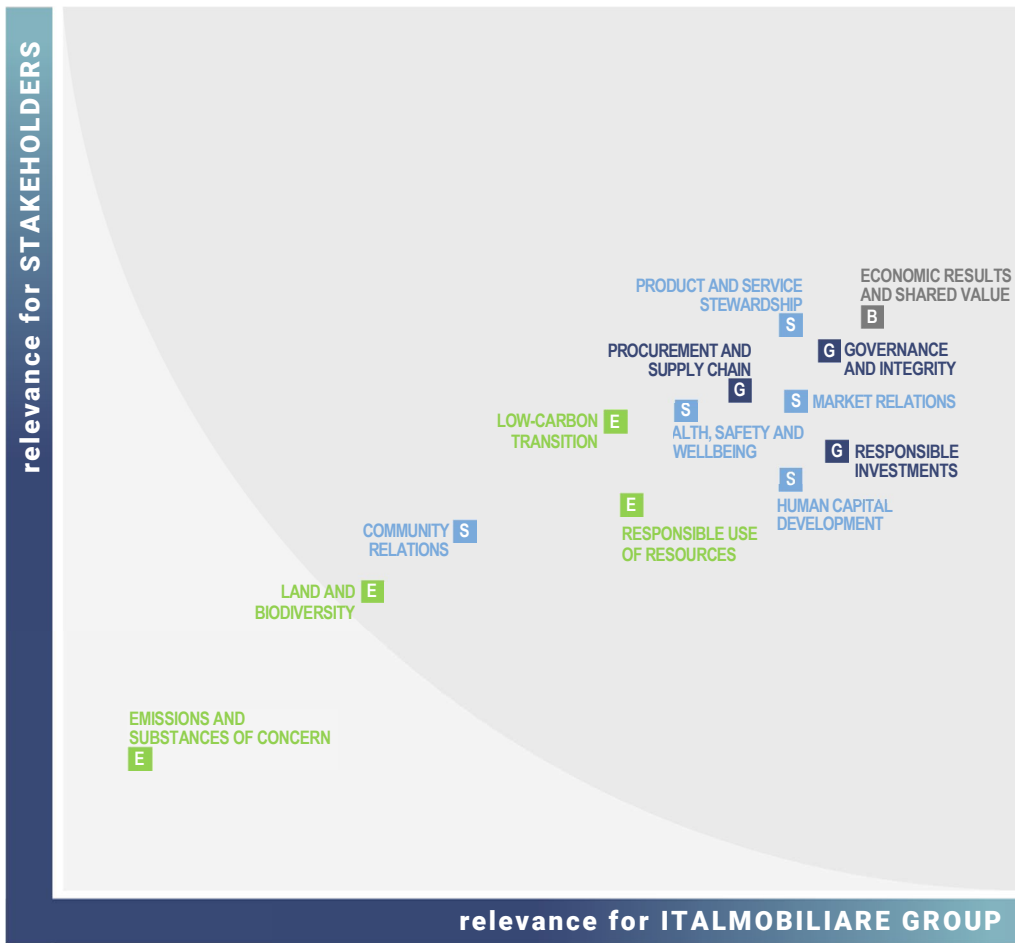
- With the support of Italmobiliare Sustainability Department, the first-line functions of the Portfolio Company assess systematically risks, opportunities and positive or negative impacts, analysing all the important aspects for the business and interpreting the point of view of their respective reference stakeholders.
- Subsequently, the functions of the Holding examine the evaluation carried out by the Portfolio Company, proposing alternatives or additions, when necessary.
- Eventually, the position expressed directly by the other relevant stakeholders for the specific Company is collected through dedicated questionnaires, interviews, or other engagement tools.

The data collected on the three evaluation levels are appropriately weighted and graphically represented. Thanks to this structure, the materiality analysis constitutes the tool for identifying the issues potentially subject to reporting and, above all, a strategic support useful for exploring all the success levers of the business through the interdependent assessment of the risks suffered, the effects generated and the opportunities for value creation. In addition, this approach has the advantage of providing each individual Portfolio Company with such tools and of solidly representing the commitment of the Holding in the responsible management of the investment portfolio.

Given its nature as a strategic tool, the matrix was presented and discussed in the Sustainability and Social Responsibility Committee, approved by the Board of Directors and made operational by management.

To make the matrix more communicative, material topics have been aggregated into macro-issues. A reconciliation table and the comparison with previous analysis is provided on page F106.





### Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable lifestyles.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.

Identifying, understanding, measuring and managing all the success levers of the business in the best possible way means enhancing all types of capital that are available to the Group, identified according to the framework suggested by the International Integrated Reporting Council (IIRC). **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.

		Italmobiliare Group	Portfolio Companies
<b>BUSINESS</b>	ECONOMIC RESULTS AND SHARED VALUE	Financial and manufactured capital	F18 -
	GOVERNANCE AND INTEGRITY	Social and relational capital	F20 F38, 46, 54, 62, 68, 76, 82
<b>GOVERNANCE</b>	RESPONSIBLE INVESTMENTS	Financial and manufactured capital	F22 F83
	PROCUREMENT AND SUPPLY CHAIN	Social and relational capital	- F38, 46, 54, 62, 68, 76
<b>SOCIAL</b>	HUMAN CAPITAL DEVELOPMENT	Human capital	F23 F39, 47, 55, 63, 69, 77, 84
	HEALTH, SAFETY AND WELLBEING	Human capital	F25 F40, 48, 56, 64, 70, 77, 85
	PRODUCT AND SERVICE STEWARDSHIP	Intellectual capital	F25 F40, 48, 57, 64, 70, 78
	MARKET AND COMMUNITY	Social and relational capital	F26 F41, 49, 57, 71, 78, 86
	RESPONSIBLE USE OF RESOURCES	Natural capital	F28 F42, 50, 58, 65, 71, 78
<b>ENVIRONMENT</b>	LOW-CARBON TRANSITION	Natural capital	F29 F43, 51, 59, 65, 73, 79, 87
	LAND AND BIODIVERSITY	Natural capital	- F59

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 United Nations **Sustainable Development Goals** (SDGs)

The sustainable strategy of the Italmobiliare Group, formalized in the Responsible Investment Policy, mainly targets the following six objectives, subsequently integrated by the portfolio companies with those specific to their respective business sector.

## ENVIRONMENT



**Ensure sustainable consumption and production patterns**, through the responsible use of resources, the implementation of regenerative production cycles, product stewardship and the promotion of conservation-oriented lifestyles and consumption.



**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.

## SOCIETY



**Achieve gender equality and empower all women and girls**, for operational efficiency and social inclusiveness, actively promoting the implementation of the Women Empowerment Principles.



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**, through diversification, innovation, safe and protected work environments, social and professional growth.

## GOVERNANCE

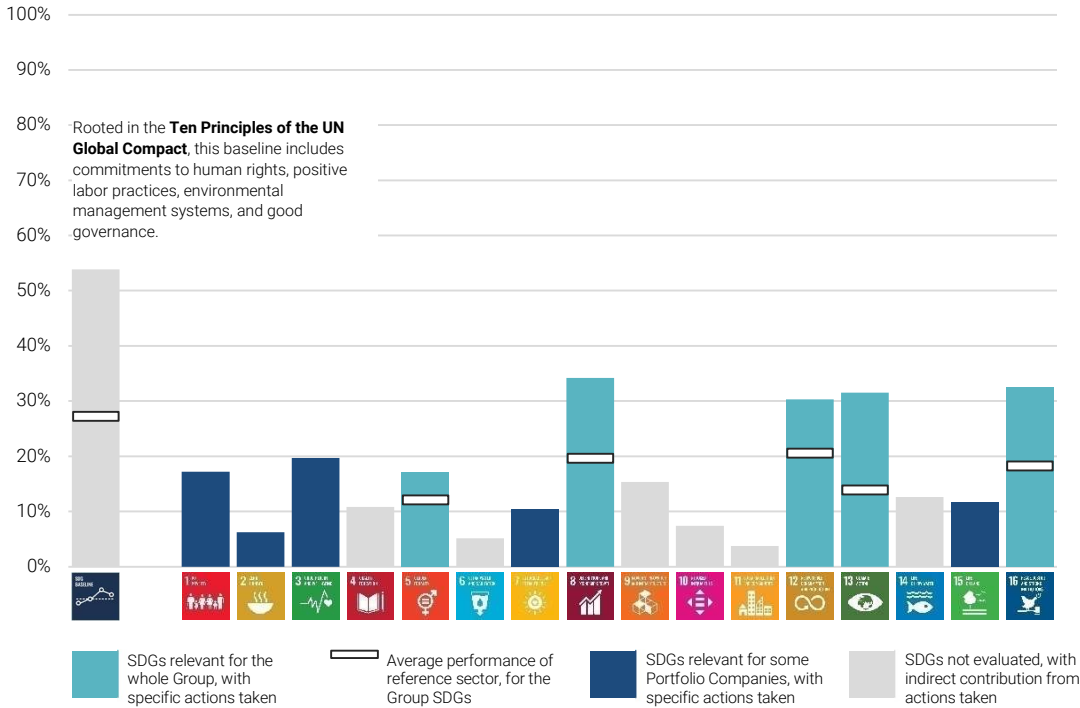


**Promote peaceful and inclusive societies for sustainable development; provide access to justice for all and build effective, accountable and inclusive institutions at all levels**, starting from sustainable governance and business integrity.



**Strengthen the means of implementation and revitalize the global partnership for sustainable development**, through responsible investments aimed at creating shared value and bringing global challenges to the agenda of economic organizations.

Performed by the holding and all the portfolio companies as part of the renewd approach to sustainability defined with the Responsible Investments Policy, the **SDG Action Manager** analysis tool integrates B Lab's **B Impact Assessment**, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of the Group's progress. The following graph represents the weighted contribution of holding and portfolio companies, constituting a solid strategic reference.



**B Impact Assessment (BIA)**  
 Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

**SDG Action Manager**  
 Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

Materiality and contribution to the SDGs are also the operational reference for the definition of the action plans adopted by the holding and by all the portfolio companies, whose strategies, initiatives and performances are detailed from page F35 onwards.

The ESG Plans adopted are defined, coordinated and monitored with the support of the holding's Sustainability Department, discussed in the Sustainability and Social Responsibility Committee and included in the variable remuneration schemes of the management of the holding and of the portfolio companies.

## Economic result and shared value

Thanks to the positive performances of the Portfolio Companies and the investments made during the year, the Italmobiliare Group closed 2021 with a profit of 164.5 million euro, an increase on the previous year.

Furthermore, as confirmation of the effectiveness of the investment strategies and the solidity of the value creation model, the Net Asset Value (NAV) is growing, and with a higher contribution from the Portfolio Companies.

Since 2020, the global economic cycle was hit by the pandemic. Considering the many variables involved, it is still difficult to quantify the overall effects and their duration over time. The Group's portfolio held up well thanks to sector and geographical diversification, though with some fluctuations, some expected and subject to preventive actions to mitigate the impact. The potential effects of this phenomenon on the Group's business will continue to be monitored throughout the year.

<b>GRUPPO ITALMOBILIARE</b>		<b>2019</b>	<b>2020</b>	<b>2021</b>
Net Asset Value (NAV)		1,741	1,838	<b>2,082</b>
% <i>Portfolio Companies</i>		43%	61%	<b>64%</b>
Revenue and income	in millions of euro	565.9	575.5	<b>492.3</b>
Gross operating profit (EBITDA)		125.9	106.0	<b>170.5</b>
Profit for the year		77.0	103.5	<b>164.5</b>

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.

The commitment signed with the United Nations Global Compact confirms the Group's willingness to contribute to global challenges, at the same time protecting and strengthening financial performance for the benefit of shareholders and all other stakeholders.

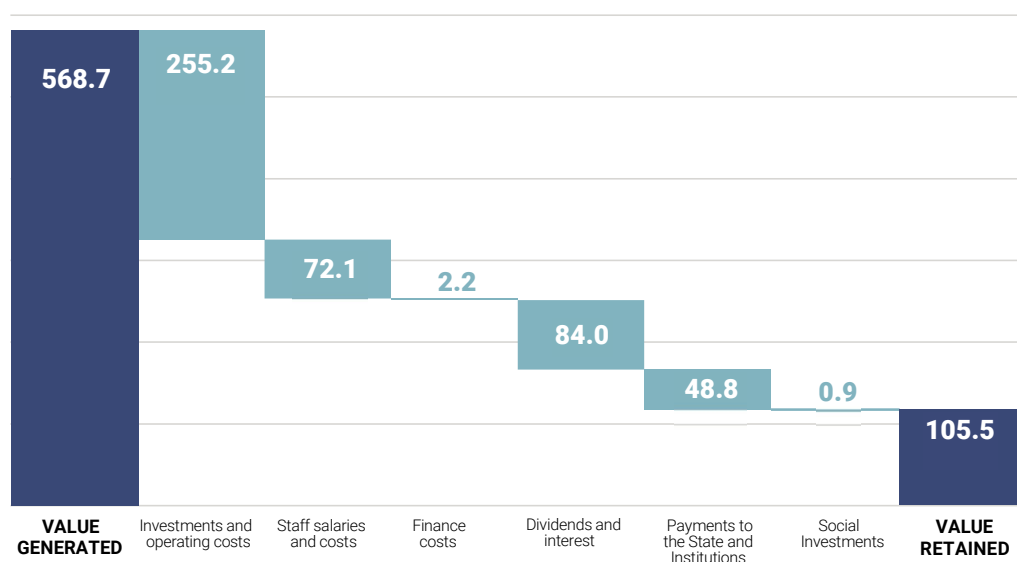
<b>ECONOMIC VALUE GENERATED</b>		<b>2019</b>	<b>2020</b>	<b>2021</b>
TOTAL		589.8	600.3	<b>568.7</b>
<i>Revenue and income</i>	in millions of euro	565.9	575.5	<b>492.3</b>
<i>Other</i>		23.9	24.8	<b>76.4</b>
<b>ECONOMIC VALUE RETAINED</b>				
Amortisation and depreciation, retained earnings and provisions for new investments	in millions of euro	65.9	72.3	<b>105.5</b>

ECONOMIC VALUE DISTRIBUTED		2019	2020	2021	
TOTAL		523.9	527.9	<b>463.2</b>	<b>Stakeholders who benefit</b>
Investments and operating costs		351.7	372.3	<b>255.2</b>	Suppliers of goods and services
Salaries and staff benefits		103.5	111.6	<b>72.1</b>	Personnel
Dividends and interests	in millions of euro	38.8	62.6	<b>84.0</b>	Shareholders and Minorities*
Payments to the State and Institutions		22.5	-26.5	<b>48.8</b>	State and Public Administration
Finance costs		6.0	5.8	<b>2.2</b>	Capital providers
Social investments		1.3	2.3	<b>0.9</b>	Communities

\*The figure includes the distribution of profits for the year which the Board of Directors of Italmobiliare S.p.A. will propose to the Shareholders' Meeting.

### Economic value distributed to the stakeholders in 2021

(millions of 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). At corporate level, a **Sustainability Department** is established. The Chief Sustainability Officer has 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.

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. During 2021, all the Portfolio Companies have aligned their Codes of Ethics and Sustainability Policies.

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, and others. 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.

More generally, 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,

#### Board of Directors

- 12 members
- 5 female members
- 8 independent members

#### Committee for Sustainability and Social Responsibility

- 5 members
- 2 male members
- 4 independent members

#### Code of Ethics

The Code of Ethics lays down the Group's fundamental principles and rules of conduct. Based on Identity, Mission and Values, they constitute a solid point of reference for the sustainable success of the Group through the creation of shared value in the long term. Further guidance is provided by the various Policies adopted and periodically updated, particularly the Sustainability Policies

#### Sustainability Policies

They extend and integrate the Code of Ethics adopted by Italmobiliare. The "Guiding principles" are their cornerstone of these and are further detailed in four dedicated policies: Health and safety, Environment and resources, Rights and society, Quality and responsibility.

<https://www.italmobiliare.it/en/sustainability/esg-integration>

#### Anticorruption

Specific communication in 2021:

- 51% members of Boards of Directors
- 47% managers
- 49% middle managers
- 54% office workers
- 17% production workers
- 9% suppliers

Specific training in 2021:

- 9% members of Boards of Directors
- 19% managers and middle managers
- 5% office workers
- 13% production workers

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. Under the coordination of the **Internal Audit Department**, which is responsible for risk management, the process of assessment was further refined in 2021 with a more detailed view of the medium/long-term trends and with an ESG methodological approach based on the outcomes of the materiality analyses. The assessment of climate risk was particularly detailed, carried out in 2021 according to the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), also suggested by the European Securities and Markets Authority (ESMA). The Group's sustainable approach is in itself a strategy of risk anticipation and mitigation, particularly for the categories shown in the table.

**Control and Risk Committee**

- 3 members
- 2 independent members
- 1 male member

**TCFD**

Established in 2015 by the Financial Stability Board - the body that promotes and monitors the stability of the global financial system - it provides recommendations on reporting risks related to climate change.

Main risks mitigated through the ESG approach	Key levers affected	Parent Company	Portfolio Companies
<b>Consistency with ESG commitments and effective execution of related action plans</b>	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS	medium/high	from low to medium
<b>Climate change: physical risks for the activities of one or more Group companies</b>		medium	from low to medium
<i>Acute risks</i>		low	low
<i>Chronic risks</i>		low	from low to medium
<b>Climate change: transition risks for the activities of one or more Group companies</b>	RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN MARKET AND COMMUNITIES RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION	medium	from low to high
<i>Policy risks</i>		-	from null to medium
<i>Legal risks</i>		low	from null to low
<i>Technology risks</i>		-	from null to medium
<i>Markets risks</i>		-	from null to medium
<i>Reputational risks</i>		medium	from null to medium
<b>Trends in the ESG and regulatory framework (sector, health, safety, environment, quality, product, or other corporate aspects)</b>	GOVERNANCE AND INTEGRITY MARKET AND COMMUNITIES	medium	from low to high
<b>Competitive sector trends, including commercial, marketing and ESG policies, innovation and M&amp;A processes</b>	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS MARKET AND COMMUNITIES	medium	from low to medium/high
<b>Indirect impacts of the COVID-19 pandemic on the activities of one or more Group companies</b>	MARKET AND COMMUNITIES HEALTH, SAFETY AND WELLBEING	low	from low to medium/high
<b>Sustainability, availability and cost-effectiveness of supplies and raw materials</b>	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN	-	from low to medium/high
<b>Organisational structure, internal processes and skills</b>	GOVERNANCE AND INTEGRITY HUMAN CAPITAL DEVELOPMENT	low	from low to medium/high
<b>IT infrastructure and cyber risk</b>	GOVERNANCE AND INTEGRITY MARKET AND COMMUNITIES	low	from low to high
<b>Quality of products and services in line with expectations of the Group and customers, also in ESG terms</b>	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PRODUCT AND SERVICE STEWARDSHIP	-	from low to medium

The Group's approach to **tax** is grounded on the principle of legality and rigorously follows the legislation in force in Italy and in the other countries in which it operates. The Model 231, subject to the control of the Supervisory Body, includes effectively actions against tax crimes and the updated risk assessment did not reveal any significant aspects in this area. In any case, considering the Group's geography, 99% of taxes is paid to Italian institutions.

Confirming the overall effectiveness of the integrity and compliance safeguards adopted by Italmobiliare and its subsidiaries, in 2021 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. Finally, it should be noted that the Court of Justice of the European Union has definitively rejected the appeal filed against the Sirap ruling for facts dating back to the early 2000s already described in the previous reports. With the payment of the fines imposed, the dispute was closed.

## 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 in the long term.

### Responsible Investment Policy

The Responsible Investment Policy explains all stages of the investment process: sector criteria, pre-investment, ownership and divestment.

It covers all the various components that contribute to Italmobiliare's Net Asset Value: from portfolio companies to equity investments in listed and unlisted companies, from investments in private equity funds to financial assets held for trading and cash management.

Contribution to the SDGs is a fundamental metric for evaluating the sustainable success of the Group.

### Screening and due diligence

In 2021, 15 dossiers were analysed against around 120 screening investment opportunities.

Preliminary due diligence, including ESG, was carried out for 5 of these in order to formalize the non-binding offer. For 1 (Bene Assicurazioni) full due diligence was carried out, including ESG, in preparation for the investment decision.

For other "non-portfolio" co-investments made in 2021 (e.g. Botter and Farmagorà), the ESG aspects were investigated before the decisions.

### Taxonomy Regulation

Conceived as a guiding tool for the decisions of investors and businesses, Regulation (EU) 2020/852 introduces a classification of economic activities that can contribute to six environmental objectives, two of which are already regulated, namely climate change mitigation and adaptation to climate change. The others, in terms of water resources, circular economy, pollution and biodiversity will be progressively introduced. Four criteria must be met:

- Positive contribution to at least one of the objectives.
- No negative impacts on any other objective.
- Respect of the minimum social guarantees.
- Alignment with the identified technical criteria.

### Eligibility:

- 8% revenues
- 4% Capex
- <1% Opex

The **Responsible Investment Policy**, deeply renewed in 2021, is the guiding document. The various components that contribute to Italmobiliare's Net Asset Value (NAV) 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:

- Portfolio companies.
- Equity investments in listed and unlisted companies.
- Investments in private equity funds.
- Financial assets held for trading and cash management.

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.

The attention paid to the sustainability profiles of the companies in the portfolio finds continuity in the management phase, 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.

In the active ownership of Portfolio Companies, the strategic and operational references suggested by the **European Taxonomy** for sustainable finance are duly considered, tracing the companies that are eligible for the classification criteria. In the 2021 portfolio, only Italgas is among the eligible activities. For all the Portfolio Companies and in order to promote investments and operating costs aimed at sustainable activities, the capital (Capex) and operating (Opex) expenditures related to eligible activities. Details in the box aside and on page F102.

Still on the subject of sustainable finance, the entry into force 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. The scope includes asset managers and funds at EU level. 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.

### Materiality

In this section, information and figures include all consolidated companies:

- Italmobiliare (Parent company)
- Caffè Borbone
- Officina Profumo-Farmaceutica di Santa Maria Novella
- Italgem
- Casa della Salute
- Capitelli
- Callmewine
- Clessidra

## 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 its managers, not only to respect and protect their skills and diversity, but above all to develop and enhance them to the full.

Equal opportunities are a particular point of attention, with steps being defined to encourage the presence and representation of women in senior positions. In particular, Italmobiliare believes that promoting gender equality is not only indispensable for creating and maintaining an inclusive working environment, but also that it constitutes an essential element for the professional growth of the Group.

By way of confirmation of this specific commitment, since 2020 Italmobiliare subscribes and promotes the Women Empowerment Principles, also recalled in the Code of Ethics of all Group's companies.

<b>HOLDING (% female participation)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Board of Directors	36%	42%	<b>42%</b>
Board of Statutory Auditors (including alternate auditors)	33%	50%	<b>50%</b>
Management positions*	27%	35%	<b>37%</b>
Total personnel	51%	50%	<b>50%</b>
<b>PORTFOLIO COMPANIES (% female participation)</b>			
Boards of Directors	13%	10%	<b>14%</b>
Boards of Statutory Auditors (including alternate auditors)	20%	19%	<b>25%</b>
Management positions*	17%	20%	<b>33%</b>
Total personnel	27%	27%	<b>40%</b>

### Women Empowerment Principles

Promoted by UN Women and the United Nations Global Compact, they commit signatories to gender equality and women's empowerment in the workplace, in the economy and in communities.

Commitment includes the measurement and publication of progress made to promote the equal treatment of men and women.

\* The indicator includes managers until 2019. From 2020 it also includes middle managers.

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. 98% 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, 72% of the Group's executives reside in the same region in which the operational headquarters are located.

With 250 new hires versus 87 terminations, staff turnover in 2021 was significant (41%), confirming dynamic and competitive sectors also in terms of professional skills. This trend is strongly influenced by the particular case of Casa della Salute, described in detail on page F63, which alone accounted for 132 hires and 47 terminations, mainly due to the special dynamics linked to the opening of the Genoa vaccination hub in a period of full Covid-19 emergency. In any case, the assessment of management and the improvement of all levers of attraction and retention of talents remains open, including structured training programmes and individual performance assessment schemes linked to merit-based remuneration policies.

In addition to employees, the Group relies on the support of 670 non-employee workers, mostly temporary or self-employed workers and agents.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>470</b>	<b>1,249</b>	<b>1,719</b>	<b>481</b>	<b>1,294</b>	<b>1,775</b>	<b>327</b>	<b>488</b>	<b>815</b>
<i>Managers</i>	14	60	74	13	58	71	11	42	53
<i>Middle managers</i>	-	-	-	26	78	104	28	39	67
<i>Office workers</i>	231	309	540	208	256	464	255	113	368
<i>Production workers</i>	225	879	1,104	234	902	1,136	33	294	327
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	91%	93%	<b>93%</b>	90%	94%	<b>93%</b>	80%	92%	<b>87%</b>
Full time (vs. part-time)	90%	96%	<b>94%</b>	90%	97%	<b>95%</b>	57%	95%	<b>80%</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>7.5</b>	<b>5.1</b>	<b>5.8</b>	<b>0.7</b>	<b>4.8</b>	<b>5.0</b>	<b>46.6</b>	<b>17.8</b>	<b>29.4</b>
<i>Managers</i>	32.3	13.1	16.7	9.7	6.4	7.0	15.5	7.8	9.4
<i>Middle managers</i>	-	-	-	7.6	3.0	4.3	13.0	7.4	9.7
<i>Office workers</i>	7.6	7.8	7.7	6.0	13.2	10.0	56.1	58.0	56.7
<i>Production workers</i>	7.5	5.1	5.8	0.0	3.5	3.4	12.4	5.1	5.9
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>18%</b>	<b>16%</b>	<b>16%</b>	<b>44%</b>	<b>20%</b>	<b>23%</b>	<b>18%</b>	<b>25%</b>	<b>22%</b>
<i>Managers</i>	79%	97%	93%	100%	97%	98%	91%	83%	85%
<i>Middle managers</i>	-	-	-	56%	83%	75%	46%	69%	60%
<i>Office workers</i>	19%	34%	27%	33%	44%	39%	14%	32%	19%
<i>Production workers</i>	13%	4%	6%	0%	0%	0%	0%	9%	8%

## 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.

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 2021, no cases of occupational disease were reported throughout the consolidated perimeter.

Great attention was given also in 2021 to implementation of the Covid-19 protocols, well beyond the legal requirements. All Group companies undertake initiatives to promote the psychological and physical wellbeing of their people.

	2019	2020	2021
<b>Employees</b>			
Fatalities	0	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	1	0
Injuries	<i>with absence from work for at least 24 hours</i>	15	12
Frequency rate	<i>number of injuries per million hours worked</i>	6.0	4.8
Severity rate	<i>lost days per thousand hours worked</i>	-	-
<b>Non-employees *</b>			
Fatalities	0	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	0	0
Injuries	<i>with absence from work for at least 24 hours</i>	2	3
Frequency rate	<i>number of injuries per million hours worked</i>	7.2	7.8

\* Temporary workers, self-employed workers, project collaborators, interns and agents

## 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.

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>	83% of the raw materials, additives, ancillaries and packaging materials used are of renewable origin.
<b>Officina Profumo-Farmaceutica di Santa Maria Novella</b>	76% of the ingredients used are of renewable origin.
<b>Italgen</b>	The electricity sold is 92% renewable hydroelectric. The mix has an overall carbon footprint of far less than 100 g/kWh.
<b>Casa della Salute</b>	High quality health service, short waiting times and affordable prices. Energy consumption at zero CO <sub>2</sub> .
<b>Capitelli</b>	94% of the raw materials, additives, ancillaries and packaging materials used are of renewable origin.
<b>Callmewine</b>	Packaging exclusively in cardboard, 100% recyclable.
<b>Clessidra</b>	Large prevalence of funds "article 8" SFDR, promoting environmental or social characteristics.

## MARKET AND COMMUNITIES

The sustainable success of the Group also involves transparent information, from holding companies to subsidiaries or investee companies, from the single operating site to the corporate level, from local communities to society in general, including institutions, non-governmental organizations and representatives of the public and private sector.

The Parent Company Italmobiliare and all the companies of the Group aim at creating and maintaining relationships with the community and with stakeholders based on long-lasting 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 organisation, 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 documents	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 Callmewine
<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	
<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.

In 2021, 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 2021, Group companies did not receive any complaints about violations of customer privacy, nor did they suffer any data losses or leaks.

Lastly, active participation in associations is also relevant, encouraging or supporting common initiatives and the adoption of responsible business practices.

**The Pesenti Foundation**  
Established in June 2004 as an autonomous and independent body, it is a tool for promoting and disseminating the culture of innovation understood as the development of ideas, projects and actions capable of creating a positive impact on a social, environmental and cultural level.

It develops evolved forms of interaction between the public sector, the private for-profit and non-profit sectors, with the design of sustainable solutions that meet the main social challenges.

Among the most significant projects, also with the financial contribution of Italmobiliare, the collaboration with Italian and foreign universities, constant support for scientific research and dissemination, humanitarian and social solidarity.

Company	Affiliations
<b>Italmobiliare</b>	AIDAF - Italian Association of Family Businesses, American Chamber of Commerce in Italy, Assolombarda, Assonime, Business Forum Italy/ Thailand, Europeanissuers, United Nations Global Compact, Global Compact Network Italy (Foundation), Group of Italian Initiative of the Embassy of Italy in Brussels, ISPI - Institute for International Political Studies
<b>Caffè Borbone</b>	Comitato Italiano del Caffè at Unione Italiana Food, CONFIDA - Association of Italian Vending Industry
<b>Officina SMN</b>	Cosmetica Italia - member of Cosmetics Europe
<b>Italgen</b>	Confindustria Bergamo, Elettricità Futura
<b>Casa della Salute</b>	Confindustria (Genoa, Alessandria, Savona e La Spezia)
<b>Clessidra</b>	AIFI, AODV (Association of Members of Supervisory Bodies), Invest Europe, ItaSIF (Italian Sustainable Investment Forum), UN PRI - Principles for Responsible Investment

## 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.

### 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.

Applying the same principle, 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.

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. Italgen plays a fundamental role in the energy transition, producing and marketing renewable hydroelectric energy. Caffè Borbone and Capitelli have photovoltaic systems that produce renewable energy used directly or fed into the grid. Officina Profumo-Farmaceutica di Santa Maria Novella uses only renewable electricity, from photovoltaic self-production and purchase with guarantee of origin. Casa della Salute uses only renewable electricity with a guarantee of origin.

#### Materiality

In this section, information and data include the following companies:

##### Responsible use of resources

- Caffè Borbone
- Officina Profumo-Farmaceutica di Santa Maria Novella
- Italgen
- Casa della Salute
- Capitelli
- Callmewine

##### Low-carbon transition

- Italmobiliare (Parent Company)
- Caffè Borbone
- Officina Profumo-Farmaceutica di Santa Maria Novella
- Italgen
- Casa della Salute
- Capitelli
- Callmewine
- Clessidra

#### Responsible production

90% of all raw materials, semifinished products and ancillary materials used for production are renewable or come from recycling.

61% of the packaging materials used are renewable or recycled.

	units	2019	2020	2021
<b>Raw materials, semifinished goods and ancillaries</b>				
TOTAL		113,646	78,748	<b>34,415</b>
Renewable		23,797	28,178	<b>30,950</b>
% of total from recycling		0%	0%	<b>0%</b>
Non-renewable	t	89,849	50,570	<b>3,465</b>
% of total from recycling		12%	15%	<b>0%</b>
<b>Packaging materials</b>				
TOTAL		11,817	15,207	<b>10,897</b>
Renewable		6,854	9,612	<b>6,515</b>
% of total from recycling	t	54%	59%	<b>25%</b>
Non-renewable		4,963	5,595	<b>4,382</b>
% of total from recycling		38%	42%	<b>1%</b>

	units	2019	2020	2021
<b>Energy consumed</b>				
TOTAL		489,570	477,823	<b>193,754</b>
Renewable		29,211	31,593	<b>39,785</b>
% of total	<b>GJ</b>	6%	7%	<b>21%</b>
Non-renewable		460,359	446,230	<b>153,969</b>
% of total		94%	93%	<b>79%</b>
<b>Energy fed into the grid</b>				
Renewable		1,073,420	1,115,476	<b>1,084,508</b>
From hydroelectric	<b>GJ</b>	1,073,034	1,115,039	<b>1,084,115</b>
From photovoltaic		386	437	<b>393</b>
<b>Water</b>				
TOTAL consumed		95,730	65,451	<b>14,616</b>
From water-stressed areas	<b>m³</b>	11,140	11,505	<b>3,508</b>
<b>Valorisation of waste generated</b>				
Hazardous waste		157.8	151.9	<b>61.5</b>
% Recovery		27%	18%	<b>50%</b>
% Energy recovery or disposal		73%	82%	<b>50%</b>
Non-hazardous waste	<b>t</b>	9,229.2	7,210.7	<b>2,728.9</b>
% Recovery		86%	65%	<b>71%</b>
% Energy recovery or disposal		14%	35%	<b>29%</b>

**Responsible production**

21% of the thermal or electrical energy used is renewable. Furthermore, quantities of renewable energy are produced and fed into the grid at least 5 times the consumption.

Water withdrawals are low and only negligible amounts concern areas with water stress.

70% of the waste generated is sent for material recovery. The remainder goes to energy recovery or controlled disposal operations, where further valorisation is possible.

## LOW-CARBON TRANSITION

The Group is aware of the priority dimension of the fight against climate change. According to the GHG Protocol, the international reference for the accounting of greenhouse gases, 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. The breakdown of the categories considered by single entity of the consolidated Group is shown on page F105. The "investments" category is particularly relevant for Italmobiliare and Clessidra.

The progressive quantification of the emissions of the value chain, with increasingly analytical methods, of the latter and of the emissions avoided is a fundamental step towards a better understanding of one's carbon footprint and of the margins that can be explored for the definition of solid mitigation programs. In fact, the Group intends to align itself with the Science Based Targets (SBT) initiative, that is to define objectives for the reduction of greenhouse gas emissions that are scientifically aligned with the level of decarbonisation required to keep the global temperature increase below 1.5 °C, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Climate Agreement.

	units	2019	2020	2021
<b>Carbon footprint</b>				
Scope 1		10,884	9,742	<b>7,151</b>
Scope 2 market based		39,175	35,737	<b>3,914</b>
location based	<b>t CO<sub>2</sub></b>	33,923	31,655	<b>6,170</b>
Scope 3		-	1,691,946	<b>1,335,074</b>
TOTAL		-	1,737,425	<b>1,346,138</b>
<b>Emissions avoided (location based)</b>				
TOTAL		109,957	107,060	<b>97,462</b>
From hydroelectric production	<b>t CO<sub>2</sub></b>	109,918	106,959	<b>97,327</b>
From photovoltaic production		39	101	<b>134</b>
From use of renewables		-	-	<b>3,660</b>
<b>Carbon intensity</b>				
Scope 1+2 market based	<b>t CO<sub>2</sub>/M€ EBITDA</b>	577	390	<b>88</b>

**GHG Protocol**

Scope 1 - direct emissions from fuels

Scope 2 - electricity indirect emissions

Scope 3 - other indirect emissions:

- 1 purchased goods and services
- 2 capital goods
- 3 other 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 sol
- 13 downstream leased assets
- 14 franchises
- 15 Investments

**Scope 3 "investments"**

In 2021, the estimate is about 850,000 tons of CO<sub>2</sub> (over 1 million in 2020) and includes non-directly consolidated entities considered material for their contribution to the carbon footprint:

- The Portfolio Companies affiliated (Tecnica Group, Autogas Nord - AGN ENERGIA, Iseo)
- Other participations, listed or unlisted (HeidelbergCement, Florence InvestCo)





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**ITALMOBILIARE**  
INVESTMENT HOLDING

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## HUMAN CAPITAL DEVELOPMENT

The Parent Company Italmobiliare S.p.A. needs 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.

At the end of 2021, it has a team of 44 motivated and specialized people (overall turnover 16% with 6 new hires and 1 exit). Direct employees are all covered by a collective bargaining agreement. 37% 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.

With the persistence of the Covid-19 pandemic, all employees were invited to work in remote working mode, with appropriate technical and training interventions for the maximum effectiveness of use of digital platforms, for planning and teamwork, even remotely and for the development of technological, personal, methodological and leadership skills.

Each year, the Human Resources Department plans training initiatives starting from an analysis of individual needs and then follows delivery of the courses and their assessment. In 2021, training mainly involved governance and strategy issues, such as ethics and sustainability, and managerial and technical-operational aspects, such as management, safety and the environment, information systems and data privacy. Following the structured training plan and using mainly digital platforms, a total of 843 hours of training were provided.

The annual assessment of individual performance, extended to all staff, accompanies the development of human capital. Direct interviews between the Head of Human Resources and the managers of the company department or function in question and interviews between the latter and their collaborators feed the assessment scheme. This combines quantitative elements, i.e. achieving the results expected in the particular role held, and qualitative elements, such as the ability to complete tasks autonomously, meeting deadlines, being pro-active, continuity and other soft skills that may have been developed.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>19</b>	<b>18</b>	<b>37</b>	<b>19</b>	<b>19</b>	<b>38</b>	<b>22</b>	<b>22</b>	<b>44</b>
<i>Managers</i>	4	11	15	5	11	16	6	14	20
<i>Middle managers</i>	-	-	-	3	4	7	4	3	7
<i>Office workers</i>	15	7	22	11	4	15	12	5	17
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	100%	100%	<b>100%</b>	100%	100%	<b>100%</b>	100%	95%	<b>98%</b>
Full time (vs. part-time)	89%	89%	<b>89%</b>	100%	100%	<b>100%</b>	95%	95%	<b>95%</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>33.2</b>	<b>23.5</b>	<b>28.5</b>	<b>9.5</b>	<b>13.6</b>	<b>11.6</b>	<b>22.0</b>	<b>16.0</b>	<b>19.1</b>
<i>Managers</i>	42.1	13.8	21.4	13.9	14.3	14.2	25.3	16.9	19.5
<i>Middle managers</i>	-	-	-	20.2	15.4	17.4	48.0	14.5	33.6
<i>Office workers</i>	30.8	38.7	33.3	4.6	9.8	6.0	12.2	14.3	12.8
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>77%</b>	<b>95%</b>
<i>Managers</i>	100%	100%	100%	100%	100%	100%	100%	93%	95%
<i>Middle managers</i>	-	-	-	100%	100%	100%	100%	67%	86%
<i>Office workers</i>	100%	100%	100%	100%	100%	100%	100%	100%	100%

## 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.

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.

In 2021, Italmobiliare maintained the welfare initiatives introduced in previous years, including the flexibility of working hours and the portal dedicated to corporate welfare, with the possibility of purchasing goods and services that are useful for themselves and their families, such as health care, leisure, tuition and book reimbursement.

### Recharge Room

At the Milan office, the staff may benefit from an area with a green & botanic mood has been created, where it is possible to relax, have lunch, but also to develop ideas and organise informal meetings with guests or colleagues, releasing the tensions of daily commitments with the soundtrack of Spotify Business playlists.

The same area can easily be transformed into an in-house gym and makes it possible to organise courses and other social activities in a relaxing environment.



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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**.

Caffè Borbone fully integrates 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. In so doing, Caffè Borbone upholds the Italmobiliare Group's 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.

Furthermore, through active membership in the Italian Coffee Committee, it shares the commitment of the European Coffee Federation towards the creation of sustainable value in the entire supply chain.

Italmobiliare and Caffè Borbone recognize the sensitive aspects of the global agro-commodity sector. In fact, 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 management of the products' end of life.

In defining the sustainable strategy and related action plans, the materiality analysis offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Caffè Borbone.

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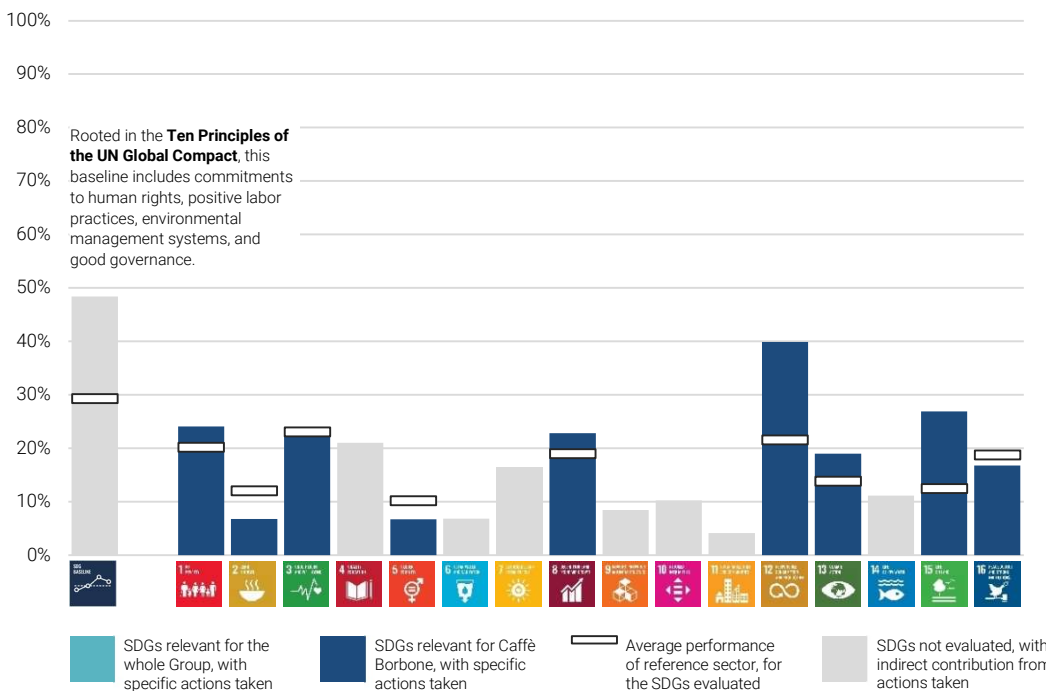
- Responsibility and integrity in the **supply chain** to promote agricultural practices in balance with ecosystems, resilient to climate change and attentive to social needs, women, indigenous peoples and farmers' families.
- Efficiency of **production** to reduce the direct and indirect environmental footprint, from renewable energy to sustainable packaging, and ensure food safety.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including that of consumers, with products and initiatives capable of promoting responsible lifestyles.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

## MATERIALITY AND CONTRIBUTION TO SDGS



### Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.



**B Impact Assessment (BIA)**  
 Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

**SDG Action Manager**  
 Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.



## GOVERNANCE

### GOVERNANCE AND INTEGRITY

#### Board of Directors

- 6 members
- 1 female members
- 1 independent member

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.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Caffè Borbone explicitly recall the Ten Principles of the United Nations Global Compact and are inspired by the highest global references. 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 has adopted an Organisation, Management and Control Model, which is foreseen by law but not mandatory. 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, but also terrorism or violations against the individual, market abuse and others. 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.

#### Management systems

- Quality: ISO9001
- Food safety: IFS
- Environment: ISO 14001 ongoing

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 to which the company is exposed, at the same time helping to strengthen the Group's approach.

#### OFI

The Olam Food Ingredients Supplier Code is based on clear principles on governance and integrity, quality of goods and services, refusal of all forms of exploitation, respect for the environment, local communities and regulations. Furthermore, child labour, forced labour, the use of banned chemicals and pesticides, the encroachment of legally protected areas, critical habitats or areas with a high carbon stock are considered unacceptable.

#### NKG

The Supplier Code of Neumann Kaffee Gruppe defines criteria in matters of economy, society and the environment, in particular by rejecting the worst forms of child labour, forced labour and deforestation.

#### ECOM

The Supplier Code of ECOM Agroindustrial requires legal and ethical compliance, respect for human and labour rights, traceability and sustainability of supplies, environmental protection, health and safety of workers.

#### LDC

Louis Dreyfus Company adopts a Supplier Code that covers human and labour rights, health and safety, environmental protection and business integrity.

At an operational level, the adopted management systems 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 main areas in the supply chain are the procurement of raw coffee, packaging materials and logistics and distribution services, which together accounted for over 60% of the total spending. In 2021, the main countries of origin of the coffee used were Uganda, Vietnam, India and Brazil.

In order to consolidate the governance of the supply chain, Caffè Borbone is refining the criteria and protocols for selecting suppliers and the contractual elements to support a sustainable supply chain.

The management of strategic supplies requires special attention. 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. In 2021, Caffè Borbone started evaluating the viable certification options for coffee supplies with Ofi, NKG and ECOM, which will be gradually introduced, and the opportunities for continued cooperation in social projects for local communities.



## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Caffè Borbone benefits from the value of 260 specialized and motivated people (overall turnover 20%, 45 new hires and 6 exits). Direct employees, by choice mainly of local origin, are all covered by collective bargaining agreements. 8% of managerial positions are held by women.

A significant use of non-employee workers, partly to enable job rotations. In 2021, there were 66 temporary agency workers, agents, self-employed workers and interns. Social dialogue flows in an open and constructive way, ensuring the protection of workers' health and the continuity of production activities, ensuring the health protocols necessary for the persistence of the pandemic emergency and supporting the provision of training at all levels.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>8</b>	<b>191</b>	<b>199</b>	<b>8</b>	<b>210</b>	<b>218</b>	<b>17</b>	<b>243</b>	<b>260</b>
Managers	1	3	4	1	5	6	1	7	8
Middle managers	-	-	-	0	4	4	0	4	4
Office workers	7	22	29	7	19	26	16	30	46
Production workers	0	166	166	0	182	182	0	202	202
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	100%	81%	<b>82%</b>	100%	90%	<b>91%</b>	94%	93%	<b>93%</b>
Full time (vs. part-time)	100%	81%	<b>82%</b>	100%	98%	<b>98%</b>	82%	98%	<b>97%</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>3.0</b>	<b>5.1</b>	<b>5.0</b>	<b>1.0</b>	<b>3.5</b>	<b>3.4</b>	<b>85.5</b>	<b>6.7</b>	<b>11.9</b>
Managers	16	16.0	16.0	0.0	0.0	0.0	4.0	5.7	7.0
Middle managers	-	-	-	-	0.0	0.0	-	7.0	7.0
Office workers	1.1	3.3	2.8	1.1	0.4	0.6	90.6	19.0	43.9
Production workers	-	5.2	5.2	-	4.0	4.0	-	4.9	4.9
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>100%</b>	<b>39%</b>	<b>11%</b>	<b>63%</b>	<b>10%</b>	<b>10%</b>	<b>24%</b>	<b>8%</b>	<b>9%</b>
Managers	-	100%	100%	100%	100%	100%	100%	57%	63%
Middle managers	-	-	-	-	100%	100%	-	100%	100%
Office workers	100%	100%	63%	57%	42%	46%	19%	33%	28%
Production workers	-	0%	0%	-	0%	0%	-	0%	0%

## 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.

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.

	2019	2020	2021
<b>Employees</b>			
Fatalities	0	0	0
Serious injuries <i>with absence from work for at least 180 days</i>	0	0	0
Injuries <i>with absence from work for at least 24 hours</i>	2	3	5
Frequency rate <i>number of injuries per million hours worked</i>	6.3	8.1	11.5
Severity rate <i>lost days per thousand hours worked</i>			0.11
<b>Non-employees *</b>			
Fatalities	0	0	2
Serious injuries <i>with absence from work for at least 180 days</i>	0	0	0
Injuries <i>with absence from work for at least 24 hours</i>	0	0	0
Frequency rate <i>number of injuries per million hours worked</i>	0.0	0.0	34.6

\* Temporary workers and interns

## PRODUCT AND SERVICE STEWARDSHIP

Caffè Borbone creates, produces and markets coffee in capsules, pods, beans or ground coffee according to quality regulations. Also in 2020 the level reached with various product lines was awarded a prize by taste experts and consumers.

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 ancillary materials used for the production of pods, capsules, ground coffee or beans and related wrapping and packaging.

All the coffee pods placed on the market (about 35% of production) are certified compostable by the Italian Composting Consortium and are distributed in a wrapping easily recyclable as paper. This activity, fully consolidated in 2021, is progressively being accompanied by the production of coffee in compostable plastic capsules, which allows for easier post-use valorisation.

Moreover, all paper waste produced by the Caivano plant is collected and sent to a local paper mill which processes it, returning products that can be used for packaging.

### Responsible production and consumption

A very large part of the materials used in production and packaging are renewable, recycled or with recycled content, or they are easily recyclable at the end of their life.

- The pods produced are compostable, including the paper, as certified by the Italian Composting Consortium, and marketed in a wrapping recyclable as paper.
- The production of capsules made of compostable plastic has started.
- The paper or cardboard used for packaging is mostly recyclable FSC MIX certified, i.e. with at least 70% certified or recycled materials.
- Packaging aluminium is recycled and recyclable.

## 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.

<b>ISO 9001</b>	The ISO 9001 standard lays down the requirements of an organisation quality management system. It is the reference standard for companies that want to submit their production process to quality control in a cyclical manner, starting with the requirements of customers, expressed or otherwise, through to the monitoring of the entire production process, from the procurement of raw materials and utilities to the finished products.	<b>System certified by DNV-GL</b>
<b>IFS FOOD STANDARD</b>	The IFS standard, which is applicable to companies in the food sector, identifies the specific elements of a management system focused on product quality and safety from a hygiene and health point of view. It provides for the adoption of reference good practices, a Hazard Analysis Critical Control Point (HACCP) system, a documented quality management system, control of standards for the workplace, for the product, for the process and for the staff. It also requires defined specifications for raw materials, intermediates/semifinished products and products, monitoring of suppliers and the proactive management of environmental aspects such as waste management and industrial hygiene.	<b>System certified by DNV-GL</b>

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.

Caffè Borbone also intends to actively promote 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.

The many social initiatives in the area and for the local community are also part of this logic by combining business, social value and environmental responsibility.

**Caffè Borbone with Plastic Free**  
On the occasion of Earth Day 2021, Caffè Borbone supported a significant reclamation action of an extended area near the mouth of the Garigliano river in Campania. Organized by Plastic Free Onlus, the event was attended by over 400 volunteers including many employees. Still in Campania, Caffè Borbone also participated in the second annual event, organized on 26 September 2021 with 30,000 volunteers and 338 initiatives nationwide.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

Raw materials and energy are procured on the basis of production demand, with the aim of maximising process efficiency and minimising waste. 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 passed the verification audits and is awaiting the formal certificate 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 estimated\* for 2021 at around 500 million m<sup>3</sup> of water, or 18,000 m<sup>3</sup> per tonne of processed coffee.

\* Chapagain, A. K. & Hoekstra, A. Y. 2007. The water footprint of coffee and tea consumption in the Netherlands. Enschede: University of Twente.

#### Circular coffee

In the roasting facility of the Calvano plant, approximately 35,000 tons of raw coffee are roasted with care and competence. In this phase of the process, the coffee has a weight loss of 15-20%. In addition, two by-products are recovered from the roasters: silverskin, the film that wraps the coffee bean, and screening coffee powders. Both fractions are sent for composting or other forms of valorisation. Even the coffee jute bags are at least partially sold to manufacturing activities managed by a social enterprise.

#### Responsible resources

- 83% renewable raw materials
- 66% recyclable products
- 43% recycled material in packaging

#### Renewable energies

A 70 kW photovoltaic system produces and feeds to the grid over 100,000 kWh of electricity per year. In 2022, a second 500 kW photovoltaic park is expected to go into operation, directly used by the production plant. Furthermore, it is budgeted to purchase only renewable electricity with guarantee of origin.

	units	2019	2020	2021
<b>Raw materials</b>				
Coffee		23,261	25,829	28,619
Compostable paper for pods and capsules		308	444	412
Plastic for capsules		2,128	2,388	2,614
Compostable plastic for capsules		-	-	3
CO <sub>2</sub> refrigerant	t	552	761	700
Packaging		6,625	10,258	10,803
<i>Aluminium</i>		232	286	147
<i>Cardboard</i>		3,642	6,577	6,440
<i>Plastic</i>		258	323	299
<i>Polylamine (plastic prevalence)</i>		2,493	3,072	2,526
<i>Polylamine (paper prevalence)</i>		-	-	1,391
<b>Energy</b>				
TOTAL consumed		89,231	126,330	134,610
<i>Thermal: natural gas</i>		69,815	102,091	105,897
<i>Electric: non-renewable purchased</i>		19,415	24,239	25,470
<i>Electric renewable purchased</i>	GJ	-	-	2,183
<i>Automotive: diesel</i>		-	-	1,054
TOTAL self-produced renewable		386	392	379
<i>Sold to the grid</i>		386	392	379

The waste generated by the production process can become a resource for other consumption or production cycles. With this awareness, in 2021 almost 2,000 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.

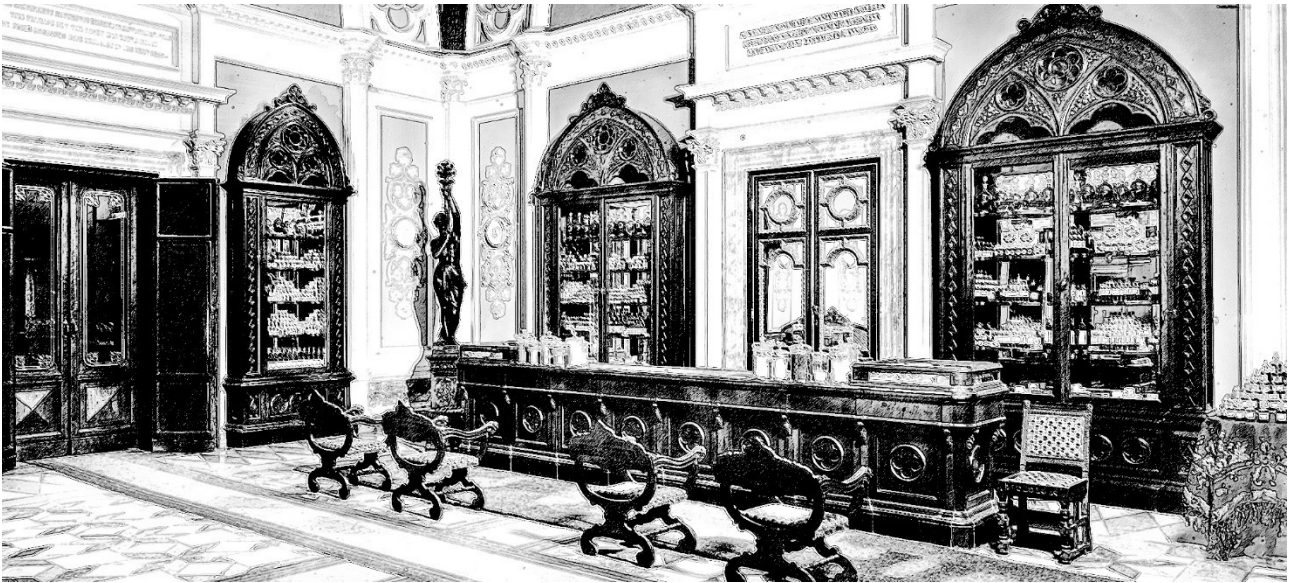
	units	2019	2020	2021
<b>Valorisation of waste generated</b>				
Hazardous waste		4.4	0.2	1.4
% <i>Materia recovery</i>		99%	57%	71%
% <i>Energy recovery or disposal</i>		1%	43%	29%
Non-hazardous waste	t	2,104.6	2,114.0	2,044.5
% <i>Material recovery</i>		88%	77%	77%
% <i>Energy recovery or disposal</i>		12%	23%	23%

## LOW-CARBON TRANSITION

The carbon footprint largely depends on the supply of raw coffee beans. Pending an analytical assessment of emissions by the value chain (Scope 3), Caffè Borbone is committed to mitigating the climate-altering effects of its business. In addition to the efficiency of the production processes, the plant's photovoltaic system feeds over 100,000 kilowatt hours of electricity per year into the grid. Initiatives to improve compostability and facilitate packaging and product recycling further reduce the total footprint. In mid 2022, a second 500 kW photovoltaic park is expected to go into operation, directly used by the production plant. Furthermore, it is budgeted to purchase only renewable electricity with guarantee of origin.

	units	2019	2020	2021
<b>Carbon footprint</b>				
Scope 1		3,956	5,767	6,046
Scope 2 market based		2,607	3,138	3,244
location based		1,936	2,262	2,420
Scope 3	<b>t CO<sub>2</sub></b>	-	147,150	170,832
TOTAL		-	156,055	180,122
<b>Emissions avoided</b> (location based)				
From photovoltaic production		38	37	36
From renewable electricity purchased		-	-	191
<b>Carbon intensity</b>				
Scope 1+2 market based	<b>t CO<sub>2</sub>/M€ EBITDA</b>	126	118	112

<b>Scope 1</b>	
Direct emissions from fuels	
<b>Scope 2</b>	
Indirect emissions from the purchase of electricity	
<b>Scope 3</b>	
The CO <sub>2</sub> emissions of the upstream and downstream value chains are accounted from activity data and emission factors obtained from technical literature or public databases.	
Scope 3 upstream	<b>44%</b>
Coffee	21%
Other raw materials	13%
Logistics	11%
Scope 1+2	<b>5%</b>
Scope 3 downstream	<b>50%</b>
Logistics	3%
Use of products	47%
End-of-life	<1%



## 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, with a majority since September 2020, and since 2021 **a subsidiary with a 100% stake**.

Officina Profumo-Farmaceutica di Santa Maria Novella fully integrates 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. In so doing, Officina Profumo-Farmaceutica di Santa Maria Novella upholds the Italmobiliare Group's 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.

Furthermore, through active membership in the Cosmetics Italia, it shares the commitment of Cosmetics Europe towards sustainability.

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 offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Officina Profumo-Farmaceutica di Santa Maria Novella.

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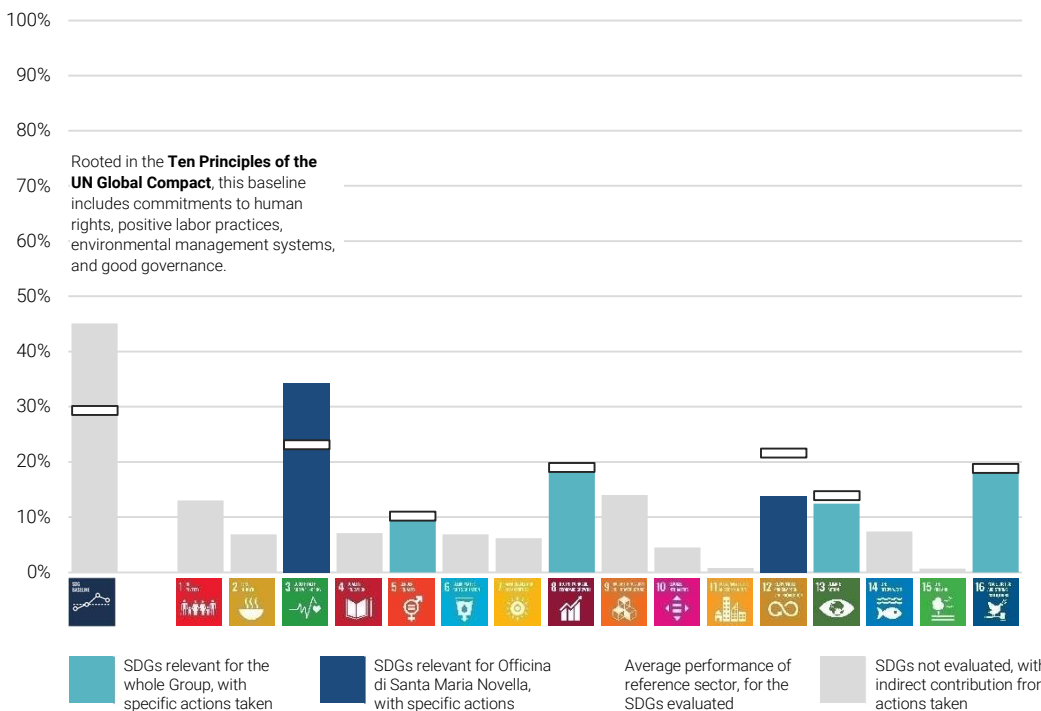
- Responsibility and integrity in the **supply chain** to encourage ethical purchases and services, with social value and a low environmental footprint.
- Efficiency of **production** to reduce the direct and indirect environmental footprint, from renewable energy to sustainable packaging, and to ensure health, safety and wellbeing.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including that of consumers, with products and initiatives capable of promoting responsible lifestyles.
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## GOVERNANCE

### GOVERNANCE AND INTEGRITY

#### Board of Directors

- 7 members
- 2 female members
- 2 independent members

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.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Officina Profumo-Farmaceutica di Santa Maria Novella explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. 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 has adopted an Organisation, Management and Control Model, which is foreseen by law but not mandatory. 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, but also terrorism or violations against the individual, market abuse and others. 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 to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an 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 the selection of raw material suppliers, 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. In the selection of raw materials of vegetable origin, the risks for the rights of workers over the supply chain, the potential impacts on local communities and any elements of environmental criticality of the productions are analysed, so far in an informal but in-depth way. Ingredients identified as relatively critical are replaced with alternative products.

A formalized supplier qualification process is expected to be adopted in 2022 in order to make strategic procurement more effective and responsible. In any case, the research carried out did not reveal direct suppliers in sectors or countries at significant risk of violating human and workers' rights.

#### Code of Ethics: relationships with suppliers

Officina Profumo-Farmaceutica di Santa Maria Novella promotes in all its activities the adoption of a Supplier Code of Conduct which, in addition to current legislation, takes into account the values expressed by the Code of Ethics, the guiding principles provided by the Sustainability Policies and in general all of the aspects needed for responsible sourcing, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and protection of privacy and intellectual property.



With the aim to mitigate the risks due to dependence on a small number of suppliers, in recent years Officina Profumo-Farmaceutica di Santa Maria Novella has internally reformulated some fragrances not covered by intellectual property rights, starting their direct production.

Moreover, the company maintains partnerships with suppliers of selected packaging materials, with the aim of increasing the share of recyclable and recovered packaging.

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Officina Profumo-Farmaceutica di Santa Maria Novella benefits from the value of 141 specialized and motivated people (overall turnover 37%, 38 new hires and 14 exits). The direct employees, who work mainly in the production plant and in the shops on the Italian territory, are fully covered by a collective bargaining agreement. The 25 employees of businesses in the UK and US comply with local labour regulations. 59% of managerial positions are held by women.

A significant use of non-employee workers was made. In 2021, there were 19 temporary workers, self-employed workers and interns. 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, guaranteeing the health protocols necessary for the persistence of the pandemic emergency and supporting the delivery of training at all levels.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	-	-	-	-	-	-	<b>98</b>	<b>43</b>	<b>141</b>
<i>Managers</i>	-	-	-	-	-	-	1	4	5
<i>Middle managers</i>	-	-	-	-	-	-	9	3	12
<i>Office workers</i>	-	-	-	-	-	-	68	19	87
<i>Production workers</i>	-	-	-	-	-	-	20	17	37
<b>Contracts (%)</b>									
Permanent / fixed-term employment contracts	-	-	-	-	-	-	89%	98%	<b>91%</b>
Full time / part-time	-	-	-	-	-	-	59%	98%	<b>71%</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	-	-	-	-	-	-	<b>14.4</b>	<b>11.7</b>	<b>13.6</b>
<i>Managers</i>	-	-	-	-	-	-	8.0	6.5	6.8
<i>Middle managers</i>	-	-	-	-	-	-	13.2	2.7	10.6
<i>Office workers</i>	-	-	-	-	-	-	16.7	17.2	16.8
<i>Production workers</i>	-	-	-	-	-	-	7.7	8.3	8.0
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	-	-	-	-	-	-	<b>1%</b>	<b>5%</b>	<b>2%</b>
<i>Managers</i>	-	-	-	-	-	-	100%	50%	60%
<i>Middle managers</i>	-	-	-	-	-	-	0%	0%	0%
<i>Office workers</i>	-	-	-	-	-	-	0%	0%	0%
<i>Production workers</i>	-	-	-	-	-	-	0%	0%	0%

## 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.

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.

	2019	2020	2021
<b>Employees</b>			
Fatalities			0
Serious injuries	<i>with absence from work for at least 180 days</i>		0
Injuries	<i>with absence from work for at least 24 hours</i>		1
Frequency rate	<i>number of injuries per million hours worked</i>		5.3
Severity rate	<i>lost days per thousand hours worked</i>		0.05
<b>Non-employees *</b>			
Fatalities			0
Serious injuries	<i>with absence from work for at least 180 days</i>		0
Injuries	<i>with absence from work for at least 24 hours</i>		0
Frequency rate	<i>number of injuries per million hours worked</i>		0.0

\* Temporary workers and interns

## PRODUCT AND SERVICE STEWARDSHIP

### Product responsibility

Officina Profumo-Farmaceutica di Santa Maria Novella proactively operates in a segment extremely regulated for product quality and safety:

- Legislative Decree 1223/2009 for cosmetic products.
- EU CLP and REACH regulations for room fragrance products.
- Registration with the Ministry of Health for herbal supplements.
- HACCP for food production.
- Enforced legislation in the many countries of market destination.

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.

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. 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.

Finally, for products under development and for updates of existing products, the company preferentially searches for and selects ingredients from renewable and recycled sources, sourcing primarily from Italy or Europe to mitigate the footprint of the entire logistics system.

## 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. In fact, for the production of cosmetics, the formal certification process of the management system adopted according to good manufacturing practices (GMP - ISO 22716), in terms of quality and safety for the consumer, is in progress. This harmonized standard, specially designed for the cosmetic industry, provides guidelines for the production, control, storage and shipping of cosmetic products.

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. To these are added, according to the different product lines, a wide variety of ingredients, fragrances, and essences mainly of natural origin. Primary and secondary packaging, mainly in glass, plastic and paper, constitute a significant fraction of the material consumption.

Energy needs are limited. 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 (over about 85%) intended for sanitary uses. The resource is managed with particular attention, as the plant is in an area at risk of water stress.

#### Renewable raw materials

In cosmetic preparations, the quality of the **water** used is decisive for the quality of the product. Subjected to complex purification, demineralization and sterilization treatments at the production plant, it maintains constant characteristics over time in compliance with the preset chemical-physical and microbiological parameters.

The ethyl **alcohol** (ethanol) used is exclusively of agricultural origin.

Vegetal **soap**, **glycerin**-based components and dried **herbs** for potpourri are among the many other renewable ingredients.

- 76% renewable ingredients
- 32% renewable packaging

#### Renewable energies

A photovoltaic system produces over 100,000 kilowatt hours per year and covers over 10% of the electricity demand of the production plant. The remainder is supplied with a guarantee of renewable origin.

	units	2019	2020	2021
<b>Raw materials</b>				
Renewable ingredients		-	-	137
<i>Water</i>		-	-	65
<i>Ethyl alcohol (ethanol)</i>		-	-	21
<i>Other</i>		-	-	51
Non-renewable ingredients		-	-	44
Packaging	t	-	-	320
<i>Glass</i>		-	-	188
<i>Cardboard</i>		-	-	80
<i>Ceramic</i>		-	-	22
<i>Plastic</i>		-	-	18
<i>Metal</i>		-	-	10
<i>Other</i>		-	-	2
<b>Energy</b>				
TOTAL consumed		-	-	9,932
<i>Thermal: natural gas</i>		-	-	5,935
<i>Electric: renewable purchased</i>		-	-	3,485
<i>Electric: self-produced renewable</i>	GJ	-	-	421
<i>Automotive: diesel</i>		-	-	94
TOTAL self-produced renewable		-	-	420
<i>Sold to the grid</i>		-	-	1
<b>Water</b>				
TOTAL consumed		-	-	3.508
<i>Withdrawn from an aqueduct</i>	m <sup>3</sup>	-	-	3.551
<i>Discharged into sewers</i>		-	-	43

The waste generated from the production process can become a resource for other consumption or production cycles. With this awareness, in 2021 almost 30 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	2019	2020	2021
<b>Valorisation of waste generated</b>				
Hazardous waste		-	-	23.5
% Recovery		-	-	35%
% Energy recovery or disposal		-	-	65%
Non-hazardous waste	t	-	-	24.7
% Recovery		-	-	93%
% Energy recovery or disposal		-	-	7%

## LOW-CARBON TRANSITION

Direct emissions (Scope 1) are limited while indirect emissions (Scope 2) are already totally neutralised. The carbon footprint depends almost entirely on the emissions of the value chain (Scope 3), which Officina Profumo-Farmaceutica di Santa Maria Novella strives to analyse more and more in detail to highlight mitigation opportunities. The ongoing initiatives on packaging go in this direction.

	units	2019	2020	2021
<b>Carbon footprint</b>				
Scope 1		-	-	342
Scope 2 market based		-	-	0
location based		-	-	342
Scope 3		-	-	7,372
TOTAL	<b>t CO<sub>2</sub></b>			7,714
<b>Emissions avoided</b> (location based)				
From photovoltaic production		-	-	37
From renewables purchased				305
<b>Carbon intensity</b>				
Scope 1+2 market based	<b>t CO<sub>2</sub>/M€ EBITDA</b>			42

### Scope 1

Direct emissions from fuels

### Scope 2

Indirect emissions from the purchase of electricity

### Scope 3 (estimate)

As a first exercise, the CO<sub>2</sub> emissions of the value chain are estimated on the basis of literature data and studies carried out by competitors in the sector. Raw material contribution is calculated only for main ingredients (water and alcohol).

Scope 3 upstream	<b>8%</b>
Raw materials	7%
Logistics	<1%
Scope 1+2	<b>4%</b>
Scope 3 downstream	<b>88%</b>
Logistics	46%
Use of products	42%
End-of-life	<1%



## Italgén

Founded in 2001, capitalising on the experience gained as part of the Italcementi Group, Italgén operates as a producer and distributor of electricity from renewable sources, thanks to a production structure consisting of 27 concessions for hydroelectric derivation located in Lombardy, Piedmont and Veneto and over 300 km of transmission lines. The energy generated is sold mainly on the National Power Exchange. Italgén's strategic development plan also includes the minority partnership in Bulgaria that manages two wind farms for a total of 18 MW and activity in the photovoltaic solar sector. It has been part of the Italmobiliare Group since May 2016, as a **subsidiary with a 100% stake**.

**Italgén** upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- Responsibility and integrity in the choice of **business partners**.
- Renewable energies and integrated services to support the **low-carbon transition**.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including the business community, with products and services capable of promoting responsible lifestyles and social initiatives for the local area.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

Italgén fully integrates 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. In so doing, Italgén upholds the Italmobiliare Group's 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, through active membership of Elettricità Futura, the association of Italian electricity companies, it supports global decarbonisation, energy efficiency and sustainable electrification programmes.

Italmobiliare and Italgén 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 offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Italgén.

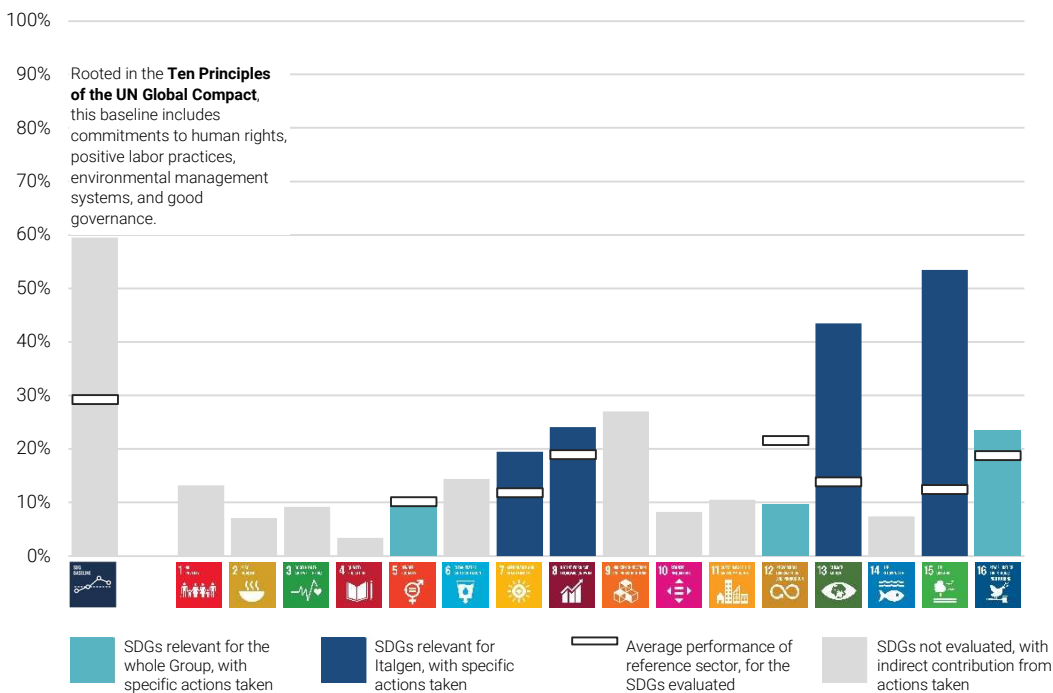


## MATERIALITY AND CONTRIBUTION TO SDGS



### Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.



**B Impact Assessment (BIA)**  
 Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

**SDG Action Manager**  
 Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

## GOVERNANCE

### GOVERNANCE AND INTEGRITY

#### Board of Directors

- 5 members
- 1 independent member

Ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Italgas explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. Through a sustainable approach aimed at creating shared value for the society and for the environment, Italgas 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, Italgas has adopted an Organisation, Management and Control Model, which is foreseen by law but not mandatory. 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, but also terrorism or violations against the individual, market abuse and others. 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.

#### Sustainability Award TOP 100 - Governance

In 2021, Italgas received the "TOP 100 - Governance" award during the first edition of the Sustainability Award, an event promoted by Credit Suisse and KION Group, in recognition of "the adoption of a governance model based on that of listed companies, for the effective supervision of business ethics and integrity, for the adoption of a strategic sustainability plan and for transparency in the reporting of ESG performance".

#### Management systems

- Quality: ISO 9001
- Environment: ISO 14001 and EMAS registration

More generally, Italgas 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 to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an operational level, **management systems** 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.

### PROCUREMENT AND SUPPLY CHAIN

Italgas 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 Italgas. In any case, the type and geography of the subjects involved in Italgas's value chain do not highlight specific risks of violation of human and workers' rights.



## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Italgem benefits from the value of 68 specialized and motivated people (overall turnover 10% with 2 new hires, 1 intra-group transfer and 5 exits). Direct employees, by choice mainly of local origin, are all covered by collective bargaining agreements. There are no managerial positions held by women.

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.

As the pandemic emergency continued, smart working was occasionally used for managers, administrative and technical employees not directly involved in production or in the operation of the plants.

Following a structured training plan and mostly using digital platforms, 574 hours of training were provided in 2021, 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.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>4</b>	<b>66</b>	<b>70</b>	<b>5</b>	<b>65</b>	<b>70</b>	<b>4</b>	<b>64</b>	<b>68</b>
<i>Managers</i>	0	4	4	0	3	3	0	3	3
<i>Middle managers</i>	0	10	10	2	11	13	1	11	12
<i>Office workers</i>	4	12	16	3	12	15	3	12	15
<i>Production workers</i>	0	40	40	0	39	39	0	38	38
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	100%	100%	<b>100%</b>	100%	100%	<b>100%</b>	100%	98%	<b>99%</b>
Full time (vs. part-time)	75%	97%	<b>96%</b>	80%	98%	<b>97%</b>	75%	98%	<b>97%</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>5.0</b>	<b>16.7</b>	<b>16.1</b>	<b>26.2</b>	<b>10.0</b>	<b>11.2</b>	<b>19.6</b>	<b>7.7</b>	<b>8.4</b>
<i>Managers</i>	-	17.3	17.3	-	15.0	15.0	-	4.0	4.0
<i>Middle managers</i>	-	-	-	0.0	35.0	29.7	6.0	11.6	11.2
<i>Office workers</i>	5.0	37.4	32.4	43.7	8.5	15.6	24.2	20.4	21.2
<i>Production workers</i>	-	5.3	5.3	-	3.1	3.1	-	2.9	2.9
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>100%</b>	<b>39%</b>	<b>43%</b>	<b>80%</b>	<b>32%</b>	<b>36%</b>	<b>100%</b>	<b>41%</b>	<b>44%</b>
<i>Managers</i>	-	100%	100%	-	100%	100%	-	100%	100%
<i>Middle managers</i>	-	-	-	50%	100%	92%	100%	100%	100%
<i>Office workers</i>	100%	100%	100%	100%	58%	67%	100%	100%	100%
<i>Production workers</i>	-	0%	0%	-	0%	0%	-	0%	0%

## 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.

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.

### Flexible employee benefits

- Life, accident and non-professional permanent disability insurance.
- Supplementary pension fund.
- Supplementary health insurance for managers and their families.
- Integration of the period of compulsory maternity leave with full pay.
- Granting of scholarships to the children of the most deserving employees.
- Possibility of converting all or part of the performance bonus into corporate welfare services of a health, school and recreational type, taking advantage of the relative tax relief.

		2019	2020	2021
<b>Employees</b>				
Fatalities		0	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	0	0	0
Injuries	<i>with absence from work for at least 24 hours</i>	0	0	1
Frequency rate	<i>number of injuries per million hours worked</i>	0	0	8.7
Severity rate	<i>lost days per thousand hours worked</i>	-	-	0.19

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.

Progetto Fibra, started in 2019, automated remote monitoring of the entire production process, with high-precision sensors and cameras installed at the plants to monitor production parameters continuously and identify any anomalies and emergency situations in real time. The centralized control room at the Villa di Serio headquarters processes the information collected and is able to react promptly remotely or locally, activating the intervention teams. In 2020, Progetto Fibra continued with the automation and connection to the remote control system of the waterways of the Villa di Serio plant and the revamping of its substation. In 2021, the automation and remote control of the electrical equipment used in transformation and transmission have been initiated.

The 2021-23 Strategic Plan provides for a further reduction in the risk of unscheduled downtime, thanks to production indicators and active diagnostics, capable of anticipating the state of health of assets and generating automatic alerts in the event of performances below the expected values or maintenance problems.

Thanks to the remote control system, in 2021 there were neither accidents or plant malfunctions that could have caused physical injury to people, nor episodes of general service interruptions, while 6 events affected individual distribution lines, without affecting the service as a whole, for a total of 450 minutes. These episodes are mainly to do with extreme weather conditions resulting in heavy storms or falling trees. Italgen mitigates this risk by contributing to the maintenance of the wooded areas adjacent to the plants and transmission networks.

The 2021-23 Strategic Plan provides for the launch of a mapping, monitoring and evaluation process of new technologies able to compensate for the volatility of energy demand, activating tenders and research funding programmes in partnership with public and private entities to support technological innovation in the energy sector.

## 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. In 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 is opening up to global transparency by making available to all stakeholders the performance details contained in the Environmental Declaration foreseen as a result of the EMAS Registration and publishing a Sustainability Report from 2019 onwards.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

The main natural resource used by Italgas 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.

#### Renewable energies

In 2021, Italgas produced and fed into the grid for users 309 million kilowatt hours of 100% renewable electricity, equivalent to the average annual consumption of approximately 90,000 families of 4 people.

#### Water

Withdrawals and discharges do not affect water-stressed areas.

	units	2019	2020	2021
<b>Energy</b>				
TOTAL consumed		29,892	31,576	<b>28,866</b>
<i>Thermal: diesel</i>		-	106	<b>83</b>
<i>Electricity: self-consumed and network losses</i>		29,212	30,945	<b>28,197</b>
<i>Automotive: diesel</i>	<b>GJ</b>	529	429	<b>533</b>
<i>Automotive: petrol</i>		150	96	<b>52</b>
TOTAL sold		1,432,223	1,396,505	<b>1,195,773</b>
<i>Electric: self-produced hydro</i>		1,102,245	1,145,984	<b>1,084,115</b>
<i>Electric: bought from the grid and resold</i>		359,189	281,466	<b>111,657</b>
<b>Water</b>				
TOTAL consumed		5,706	6,089	<b>5,580</b>
<i>Withdrawn from wells</i>	<b>m<sup>3</sup></b>	5,706	6,089	<b>5,580</b>
<i>Withdrawn from an aqueduct</i>		560	1,310	<b>755</b>
<i>Discharged into sewers</i>		560	1,310	<b>755</b>

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.

In 2021, over 330 tons of waste were sent for valorisation. In any case, the remaining part is sent to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2019	2020	2021
<b>Valorisation of waste generated</b>				
Hazardous waste		8.2	8.6	<b>7.4</b>
<i>% Recovery</i>		98%	95%	<b>92%</b>
<i>% Energy recovery or disposal</i>		2%	5%	<b>5%</b>
Non-hazardous waste	<b>t</b>	1,699.9	258.7	<b>324.4</b>
<i>% Recovery</i>		100%	100%	<b>100%</b>
<i>% Energy recovery or disposal</i>		-	-	<b>-</b>

## LOW-CARBON TRANSITION

Italgen actively contributes to the low-carbon transition with hydroelectric plants in Lombardy, Piedmont and Veneto. 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 production sent to the grid makes it possible to avoid the emission of significant quantities of greenhouse gases compared with the average output currently available on the market.

	units	2019	2020	2021
<b>Carbon footprint</b>				
Scope 1		42	47	47
Scope 2 market based		0	0	0
location based	<b>t CO<sub>2</sub></b>	2,913	2,888	2,467
Scope 3		-	26,270	9,770
TOTAL		-	26,317	9,817
<b>Emissions avoided (location based)</b>				
From hydroelectric production		109,918	106,958	97,327
<b>Carbon intensity</b>				
Scope 1+2 market based	<b>t CO<sub>2</sub> /M€ EBITDA</b>	3.0	3.5	2.0

<b>Scope 1</b>	Direct emissions from fuels
<b>Scope 2</b>	Indirect emissions from the purchase of electricity
<b>Scope 3</b>	Electrical energy purchased on the market (location based) and traded.
Scope 3 upstream	>99%
Scope 1+2	<1%

## LAND AND BIODIVERSITY

Italgen's energy source is water, taken from the rivers Adda, Oglio, Dezzo, Povo, Brembo, Cassiglio, Stabina, Serio (Lombardy), Gesso, Vermenagna (Piedmont) and Meschio (Veneto). 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, in the order of 6,000 million m<sup>3</sup>, 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.

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. In 2020 there were no cases of accidental spillage at any operating site.

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 2021 redevelopment of the former cement plant at Modugno (BA) and its quarry has started. This will see the construction of a new photovoltaic park, an area of high naturalistic value and an artificial lake that can be used by the local community.

**Turbine water**  
Almost 6 km<sup>3</sup>/ year, slightly less than the volume of Lake Iseo.

**Ecological flow**  
Quantity of water released by any collection work down the length of a lake, river, stream, or any water-course, capable of guaranteeing its natural ecological integrity, albeit with a reduced population, with particular reference to the protection of aquatic life.



## Casa della Salute

Casa della Salute is a network of specialist clinics, diagnostics, dentists, physiokinesitherapy, 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. The clinic was born in 2014 as the first private centre for diagnostics and sports medicine, growing rapidly thanks to its high-quality healthcare service based on the optimisation of internal processes, the use of state-of-the-art technology and highly qualified medical staff. It has been part of the Italmobiliare Group since December 2020, as a **subsidiary with an 84.63% stake**.

**Casa della Salute** upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- **Innovation** and scientific research to support quality basic and specialist health services.
- Operational **efficiency** of structures to ensure hygiene, wellbeing and a low environmental footprint.
- Attention to **people** through the promotion of health, safety and well-being in a context dedicated to people's health but also inclusive and evolutionary for those who work there.
- Involvement of the **community**, also through initiatives and services dedicated to the most vulnerable of population.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

Casa della Salute fully integrates 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. In so doing, Casa della Salute upholds the Italmobiliare Group's 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.

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 offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Casa della Salute.

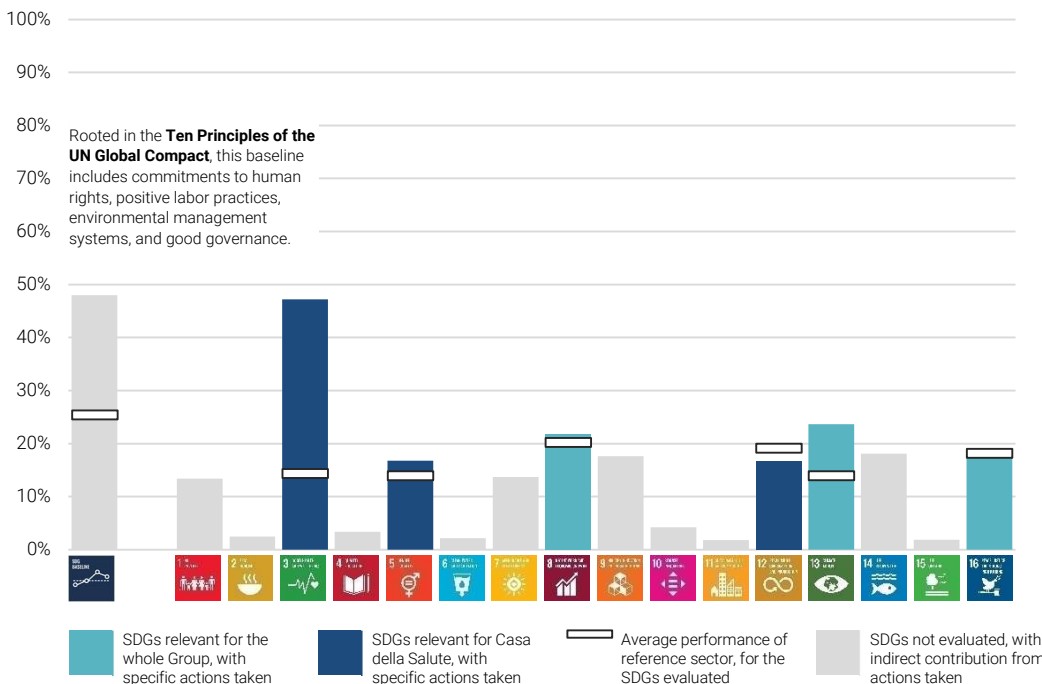


## MATERIALITY AND CONTRIBUTION TO SDGs



### Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance levers:** ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social levers:** people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental levers:** the fight against climate change and responsible management of natural resources.



**B Impact Assessment (BIA)**  
 Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

**SDG Action Manager**  
 Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

## GOVERNANCE

### GOVERNANCE AND INTEGRITY

**Board of Directors**  
• 5 members

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.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Casa della Salute explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. 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 has adopted an Organisation, Management and Control Model, which is foreseen by law but not mandatory. 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, but also terrorism or violations against the individual, market abuse and others. 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 to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an operational level, the planned implementation of management systems is expected to 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

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.

From the research carried out, by 2021 only one supplier operating in a country at significant risk of violating human and workers' rights is active, with a marginal impact on overall spending (0.2%). The formalization of the qualification procedure for new suppliers is expected in 2022, within which the ESG requirements envisaged for the different product categories and the related verification and monitoring methods will be defined.



## 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 2021, the staff of Casa della Salute numbered 192 motivated and specialized people. In a year strongly marked by the pandemic emergency that impacted the entire health system, the turnover was extremely significant (67% incoming, with 132 hires, 3 acquisitions from a merged company, and 24% outgoing, with 47 terminations). The opening of new polyclinics and the vaccination centre in Genoa led to a large number of temporary hires in 2020 and 2021, most of which were renewed and placed in other locations or activities. 45% of managerial positions are occupied by women. Furthermore, in line with the sector specificity, the use of non-employees was significant. In 2021, there were 499 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, guaranteeing the health protocols necessary for the persistence of the pandemic emergency and supporting the provision of an intense training program at all levels, in the classroom and in the field. A week of intensive training is provided for the call centre 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 centres. 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.

The formalisation of the company model for assessing individual performance is included in 2022 ESG plan, articulated in a set of qualitative and quantitative objectives and criteria.

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.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	-	-	-	-	-	-	148	44	192
<i>Managers</i>	-	-	-	-	-	-	-	-	-
<i>Middle managers</i>	-	-	-	-	-	-	5	6	11
<i>Office workers</i>	-	-	-	-	-	-	134	32	166
<i>Production workers</i>	-	-	-	-	-	-	9	6	15
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	-	-	-	-	-	-	66%	86%	71%
Full time (vs. part-time)	-	-	-	-	-	-	41%	72%	51%
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	-	-	-	-	-	-	77.7	123.6	88.2
<i>Managers</i>	-	-	-	-	-	-	-	-	-
<i>Middle managers</i>	-	-	-	-	-	-	6.4	5.3	5.8
<i>Office workers</i>	-	-	-	-	-	-	83.7	162.8	98.9
<i>Production workers</i>	-	-	-	-	-	-	28.3	33.3	30.3

## 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.

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.

	2019	2020	2021
<b>Employees</b>			
Fatalities	-	-	0
Serious injuries <i>with absence from work for at least 180 days</i>	-	-	0
Injuries <i>with absence from work for at least 24 hours</i>	-	-	0
Frequency rate <i>number of injuries per million hours worked</i>	-	-	0
Severity rate <i>lost days per thousand hours worked</i>	-	-	0.0

## 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, in 2021 a Mystery Client system was launched, 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.

Following the increase in activity and the expansion of the specialties covered by Casa della Salute in recent years, a formalization and standardization of the intervention models and reporting processes has been initiated, in order to combine objectives of effectiveness and efficiency. For this purpose, the Scientific Technical Committees for the specialties of Radiology, Cardiology, Vascular Surgery and Sports Medicine were established in 2021, with the task of identifying guidelines and criteria for the definition of a standard report model. This coordination structure will be extended, in 2022, to all the specialties covered.

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 such as Esaote, Casa della Salute benefits from the best technologies available and actively contributes to equipment testing and improvement activities.

### Vision

We want to be a reference for the prevention and promotion of health, responding to the needs of assistance and the needs of people with innovative and patient-oriented management models, with the excellence of instrumental performances always aligned with the most advanced technologies and with a partnership consolidated with the national health system.

### Mission

"Health for all" means contributing to the protection of health, a fundamental right of the individual and the interest of the community, through the provision of diagnostic imaging services, clinical analyzes, surgery, recovery and functional rehabilitation, specialist outpatient visits under conditions accessible, reducing waiting times to a minimum, promoting the relationship of trust between patient and doctor, and with an attentive presence in the communities served.

<https://www.casasalute.eu/missione-vision/>

## 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	2019	2020	2021
<b>Energy</b>				
TOTAL consumed		-	-	5,298
<i>Electric: renewables purchased</i>	<b>GJ</b>	-	-	4,762
<i>Automotive: diesel</i>		-	-	464
<i>Automotive: gasoline</i>				72

#### Renewable energies

Casa della Salute has chosen to source exclusively certified electricity from renewable sources and carbon neutral corporate cloud services.

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	2019	2020	2021
<b>Valorisation of waste generated</b>				
Hazardous waste	<b>t</b>	-	-	14.6
Non-hazardous waste		-	-	4.2

### LOW-CARBON TRANSITION

Direct emissions (Scope 1) of Casa della Salute are limited to the operation of the small company fleet, which is being updated with hybrid or electric vehicles. The health clinics of Casa della Salute have newly or recently installed heating and cooling systems, characterized by high levels of energy efficiency and, by choice, powered exclusively with certified electricity from renewable sources. Therefore, indirect emissions (Scope 2) are zero. The carbon footprint depends almost entirely on the emissions of the value chain (Scope 3), which Casa della Salute is committed to analysing more and more in detail to highlight mitigation opportunities.

	units	2019	2020	2021
<b>Carbon footprint</b>				
Scope 1		-	-	142
Scope 2 market based		-	-	0
location based		-	-	418
Scope 3	<b>t CO<sub>2</sub></b>	-	-	1,976
TOTAL		-	-	2,118
<b>Emissions avoided</b> (location based)				
From photovoltaic production		-	-	418
<b>Carbon intensity</b>				
Scope 1+2 market based	<b>t CO<sub>2</sub>/M€ EBITDA</b>	-	-	57

#### Scope 1

Direct emissions from fuels

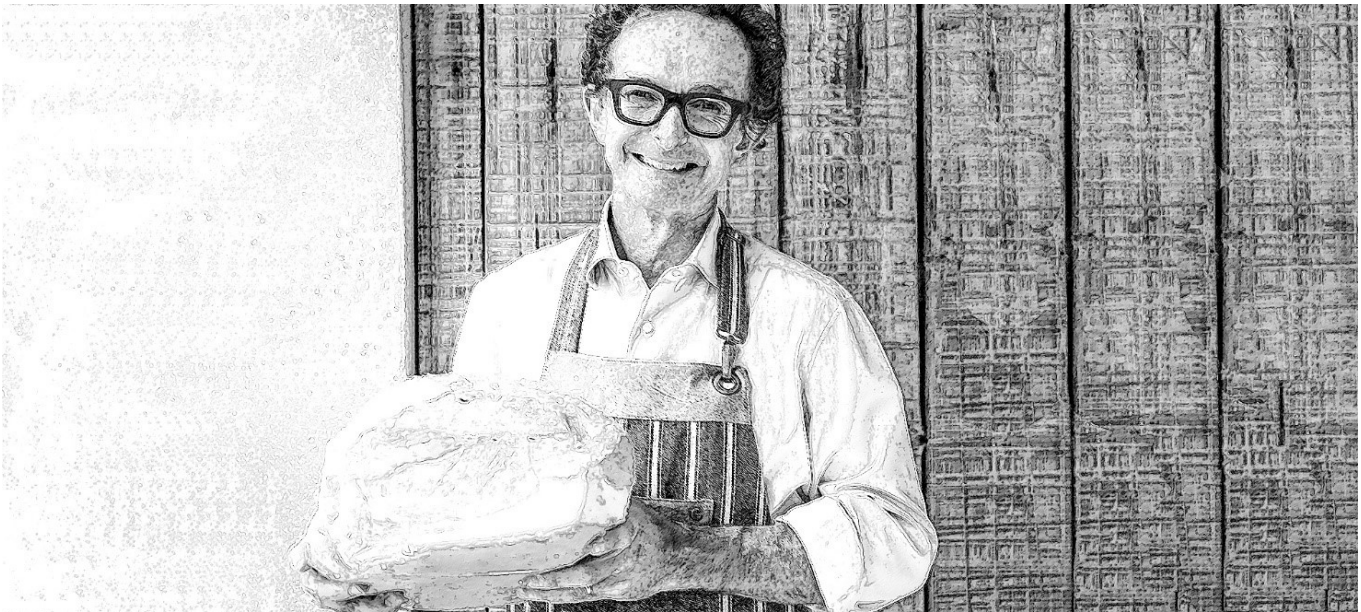
#### Scope 2

Indirect emissions from the purchase of electricity

#### Scope 3 (estimate)

As a first exercise, the CO<sub>2</sub> emissions of the upstream and downstream value chains were estimated on the basis of studies carried out in the sector.

Scope 3 upstream	<b>89%</b>
Scope 1+2	<b>7%</b>
Scope 3 downstream	<b>5%</b>



## Capitelli



Capitelli, which was founded in 1976 in Borgonovo Val Tidone (Piacenza), produces premium-range cooked ham ("San Giovanni" was awarded a prize as the best cooked ham in Italy for the year 2019 and reconfirmed for 2020 by the Espresso's "Guida Salumi d'Italia"). 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**.

Capitelli upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- Responsibility and integrity in the **supply chain** to promote practices in balance with ecosystems, resilient to climate change, with decent working conditions for all men and women who work in the supply chain and attention to animal welfare.
- **Efficiency** of production to reduce the direct and indirect environmental footprint, from renewable energies to the valorisation of waste, and ensure food safety.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including that of consumers, with products and initiatives capable of promoting responsible lifestyles and consumption.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

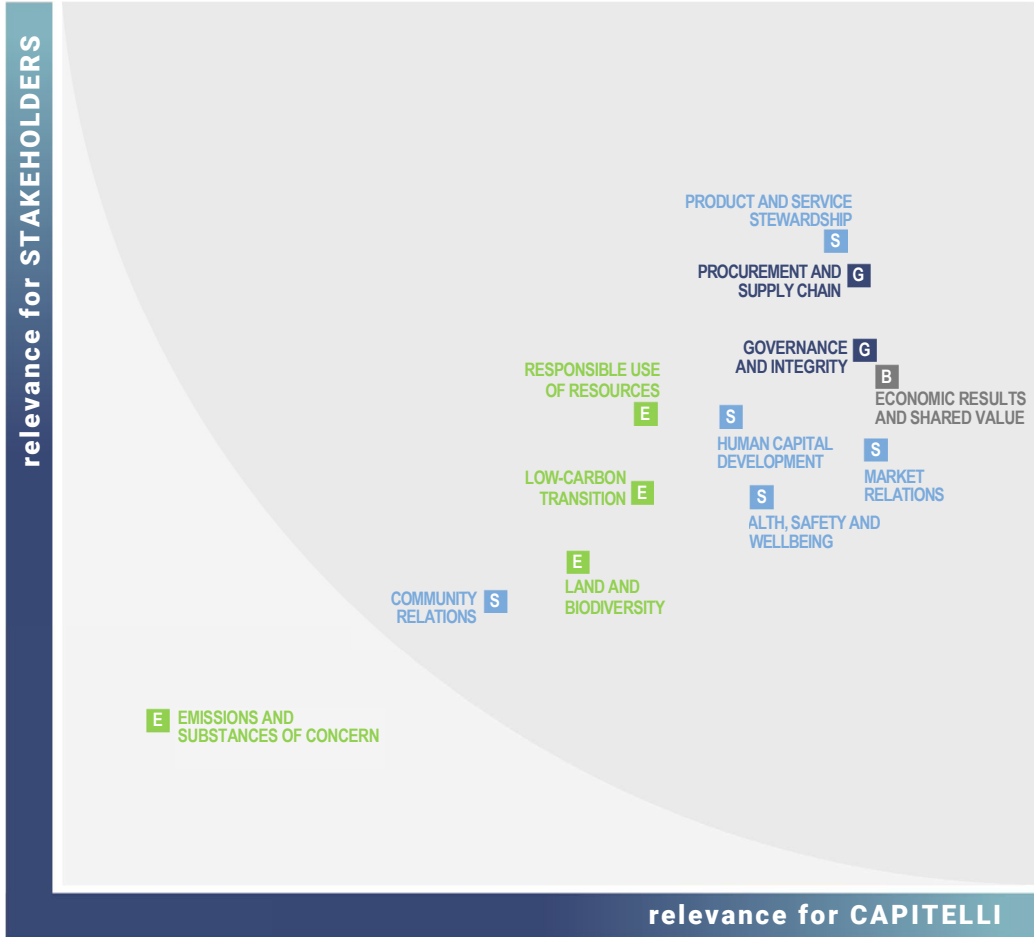
Capitelli fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. In so doing, Capitelli upholds the Italmobiliare Group's 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.

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 offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

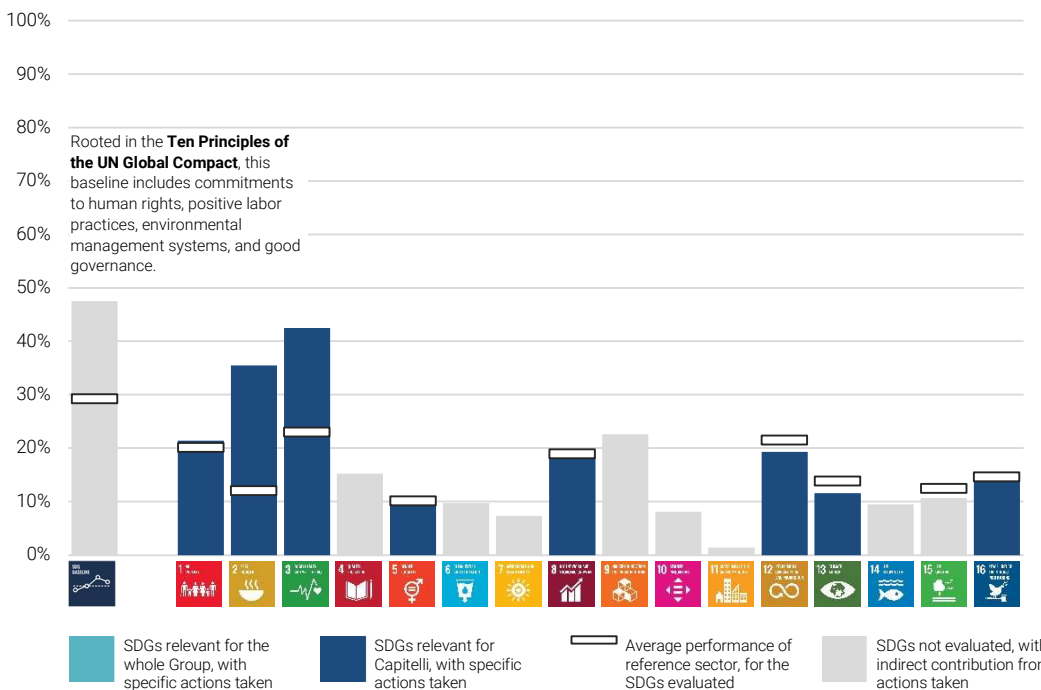
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## MATERIALITY AND CONTRIBUTION TO SDGs



### Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
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### B Impact Assessment (BIA)

Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

### SDG Action Manager

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## GOVERNANCE

### GOVERNANCE AND INTEGRITY

**Board of Directors**  
• 3 members

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.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Capitelli explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. 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.

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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 to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an operational level, the planned implementation of management systems is expected to 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 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.

The "**Filiera Capitelli**" project was launched in 2020 with the fundamental aim of sharing techniques and good practices with breeders to achieve the highest ethical, socio-environmental and animal welfare standards. Capitelli chooses to reward the efforts of all breeders who share its vision of responsible quality with an additional economic contribution, an essential condition for obtaining a raw material that meets the quality standards needed for the production of premium-range products. Thanks to this policy, Capitelli also intends to mitigate the dependence of farmers on long-standing market logic that requires the offer to be adjusted to the trend in price lists, in favour of direct bargaining between the processing company, the farmers and the slaughterhouses.

In 2021, the development of the project led to the signing of new agreements with Italian slaughterhouses characterized by high quality, environmental and social standards and equipped with an integrated and controlled breeding chain, which constitutes a functional environment for the dissemination and verification of sustainability requirements defined by Capitelli. In only one case, the

**Collaboration with the Catholic University of Piacenza**

Thanks to the new partnerships in the value chain and the collaboration with the Department of Food Science and Technology for a Sustainable Agri-food supply chain (DiSTAS) of the Catholic University - Piacenza site, direct audits will be launched at the farmers in 2022 and drafted the specification and guidelines on nutrition, animal welfare, reduction of the environmental footprint and protection of workers' rights.

preliminary analysis of the agreement revealed the risks of irregular work by a subcontractor and the supplier was invited to terminate the relationship with this subject.

Suppliers of packaging and subsidiary materials are also required to comply with high environmental standards, preferably certified.

The entire approach will be formalized in 2022, with the adoption of a structured procedure for the qualification of suppliers.

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Capitelli benefits from the value of specialized and motivated people (overall turnover 15%, 2 new hires and 5 exits), 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 2021, they were 71, mostly agents.

In 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 was also defined 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.

The teleworking methods introduced for administrative functions in 2020 were confirmed in 2021 as a measure to prevent contagion from Covid-19 and as a flexibility tool.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	-	-	-	13	37	50	12	35	47
Managers	-	-	-	0	1	1	0	1	1
Middle managers	-	-	-	-	-	-	-	-	-
Office workers	-	-	-	8	3	11	8	3	11
Production workers	-	-	-	5	33	38	4	31	35
<b>Contracts</b>									
Permanent / fixed-term employment	-	-	-	54%	59%	58%	58%	69%	66%
Full time / part-time	-	-	-	26%	65%	60%	42%	74%	66%
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	-	-	-	0	0.6	0.5	22.6	4.4	9.1
Managers	-	-	-	-	0	0	-	0	0
Middle managers	-	-	-	-	-	-	-	-	-
Office workers	-	-	-	0	0	0	33.9	30.0	32.8
Production workers	-	-	-	0.0	0.7	0.6	0.0	2.1	1.9
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	-	-	-	-	-	-	67%	83%	79%
Managers	-	-	-	-	-	-	-	100%	100%
Middle managers	-	-	-	-	-	-	-	-	-
Office workers	-	-	-	-	-	-	100%	100%	100%
Production workers	-	-	-	-	-	-	0%	81%	71%

## 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.

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.

	2019	2020	2021
<b>Employees</b>			
Fatalities	-	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	-	0
Injuries	<i>with absence from work for at least 24 hours</i>	-	2
Frequency rate	<i>number of injuries per million hours worked</i>	-	37.6
Severity rate	<i>lost days per thousand hours worked</i>	-	-
<b>Non-employees *</b>			
Fatalities	-	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	-	0
Injuries	<i>with absence from work for at least 24 hours</i>	-	0
Frequency rate	<i>number of injuries per million hours worked</i>	-	0

\* Agents and self-employed workers

## PRODUCT AND SERVICE STEWARDSHIP

The ultimate goal of Capitelli's entire business is quality excellence, repeatedly appreciated by the market. In 2021, 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 also started the certification process according to IFS standards in 2021 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 analyses on the finished product by an external analysis laboratory. Furthermore, every two months, analyses 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.

By virtue of its B2B business model, the company does not collect sensitive data relating to end-consumers.

### **BRC (British Retail Consortium)**

The BRC Food Standard defines the requirements for the production of safe food and the criteria for managing the quality of products offered by suppliers and retailers, in order to meet customer expectations and protect the consumer.

### **IFS (International Food Standard)**

The International Food Standard is a unified control system of quality and health and hygiene safety systems applied to all levels of food production.

### **HACCP (Hazard Analysis and Critical Control Points)**

The HACCP system is a set of procedures, aimed at guaranteeing the wholesomeness of food, based on prevention at all stages of processing even before analysing the finished product.

## 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. Meat processing creates a significant quantity of by-products. At the slaughterhouse, an initial fraction is separated for use by other subjects in the food chain. At Capitelli, trimmings, bones, fat and gelatine (about 600 tons in 2021) 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\*, estimated for 2021 at almost 13 million m<sup>3</sup> of water, or 8,000 m<sup>3</sup> per tonne of processed meat.

\* Engineering - Grandi Salumifici Italiani - Coop, Life cycle assessment applied to cured meats production, 2011

	units	2019	2020	2021
<b>Raw materials</b>				
Pork meat		-	1,632	1,906
Other ingredients		-	77	97
Packaging		-	84	94
Aluminium	t	-	2	2
Cardboard		-	62	76
Plastic		-	20	16
<b>Energy</b>				
TOTAL consumed		-	8,650	10,522
Thermal: natural gas from the grid		-	4,914	6,184
Electric: bought from the grid		-	2,581	3,047
Electric: self-produced renewable	GJ	-	649	722
Automotive: diesel		-	507	569
<b>TOTAL self-produced renewable</b>		-	693	734
Sold to the grid		-	44	13
<b>Water</b>				
TOTAL consumed		-	376	510
Withdrawn from wells	m <sup>3</sup>	-	9,782	14,810
Discharged into sewers		-	406	300
Discharged into surface waters		-	9,000	14,000

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 polyaminates 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.

Currently, the waste generated is all sent to controlled disposal destinations, where it is possible to valorise the energy, at least partially.

	units	2019	2020	2021
<b>Valorisation of waste generated</b>				
Non-hazardous waste		-	214.9	<b>335.3</b>
% Recovery	t	-	0%	<b>0%</b>
% Energy recovery or disposal		-	100%	<b>100%</b>

#### Sustainable raw materials

- 95% renewable raw materials
- 80% renewable packaging
- 70% recycled packaging

#### Renewable energies

The photovoltaic system produces nearly 200,000 kilowatt hours of electricity per year, almost entirely used directly in the plant.

#### Water

Withdrawals and discharges do not affect water-stressed areas. An activated sludge purification plant supervises its discharge into a surface body of water on the basis of parameters that are better than the minimum standards required by national legislation.

## LOW-CARBON TRANSITION

The carbon footprint largely depends on the management of pig farms. Pending an analytical assessment of the emissions of the value chain (Scope 3), Capitelli is committed to mitigating the climate-altering effects of its business.

In 2021 the heating and refrigeration systems were completely renovated with the adoption of highly energy efficient solutions, which entered full capacity at the beginning of 2022.

In addition to the efficiency of the production processes, the plant owns an active photovoltaic system that produces almost 200,000 kilowatt hours of electricity per year, most of which is reused directly.

	units	2019	2020	2021
<b>Carbon footprint</b>				
Scope 1		-	324	415
Scope 2 market based		-	334	388
location based			241	330
Scope 3	<b>t CO<sub>2</sub></b>	-	21,062	24,581
TOTAL		-	21,720	25,384
<b>Emissions avoided</b> (location based)				
From self-production renewables		-	65	64
<b>Carbon intensity</b>				
Scope 1+2 market based	<b>t CO<sub>2</sub>/M€ EBITDA</b>	-	173	206

**Scope 1**  
Direct emissions from fuels

**Scope 2**  
Indirect emissions from the purchase of electricity

**Scope 3 (estimate)**  
The CO<sub>2</sub> emissions of the upstream and downstream value chains are accounted from activity data and emission factors obtained from technical literature or public databases.

Scope 3 upstream	<b>96%</b>
Pork livestock	96%
Other raw materials	<1%
Scope 1+2	<b>4%</b>
Scope 3 downstream	<b>8%</b>
Logistics	1%
End-of-life	<1%



*Callmewine*

## 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 a 60% stake**.

**Callmewine** upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- **Responsibility and integrity in the supply chain**, also to promote agricultural practices in balance with ecosystems, resilient to climate change and attentive to social needs.
- **Effectiveness** in operational management to reduce the direct and indirect environmental footprint, for example through sustainable logistics and packaging.
- **Attention to people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- **Involvement of the community**, including that of consumers, with products and initiatives capable of promoting responsible lifestyles and consumption.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

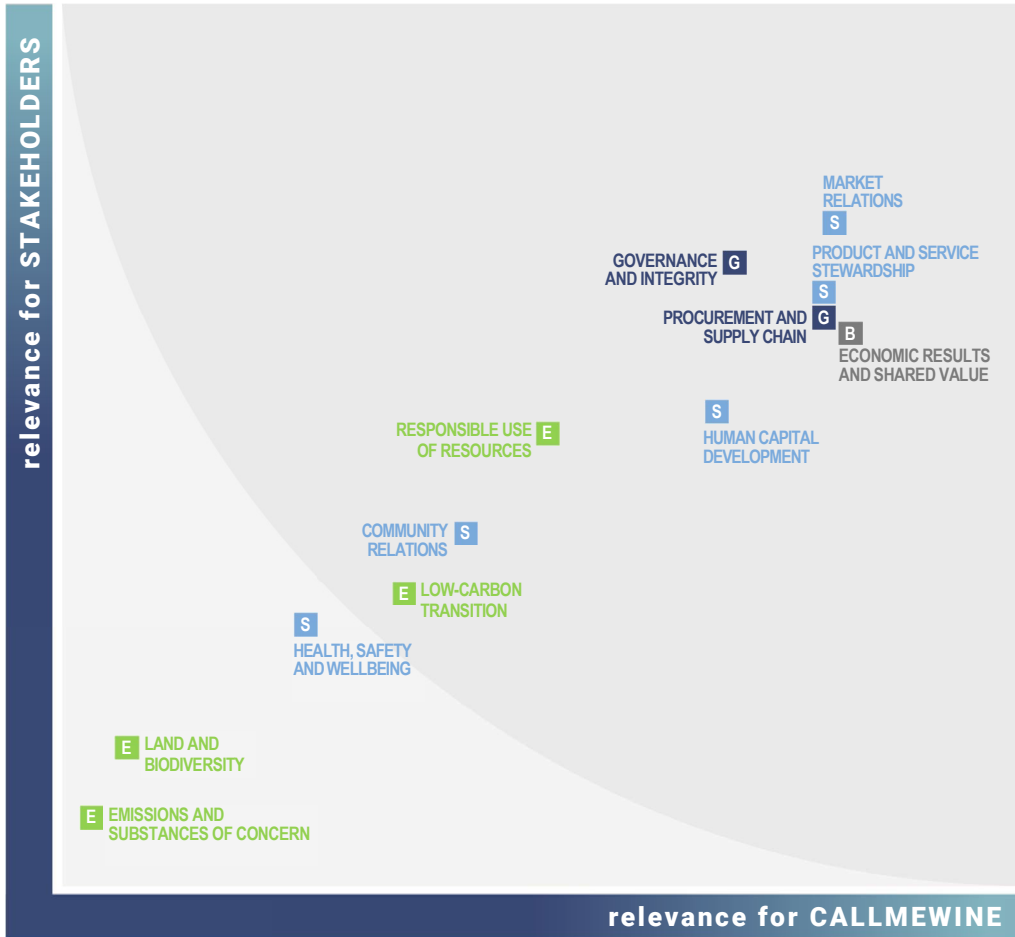
Callmewine fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. In so doing, Callmewine upholds the Italmobiliare Group's 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.

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 offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

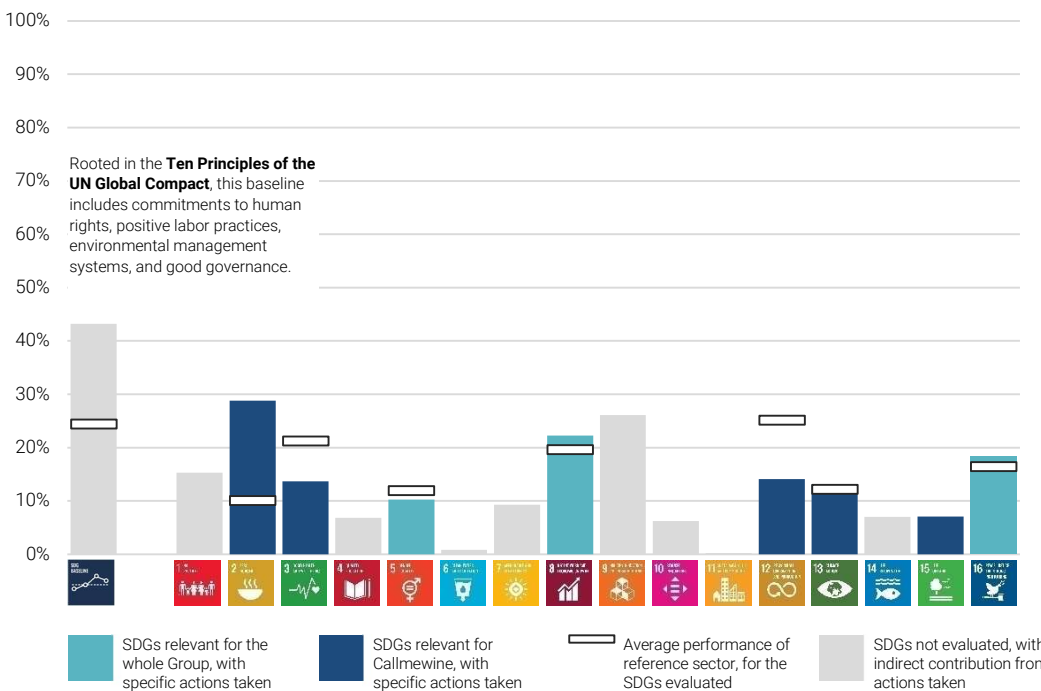
In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progress. The graph on the opposite page represents the contribution of Callmewine.

## MATERIALITY AND CONTRIBUTION TO SDGS



### Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.



**B Impact Assessment (BIA)**  
 Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

**SDG Action Manager**  
 Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

## GOVERNANCE

### GOVERNANCE AND INTEGRITY

#### Board of Directors

- 5 members
- 1 female member

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.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Callmewine explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. 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, in 2022 Callmewine is going to adopt an Organisation, Management and Control Model, which is foreseen by law but not mandatory. 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, but also terrorism or violations against the individual, market abuse and others. 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 to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an 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.

An initial analysis carried out on direct suppliers did not reveal significant risks of violation of human and workers' rights, pending an in-depth analysis on the wine supply chain. In order to consolidate governance on the supply chain, in 2022 the adoption of a structured procedure for the management of suppliers is expected, with selection criteria and protocols, and contractual elements to support a sustainable supply chain.

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Callmewine benefits from the value of 13 motivated and specialized people, in a growing reality (total turnover 38%, 4 new hires and 1 exit) and which in 2021 saw an important reorganization of work activities, with the inclusion of new resources and the definition of a new organization chart. Direct employees are covered by a collective bargaining agreement. 25% of managerial positions are occupied by women. In 2021, 2 interns were also present.

During the first half of 2021 all workers, with the exception of the Customer Service team, carried out their activities in remote working. In the second half of the year, this modality was practiced for one day a week, with an intensification in December, following the sharp rise in Covid-19 infections on a national scale.

The adoption of a performance evaluation system is envisaged that includes at least first levels and key people. Furthermore, a plan is being studied to increase the level of attraction and retention. A corporate welfare plan introduced in 2021 allows each employee to take advantage of the bonus linked to corporate results on the DoubleYou platform. In addition, employees benefit from special discounts on the purchase of company products.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	-	-	-	-	-	-	6	7	13
<i>Managers</i>	-	-	-	-	-	-	-	1	1
<i>Middle managers</i>	-	-	-	-	-	-	1	2	3
<i>Office workers</i>	-	-	-	-	-	-	5	4	9
<b>Contracts</b>									
Permanent / fixed-term employment contracts	-	-	-	-	-	-	100%	100%	100%
Full time / part-time	-	-	-	-	-	-	100%	100%	100%
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	-	-	-	-	-	-	4.0	4.0	4.0
<i>Managers</i>	-	-	-	-	-	-	-	4.0	4.0
<i>Middle managers</i>	-	-	-	-	-	-	4.0	4.0	4.0
<i>Office workers</i>	-	-	-	-	-	-	4.0	4.0	4.0

### 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.

In 2021, there have been no accidents of any kind to employees or non-employee workers.



## PRODUCT AND SERVICE STEWARDSHIP

Callmewine is characterised by a selection of almost 1,900 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.

## 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, 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.



## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

Callmewine pays particular attention to packaging, using exclusively cardboard, and no polystyrene or other plastics. In 2021, 310 tons of cardboard packaging were used, of which 65% comes from recycling. The 2022 ESG Plan provides for a careful study for new even more sustainable solutions.

### LOW-CARBON TRANSITION

The carbon footprint largely depends on the supply of wine and packaging.

	units	2019	2020	2021
<b>Carbon footprint</b>				
Scope 1		-	-	0
Scope 2 market based		-	-	0
location based		-	-	1.5
Scope 3	<b>t CO<sub>2</sub></b>	-	-	1,492
TOTAL		-	-	1,492
<b>Emissions avoided</b> (location based)				
From photovoltaic production		-	-	1.5
<b>Carbon intensity</b>				
Scope 1+2 market based	<b>t CO<sub>2</sub>/M€ EBITDA</b>	-	-	0

#### Scope 1

Direct emissions from fuels

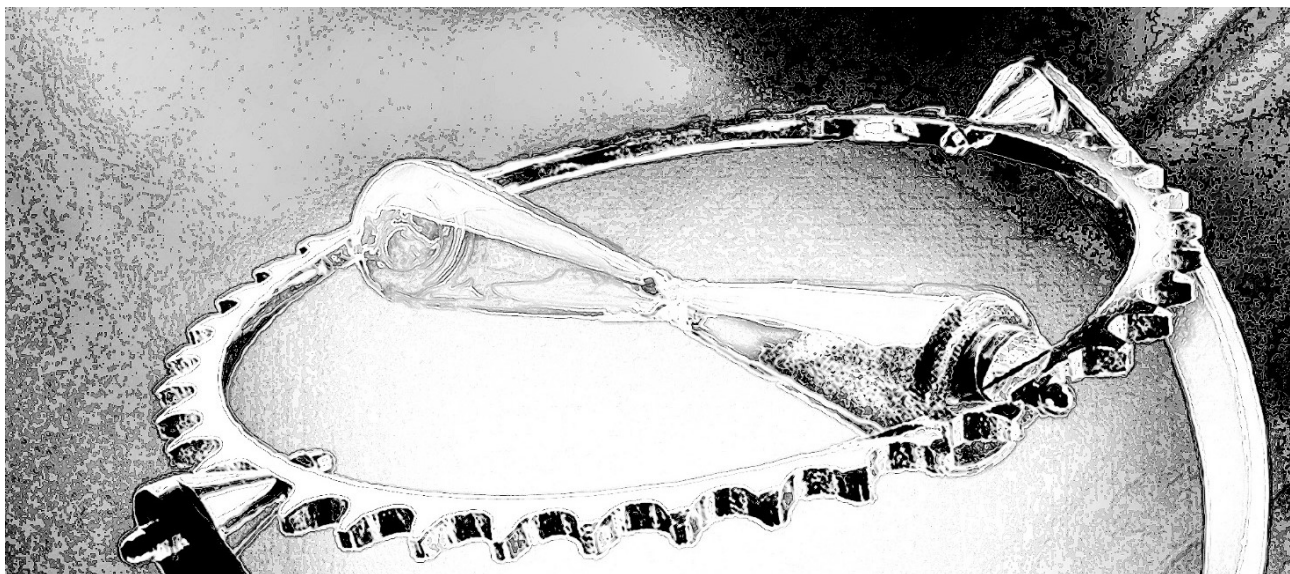
#### Scope 2

Indirect emissions from the purchase of electricity

#### Scope 3

The CO<sub>2</sub> emissions of the upstream and downstream value chains are accounted from activity data and emission factors obtained from technical literature or public databases.

Scope 3 upstream	<b>91%</b>
<i>Bottled wine</i>	68%
<i>Packaging</i>	7%
<i>Logistics</i>	16%
Scope 1+2	<b>0%</b>
Scope 3 downstream	<b>9%</b>
<i>Warehouse</i>	2%
<i>Logistics</i>	5%
<i>End-of-life</i>	2%



## Clessidra

### Clessidra Holding (capogruppo)

carries out management and coordination activities for the companies of the group, and supports for Operations, Compliance and Anti-Money Laundering activities.

**Clessidra Private Equity SGR** builds and manages a diversified portfolio of equity investments in leading Italian companies in their sector, with high growth potential.

**Clessidra Capital Credit SGR** is the management company that focuses on turnaround and corporate credit funds.

**Clessidra Factoring** provides Italian SMEs with a wide range of services specialising in financing and in the sale and management of trade receivables.

**Clessidra Group** upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- **Operational and social efficiency**, through women empowerment and inclusiveness.
- **Sustainable business**, through the efficiency of financial, human and natural resources.
- **Value chains resilient** to climate change, through monitoring, mitigation and adaptation.
- **Compliance and integrity**, through the promotion of and compliance with external and internal laws, rules and principles of governance.
- **Partnerships**, starting from the financial ones, with investments aimed at creating shared value and responsibly managed.

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. In September 2016 it became part of the Italmobiliare Group, which took **control with a 100% stake**.

Clessidra has progressively expanded its scope of operation 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 credit) and in factoring, by means of three specialised companies, each with its own operating autonomy.

Clessidra fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management activities, 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. In so doing, Clessidra upholds the Italmobiliare Group's 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 SGR adheres to the UN Principles for Responsible Investment (UN-PRI), formally committing to follow its principles and guidelines.

Through active participation in AIFI, the Italian Association of Private Equity, Venture Capital and Private Debt, and Invest Europe, the corresponding European trade association, Clessidra supports the numerous initiatives and guidelines on ESG. In addition, Clessidra actively participates in the Italian Sustainable Investment Forum (ItaSIF), a non-profit association that promotes the knowledge and practice of responsible and sustainable investment.

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 an effective tool for identifying the governance, economic, social and environmental issues relevant for Clessidra and its portfolio, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

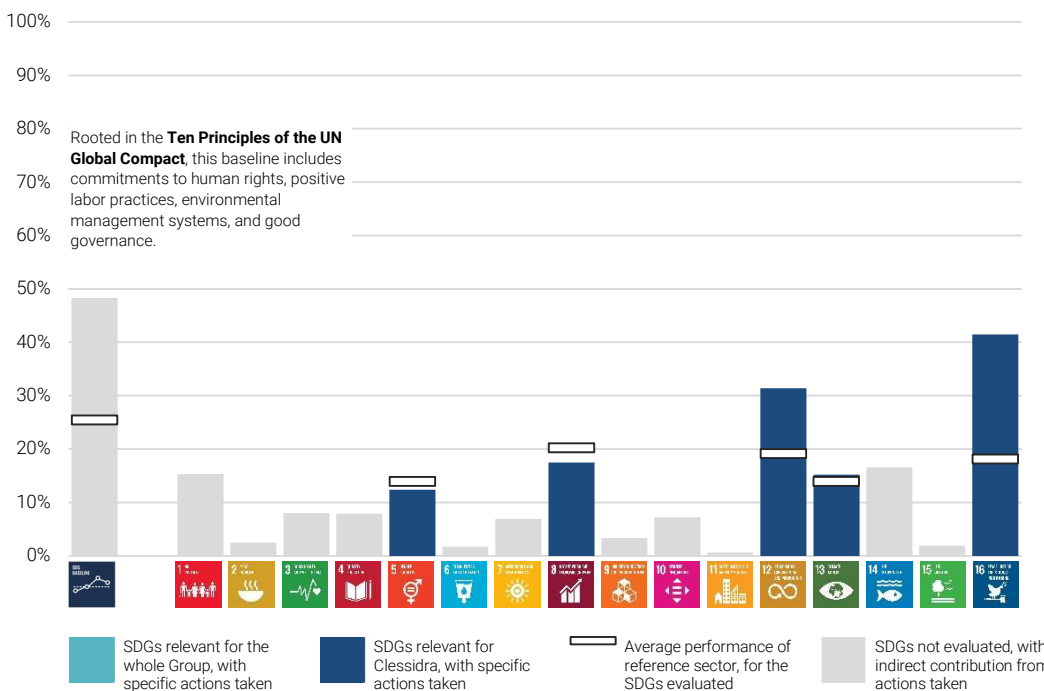
In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Clessidra.

## MATERIALITY AND CONTRIBUTION TO SDGs



### Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.



**B Impact Assessment (BIA)**  
 Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

**SDG Action Manager**  
 Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

## GOVERNANCE

### GOVERNANCE AND INTEGRITY

#### Boards of Directors

##### Clessidra Holding

- 7 members
- 1 female member
- 1 independent member

##### Clessidra Private Equity SGR

- 5 members
- 1 female member
- 1 independent member

##### Clessidra Capital Credit SGR

- 5 members
- 1 independent member

##### Clessidra Factoring

- 5 members
- 2 female members
- 2 independent members

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.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Clessidra explicitly recall the Ten Principles of the United Nations Global Compact. Coherently with the commitment undertaken by joining the UN Principles for Responsible Investment (UN PRI). Clessidra also recognizes the link between investment returns and environmental, social and governance (ESG) issues. 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.

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 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, but also terrorism or violations against the individual, market abuse and others. 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. 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.

Main risks mitigated through the ESG approach	Key levers affected
Consistency with the ESG commitments of Clessidra, including those related to the full alignment with SFDR Regulation, and its subsidiaries and effectiveness of the execution of action plans	ALL
Physical and transitional climate risks	RESPONSIBLE INVESTMENTS RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION
Alignment with the evolution of the regulatory framework for health, safety and the environment	GOVERNANCE AND INTEGRITY
Alignment with the evolution of the regulatory framework on data privacy	GOVERNANCE AND INTEGRITY
Identification and prevention of potential cases of active and passive corruption	GOVERNANCE AND INTEGRITY
Indirect impacts of the COVID-19 pandemic on the activities of one or more invested companies	MARKET AND COMMUNITIES HEALTH, SAFETY AND WELLBEING

## RESPONSIBLE INVESTMENTS

The Code of Ethics defines the set of fundamental principles and rules of conduct to which 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.

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 mobilise 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, 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.

### Responsible Investment Policy

**Clessidra Private Equity SGR** and **Clessidra Capital Credit SGR** have adopted specific Responsible Investment Policies for the types of funds managed respectively.

They describe all stages of the investment process: sector criteria, pre-investment, ownership and divestment.

In both, contribution to the SDGs is a fundamental metric for evaluating the sustainable success of the of the managed funds and asset management companies.

[www.clessidraprivateequity.it/en/sustainability/](http://www.clessidraprivateequity.it/en/sustainability/)

[www.clessidracapitalcredit.it/sostenibilita/](http://www.clessidracapitalcredit.it/sostenibilita/)



**SFDR Disclosure**

**Clessidra Private Equity SGR**

- Clessidra Capital Partners II (CCP2) is a fund under "article 6" SFDR
- Clessidra Capital Partners 3 (CCP3) e Clessidra Capital Partners 4 (CCP4) are funds under "article 8" SFDR, that integrate sustainability risks, take into consideration the principal adverse impacts of investment decisions on sustainability, and promote environmental or social characteristics.

[www.clessidraprivateequity.it/en/sustainability/](http://www.clessidraprivateequity.it/en/sustainability/)

**Clessidra Capital Credit SGR**

- Clessidra Restructuring Fund (CRF) è un fondo "articolo 6" SFDR.
- Clessidra Private Debt Fund (CPDF, approved by Consob in December 2021) is a fund under "article 8" SFDR, that integrates sustainability risks, takes into consideration the principal adverse impacts of investment decisions on sustainability, and promotes environmental or social characteristics.

[www.clessidracapitalcredit.it/sostenibilita/](http://www.clessidracapitalcredit.it/sostenibilita/)

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 2021, significant ESG interactions took place with all the companies in the portfolio. 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 end of 2021    Main ESG activities in 2021**

**Clessidra Private Equity SGR Funds**

<i>CCP11 Fund</i>	Harmont & Blaine	The stake held in the investee and the level of governance exercisable by Clessidra allow only partially to influence on sustainability issues.
<i>CCP3 Fund</i>	Nexi / BFF-Depobank	The stake held in the investee and the level of governance exercisable by Clessidra do not allow direct influence on sustainability issues. However, both companies have a high level of sensitivity to sustainability issues and Clessidra records their progress annually. Being listed companies, they fully comply with the obligations relating to non-financial transparency.
	L&S	<ul style="list-style-type: none"> <li>• ESG Induction to the Board of Directors and all the first line of managers</li> <li>• Workshop to build the Materiality Matrix</li> <li>• Completion of the B Corp Impact Assessment and SDG Action Manager to assess the level of ESG maturity and contribution to SDGs</li> <li>• Update of ESG Plan</li> <li>• ESG metrics and data collection, aligned to SFDR</li> </ul>
<i>CCP3 CCP4 Funds</i>	Botter / Mondo del Vino	<ul style="list-style-type: none"> <li>• Update of the Code of Ethics, adoption of Sustainability Policies and Model 231</li> <li>• ESG Induction to the Board of Directors and all the first line of managers</li> <li>• Workshop to build the Materiality Matrix</li> <li>• Support to the drafting of the first Sustainability Report, to be published in 2022</li> <li>• Activation of the B Corp Impact Assessment and SDG Action Manager to assess the level of ESG maturity and contribution to SDGs</li> <li>• Activation of the definition of the ESG Plan withing the Strategic Plan</li> <li>• ESG metrics and data collection, aligned to SFDR</li> </ul>

**Clessidra Capital Credit SGR Funds (only companies with equity shares)**

<i>CRF Fund</i>	Sisma	<ul style="list-style-type: none"> <li>• ESG support to the first line of managers</li> <li>• Collaboration for specific projects also with the support of Italgen (e.g., installation of photovoltaic systems, creation of a renewable energy community)</li> <li>• Activation of the B Corp Impact Assessment and SDG Action Manager to assess the level of ESG maturity and contribution to SDGs</li> <li>• Activation of the definition of the ESG Plan</li> </ul>
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## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Clessidra has a team of 50 motivated and specialized people. In 2021, the acquisition of the European Industrial Factoring Company, which later became Clessidra Factoring, saw the merging of 17 new resources. The overall turnover was 30%, with 13 new hires and 10 exits. Direct employees are all covered by a collective bargaining agreement. 33% 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.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>10</b>	<b>19</b>	<b>29</b>	<b>10</b>	<b>20</b>	<b>30</b>	<b>20</b>	<b>30</b>	<b>50</b>
<i>Managers</i>	2	14	16	2	13	15	3	12	15
<i>Middle managers</i>	-	-	-	4	4	8	8	10	18
<i>Office workers</i>	8	5	13	4	3	7	9	8	17
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	90%	100%	<b>97%</b>	100%	90%	<b>93%</b>	100%	90%	<b>94%</b>
Full time (vs. part-time)	80%	95%	<b>90%</b>	80%	100%	<b>93%</b>	90%	100%	<b>96%</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>3.6</b>	<b>13.6</b>	<b>10.1</b>	<b>2.4</b>	<b>1.2</b>	<b>1.6</b>	<b>2.5</b>	<b>1.1</b>	<b>1.9</b>
<i>Managers</i>	18.0	9.7	10.8	4.0	0.6	1.1	2.3	0.8	1.1
<i>Middle managers</i>	-	-	-	2.0	2.0	2.0	1.4	4.1	2.9
<i>Office workers</i>	0.0	24.4	9.4	2.0	2.7	2.3	0.3	3.1	1.6
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>95%</b>	<b>93%</b>	<b>94%</b>
<i>Managers</i>	100%	100%	100%	100%	100%	100%	67%	100%	93%
<i>Middle managers</i>	-	-	-	100%	100%	100%	100%	100%	100%
<i>Office workers</i>	100%	100%	100%	100%	100%	100%	100%	75%	88%

### 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.

All employees benefit from health insurance: full cover for middle managers and white collar workers and supplementary cover for managers. Managers are also entitled to an annual check-up at a leading hospital.

	2019	2020	2021
<b>Employees</b>			
Fatalities	0	0	0
Serious injuries <i>with absence from work for at least 180 days</i>	0	0	0
Injuries <i>with absence from work for at least 24 hours</i>	1	0	0
Frequency rate <i>number of injuries per million hours worked</i>	24.3	0	0
Severity rate <i>lost days per thousand hours worked</i>	-	-	0.0

## 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 prepare 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 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.

### SFDR Regulation

Entered into force in March 2021, it regulates the disclosure on the sustainability of financial services. It applies to financial market participants, including alternative investment fund managers (AIFMs), venture capital and others, with progressive levels of commitment and transparency.

### UN PRI Transparency Report

Principles for Responsible Investment signatories are required to report publicly on responsible investment activities annually.



## ENVIRONMENT

### LOW-CARBON TRANSITION

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 equity participation in the portfolio of managed funds.

The progressive quantification of the emissions of the value chain, with increasingly analytical methods, of the latter and of the emissions avoided is a fundamental step towards a better understanding of one's carbon footprint and of the margins that can be explored for the definition of solid mitigation programs aligned with the objectives of the Paris Climate Agreement.

	units	2019	2020	2021
<b>Carbon footprint</b>				
Scope 1		-	-	<b>38</b>
Scope 2 market based		-	-	<b>112</b>
location based	<b>t CO<sub>2</sub></b>	-	-	<b>77</b>
Scope 3		-	200,662	<b>271,528</b>
TOTAL		-	-	<b>271,678</b>

#### GHG Protocol

Scope 1 - direct emissions

Scope 2 - electricity indirect emissions

Scope 3 - other indirect emissions:

- 1 purchased goods and services
- 2 capital goods
- 3 other 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 sol
- 13 downstream leased assets
- 14 franchises
- 15 Investments

#### Scope 3 "investments"

In 2021, the estimate is about 270,000 tons of CO<sub>2</sub> (about 200,000 in 2020) and includes all companies with equity participation in the portfolio of managed funds: Harmont & Blaine, Nexi / BFF-Depobank, L&S, Botter / Mondo del Vino, Sisma.



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**ITALMOBILIARE**  
INVESTMENT HOLDING

PORTFOLIO  
COMPANIES  
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## Tecnica Group

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).

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 Giavera del Montello (TV). It has been part of the Italmobiliare Group since November 2017, as an **affiliate with a 40% stake**.

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 adhesion took place at the conclusion of a path of awareness raising, culture sharing and detailed work with all the managers, thorough numerous sessions aimed at assessing in detail the risks, effects and opportunities that are relevant for the success of the activities managed by the group and for its multiple stakeholders. The same exercise made it possible to assess the Sustainable Development Goals in detail and identify the most significant ones for the group. The whole activity also saw the participation of the Italmobiliare sustainability team.

The group's industrial strategy puts people at the centre. On the market side, the reference is the consumer to whom the group aims to offer extraordinary experiences through exceptional products and inspiring a life in the open air. Internally, the focus is on human capital, through the promotion of

**Tecnica Group** supports the sustainable strategy of the Italmobiliare Group with direct adherence to the United Nations Global Compact. To this end, it adopts policies and operational management in support of the Ten Principles and is committed to actively contribute to the Sustainable Development Goals.

- Responsibility and integrity in the **supply chain** to encourage ethical purchases and services, with social value and a low environmental footprint.
- Production **efficiency** to reduce the direct and indirect environmental footprint, from renewable energy to sustainable packaging and product durability.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including that of consumers, with products and initiatives capable of promoting responsible, healthy and outdoor lifestyles.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

health, safety and well-being in an inclusive and evolutionary work environment and the supply chain, promoting the purchase of goods and services with social value.

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 actions, be they optimisation of the use of non-renewable resources, such as plastic materials, the choice of suppliers whose products come from recycling or sustainable processes, the study and application of biodegradable packaging and the reduction of single-use packaging using multicontent boxes.

The durability of the products in itself mitigates 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.

The strategic plan in which the group is committed will lead to an organic approach to the sustainable approach adopted, further reinforced by joining the Global Compact. In this sense, the group considers the awareness and involvement of all its stakeholders to be fundamental, also through full transparency on its activities and performance: in fact, the publication of its first Sustainability Report is expected in 2022.



## Autogas Nord - AGN ENERGIA

Founded in 1958 along with the distribution of LPG for domestic, agricultural, industrial and automotive use, Autogas Group 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 30% stake**.

### Autogas Nord – AGN ENERGIA

adopts policies and operational management in line with the Italmobiliare Group's commitment to the Global Compact, confirming support for the Ten Principles and contributing to the Sustainable Development Goals.

- Responsibility and integrity in the choice of **business partners**.
- Renewable energies and integrated services to support the **low-carbon transition**.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and modern working environment.
- Involvement of the **community**, including that of consumers, with products and services capable of promoting responsible lifestyles and social initiatives for the local area.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

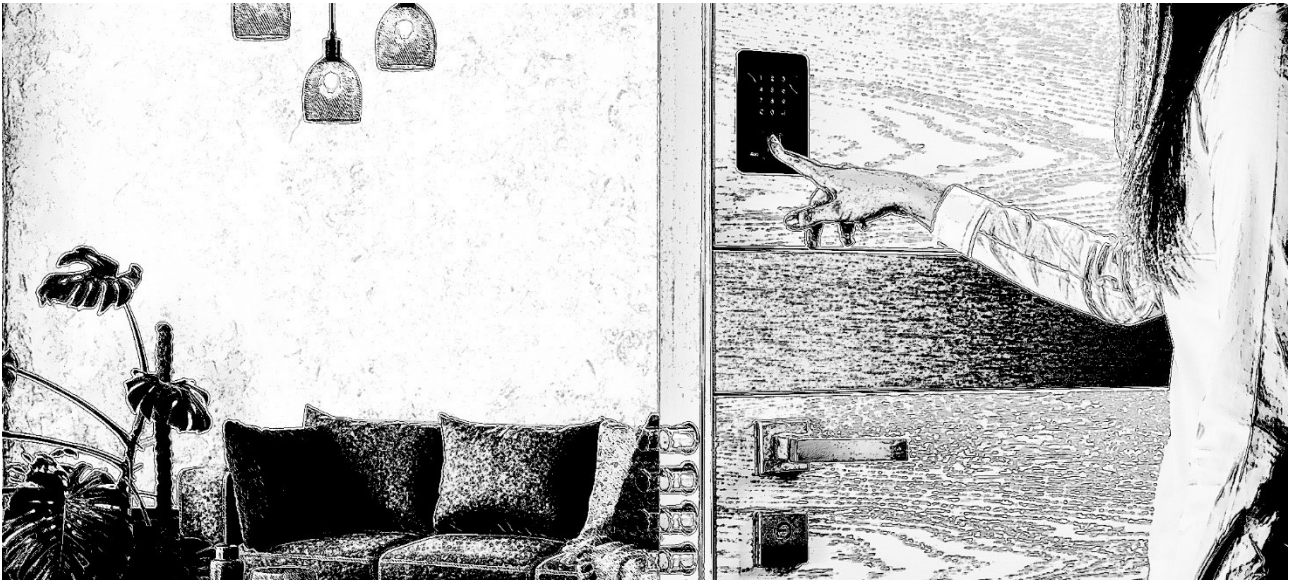
Autogas Nord - AGN ENERGIA Group mirrors the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity.

Over years, Autogas Group 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 Autogas Group 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. In 2021, the Autogas Group strengthened 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.





## 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 39.28% 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 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 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 2021, 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.



Iseo adopts policies and operational management in line with the Italmobiliare Group's commitment to the Global Compact, confirming support for the Ten Principles and contributing to the Sustainable Development Goals.

- Responsibility and integrity in the **supply chain** to encourage ethical purchases and services, with social value and a low environmental footprint.
- Production **efficiency** to reduce the direct and indirect environmental footprint.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and modern working environment.
- Involvement of the **community**, including that of consumers, with products capable of promoting comfort and safety and initiatives aimed at promoting responsible lifestyles.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.





SUPPLEMENTARY  
DATA

## GRI 102-8 Information on employees and other workers

### TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (OPEN-ENDED AND FIXED-TERM), BY GENDER

		2019			2020			2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>GROUP*</b>	<b>TOTAL</b>	<b>470</b>	<b>1,249</b>	<b>1,719</b>	<b>481</b>	<b>1,294</b>	<b>1,775</b>	<b>327</b>	<b>488</b>	<b>815</b>
	Open-ended	429	1,162	1,591	433	1,214	1,647	260	448	708
	Fixed-term	41	87	128	48	80	128	67	40	107
<b>Italy*</b>	<b>TOTAL</b>	<b>120</b>	<b>631</b>	<b>751</b>	<b>133</b>	<b>679</b>	<b>812</b>	<b>312</b>	<b>478</b>	<b>790</b>
	Open-ended	119	590	709	126	630	756	248	438	686
	Fixed-term	1	41	42	7	49	56	64	40	104
<b>United Kingdom*</b>	<b>TOTAL</b>	<b>21</b>	<b>63</b>	<b>84</b>	<b>18</b>	<b>61</b>	<b>79</b>	<b>2</b>	<b>3</b>	<b>5</b>
	Open-ended	21	63	84	18	61	79	2	3	5
	Fixed-term	0	0	0	0	0	0	0	0	0
<b>USA</b>	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>7</b>	<b>20</b>
	Open-ended	-	-	-	-	-	-	10	7	17
	Fixed-term	-	-	-	-	-	-	3	0	3

\* 2019 and 2020 data also include the Sirap perimeter, not consolidated in 2021. For Sirap, the data for the countries not present in the current perimeter of the Group are not shown, namely France, Germany, Poland, Spain, Hungary.

### TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (FULL-TIME AND PART-TIME), BY GENDER

		2019			2020			2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>GROUP*</b>	<b>TOTAL</b>	<b>470</b>	<b>1,249</b>	<b>1,719</b>	<b>481</b>	<b>1,294</b>	<b>1,775</b>	<b>327</b>	<b>488</b>	<b>815</b>
	Full-time	423	1,229	1,652	432	1,259	1,691	186	462	648
	Part-time	47	20	67	49	35	84	141	26	167

\* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

### NON-EMPLOYEE WORKERS,

		2019	2020	2021
<b>GROUP*</b>	<b>TOTAL</b>	<b>176</b>	<b>334</b>	<b>670</b>
	Temporary workers, self-employed workers, project workers	156	261	564
	Interns	4	2	14
	Agents	16	71	92

\* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

## GRI 102-9 and 204-1 Supply chain

### TOTAL NUMBER OF SUPPLIERS AND LIST OF MAIN TYPES OF GOODS AND SERVICES PROVIDED TO THE CONTROLLED COMPANIES

		2019	2020	2021
<b>GROUP *</b>	<b>Total number of suppliers</b>	<b>3,829</b>	<b>4,302</b>	<b>3,572</b>
	<b>Spending on local suppliers (with headquarters on national territory)</b>			<b>88%</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			
Italgen	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			

\* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

## GRI 102-41 Collective bargaining agreements

### PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

		2019	2020	2021
<b>GROUP *</b>		<b>82%</b>	<b>64%</b>	<b>97%</b>
Italmobiliare S.p.A.	CCNL Cement and CCNL Industry Managers	100%	100%	100%
Caffè Borbone	CCNL Food Industry	100%	100%	100%
Officina SMN	CCNL Chemical Industry	-	-	86%
Italgen	CCNL Cement and CCNL Industry Managers	100%	100%	100%
Casa della Salute	CCNL Private Health	-	-	100%
Capitelli	CCNL Food Industry	-	-	100%
Callmewine	CCNL Commerce	-	-	100%
Clessidra	CCNL Commerce and Services	100%	100%	100%

\* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

## GRI 305-1/2 Direct (Scope 1) and indirect (Scope 2) GHG emissions, by country

### TONNES OF CO<sub>2</sub> EMITTED

	2019	2020	2021
<b>GROUP*</b>			
Scope 1	7,028.7	9,331.5	7,151.1
Scope 2 (location based)	18,688.6	18,477.6	6,169.9
Scope 2 (market based)	25,158.7	21,621.0	3,914.2

\* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

### CONVERSION FACTORS USED

		2019	2020	2021	
Source: UK Government - GHG Conversion Factors for Company Reporting 2019/2020/2021	<b>Electricity</b>	GJ/kWh	0.0036	0.0036	0.0036
		GJ/t	44.798	44.76	45.03
	<b>Natural gas (methane)</b>	kg/mc	0.8	0.8	0.8
		GJ/mc	0.0358384	0.035808	0.035840
	<b>Gas oil</b>	GJ/t	42.569	42.57	42.57
		l/t	1,171	1,171	1,171
		GJ/l	0.03635269	0.036353544	0.03635269
	<b>Diesel</b>	GJ/t	42.72	42.64	42.47
		l/t	1,190.45	1,189.54	1,181.80
		GJ/l	0.035885589	0.035845789	0.035940152
	<b>Petrol</b>	GJ/t	43.86	43.83	43.80
		l/t	1,357	1,357.02	1,343.79
		GJ/l	0.032321297	0.032298713	0.0325944514
	<b>LPG</b>	GJ/t	45.91	45.94	45.94
		l/t	1.929	1.889.47	1887.69
		GJ/l	0.023799896	0.024313696	0.024338807

### CO<sub>2</sub> EMISSION FACTORS USED

		2019	2020	2021	
Source: UK Government - GHG Conversion Factors for Company Reporting 2019/2020/2021	<b>Natural gas (methane)</b>	tCO <sub>2</sub> e/m <sup>3</sup>	0.00204652	0.00202266	0.00202135
	<b>Gas oil for production processes and heating</b>		0.00297049	0.00254603	0.00275857
	<b>Diesel</b>	tCO <sub>2</sub> e/l	0.00262694	0.00275776	0.00251233
	<b>Petrol</b>		0.00220307	0.00216802	0.00219352
	<b>LPG</b>		0.00151906	0.00155537	0.00155709
	<b>R-407C</b>		1,774	1,774	1,774
	<b>HFC R134</b>		1,100	1,100	1,430.0
	<b>R-22</b>	GWP	1,810	1,810	1,810
	<b>R-404A</b>		3,922	3,922	3,922
	Source: Terna, International Comparisons 2021, 2020, 2019	<b>Italy</b>	tCO <sub>2</sub> /kWh	0.000359	0.000336
<b>Electricity location based</b>					
Source: European Residual Mixes 2021, 2020, 2019	<b>Italy</b>	tCO <sub>2</sub> /kWh	0.00048329	0.000466	0.000459
	<b>Electricity market based</b>				

## GRI 303-3/4/5 Water withdrawal, discharge and consumption

Data expressed in Megaliters (Ml), for the whole Italmobiliare Group. In line with previous years, withdrawal, discharge and consumption related to Caffè Borbone are excluded.

		2019	2020	2021
Volume and source of water withdrawal	Surface water	0.6	0.0	0.0
	<i>from water stressed areas</i>	0.0	0.0	0.0
	Groundwater	515.2	405.5	20.4
	<i>from water stressed areas</i>	11.1	10.6	0.0
	Aqueduct	22.2	27.0	9.3
	<i>from water stressed areas</i>	1.3	1.7	3.6
	<b>TOTAL</b>	<b>538.0</b>	<b>432.6</b>	<b>29.7</b>
	<b>in water stressed areas</b>	<b>12.4</b>	<b>12.3</b>	<b>3.6</b>
	<b>in freshwater</b>	<b>538.0</b>	<b>432.6</b>	<b>29.7</b>
	<b>in other water bodies (&gt;1,000 mg/l total dissolved solids)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Volume and destination of water discharge	Surface water	415.3	331.7	14.0
	<i>in water stressed areas</i>	0.0	0.0	0.0
	Groundwater	0.0	4.9	0.0
	<i>in water stressed areas</i>	0.0	0.0	0.0
	Sewage	27.1	30.6	1.1
	<i>in water stressed areas</i>	1.3	0.8	0.04
	<b>TOTAL</b>	<b>442.3</b>	<b>367.1</b>	<b>15.1</b>
	<b>in water stressed areas</b>	<b>1.3</b>	<b>0.8</b>	<b>0.04</b>
	<b>in freshwater</b>	<b>434.4</b>	<b>367.1</b>	<b>15.1</b>
	<b>in other water bodies (&gt;1,000 mg/l total dissolved solids)</b>	<b>7.4</b>	<b>0.0</b>	<b>0.0</b>
Water consumption	<b>TOTAL</b>	<b>95.7</b>	<b>65.5</b>	<b>14.6</b>
	<b>in water stressed areas</b>	<b>11.1</b>	<b>11.5</b>	<b>3.5</b>

## GRI 401-1 Total number and rate of new hires and turnover rate by age group, gender and region

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. The rate of new hires for persons under 30 is the ratio between employees under 30 during the reporting period and total employees under 30. The same process is applied for the rate of new hires of employees aged between 30 and 50 and for those aged over 50, as well as for the turnover rate.

	2019				2020				2021			
	Women	Men	Total	rate %	Women	Men	Total	rate %	Women	Men	Total	rate %
<b>Total</b>	<b>429</b>	<b>955</b>	<b>1,384</b>	-	<b>481</b>	<b>1,294</b>	<b>1,775</b>	-	<b>327</b>	<b>488</b>	<b>815</b>	-
< 30	34	104	138	-	42	151	193	-	75	78	153	-
30-50	238	570	808	-	248	768	1,016	-	193	315	508	-
> 50	157	281	438	-	191	375	566	-	59	95	154	-
<b>Entry</b>	<b>74</b>	<b>165</b>	<b>239</b>	<b>17%</b>	<b>40</b>	<b>129</b>	<b>169</b>	<b>10%</b>	<b>139</b>	<b>107</b>	<b>246</b>	<b>30%</b>
rate %	17%	17%	17%	-	8%	10%	10%	-	43%	22%	30%	-
< 30	18	52	70	51%	10	33	43	22%	58	38	96	63%
30-50	39	94	133	17%	23	81	104	10%	71	57	128	25%
> 50	17	19	36	8%	7	15	22	4%	7	10	17	14%
<b>Exit</b>	<b>80</b>	<b>183</b>	<b>263</b>	<b>19%</b>	<b>41</b>	<b>114</b>	<b>155</b>	<b>9%</b>	<b>45</b>	<b>42</b>	<b>87</b>	<b>11%</b>
rate %	19%	19%	19%	-	9%	9%	9%	-	14%	9%	11%	-
< 30	15	35	50	36%	4	24	28	15%	17	14	31	20%
30-50	39	89	128	16%	25	48	73	7%	21	18	39	8%
> 50	26	59	85	19%	12	42	54	10%	7	10	17	11%
<b>Entry</b>	<b>17</b>	<b>82</b>	<b>99</b>	<b>24%</b>	<b>6</b>	<b>61</b>	<b>67</b>	<b>8%</b>	<b>134</b>	<b>105</b>	<b>239</b>	<b>30%</b>
rate %	22%	24%	24%	-	5%	9%	8%	-	43%	22%	30%	-
< 30	4	29	33	69%	1	17	18	17%	56	37	93	63%
30-50	11	48	59	24%	3	39	42	9%	70	56	126	25%
> 50	2	5	7	6%	2	5	7	3%	8	12	20	14%
<b>Exit</b>	<b>8</b>	<b>55</b>	<b>63</b>	<b>15%</b>	<b>4</b>	<b>44</b>	<b>48</b>	<b>6%</b>	<b>43</b>	<b>40</b>	<b>83</b>	<b>11%</b>
rate %	10%	16%	15%	-	3%	6%	6%	-	14%	8%	11%	-
< 30	1	12	13	27%	2	8	10	10%	16	12	28	19%
30-50	4	20	24	10%	1	20	21	4%	20	18	38	8%
> 50	3	23	26	22%	1	16	17	8%	7	10	17	12%
<b>Entry</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>7%</b>	<b>1</b>	<b>11</b>	<b>12</b>	<b>15%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
rate %	0%	10%	7%	-	6%	18%	15%	-	0%	0%	0%	-
< 30	0	2	2	15%	0	3	3	30%	0	0	0	0%
30-50	0	3	3	7%	1	6	7	17%	0	0	0	0%
> 50	0	1	1	3%	0	2	2	7%	0	0	0	0%
<b>Exit</b>	<b>5</b>	<b>42</b>	<b>47</b>	<b>56%</b>	<b>4</b>	<b>13</b>	<b>17</b>	<b>22%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
rate %	24%	67%	56%	-	22%	21%	22%	-	0%	0%	0%	-
< 30	2	8	10	77%	0	4	4	40%	0	0	0	0%
30-50	2	19	21	50%	3	4	7	17%	0	0	0	0%
> 50	1	15	16	55%	1	5	6	22%	0	0	0	0%
<b>Entry</b>	-	-	-	-	-	-	-	-	<b>5</b>	<b>2</b>	<b>7</b>	<b>35%</b>
rate %	-	-	-	-	-	-	-	-	38%	29%	35%	-
< 30	-	-	-	-	-	-	-	-	2	1	3	60%
30-50	-	-	-	-	-	-	-	-	1	1	2	29%
> 50	-	-	-	-	-	-	-	-	2	0	2	25%
<b>Exit</b>	-	-	-	-	-	-	-	-	<b>3</b>	<b>2</b>	<b>5</b>	<b>7%</b>
rate %	-	-	-	-	-	-	-	-	15%	43%	25%	-
< 30	-	-	-	-	-	-	-	-	1	2	3	60%
30-50	-	-	-	-	-	-	-	-	1	1	2	29%
> 50	-	-	-	-	-	-	-	-	0	0	0	-

\* 2019 and 2020 data also include the Sirap perimeter, not consolidated in 2021. For Sirap, the data for the countries not present in the current perimeter of the Group are not shown, namely France, Germany, Poland, Spain, Hungary.

## GRI 403-9 number and rate of recordable work-related injuries, with high-consequence work-related injuries or fatalities, by country

### NUMBER AND RATE OF INJURIES PER MILLION HOURS WORKED

Data include work-related injuries, injuries with high consequences and fatalities, excluding events occurring on the commute from home to work not organized by the Group companies. High-consequence injuries are those from which a worker cannot recover, does not recover or it is not realistic to foresee that they will fully recover by returning to their pre-accident state of health within 6 months. The data relating to the hours worked by external collaborators of Casa della Salute and Officina Profumo-Farmaceutica Santa Maria Novella are not accounted for, as they are not under direct control.

		2019	2020	2021	
Italy *	Employees	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	6	6	8
		Hours worked	1,194,622.0	1,291,459.5	1,131,633.0
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
	Non-employees	Rate of recordable injuries	5.0	4.6	7.1
		Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	2	1	2
		Hours worked	47,981.8	116,479.5	60,052.0
United Kingdom * **	Employees	Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	4.8	6.8	0.0
		Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	0	0	0
	Non-employees	Hours worked	4,280.0	4,069.0	0.0
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	0.0	0.0	0.0
		Rate of recordable injuries	0.0	0.0	0.0
USA **	Employees	Number of fatalities			0
		Number of high-consequence injuries (excluding fatalities)			0
		Number of recordable injuries			0
		Hours worked			34,560.0
		Rate of fatalities			0.0
		Rate of high-consequence injuries (excluding fatalities)			0.0
	Non-employees	Rate of recordable injuries			0.0
		Number of fatalities			0
		Number of high-consequence injuries (excluding fatalities)			0
		Number of recordable injuries			0
		Hours worked			0.0
Non-employees	Rate of fatalities			0.0	
	Rate of high-consequence injuries (excluding fatalities)			0.0	
	Rate of recordable injuries			0.0	
	Rate of recordable injuries			0.0	

\* 2019 and 2020 data also include the Sirap perimeter, not consolidated in 2021. For Sirap, the data for the countries not present in the current perimeter of the Group are not shown, namely France, Germany, Poland, Spain, Hungary.

\*\* the hours worked relating to the UK and US activities of Officina Profumo-Farmaceutica di Santa Maria Novella are estimated

## European Taxonomy – Regulation (EU) 2020/852

For all the Portfolio Companies and in order to promote investments and operating costs aimed at sustainable activities, the capital (Capex) and operating (Opex) expenditures related to eligible activities according to Regulation 2020/852. Eligibility was assessed with reference to the "climate change mitigation" and "climate change adaptation" criteria. Data are expressed in thousands of Euros.

	2019		2020		2021	
	Capex	Opex	Capex	Opex	Capex	Opex
Energy efficiency devices for buildings, including windows, lighting systems, and heating systems for domestic use	-	-	-	-	304.9	60.0
Installation and operation of electric heat pumps					605.0	-
Recovery of materials from non-hazardous waste for reuse in production processes					-	28.6
Rental, leasing and management of cars and light commercial vehicles					80.3	48.8
Construction and renovation of buildings					539.0	13.2
Installation, maintenance, and repair of energy efficiency devices					193.5	-
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and in the parking spaces belonging to the buildings)					31.2	-
Installation, maintenance, and repair of renewable energy technologies (solar, heat pumps, micro-cogeneration plants, recovery systems / heat exchangers)					-	4.5
Data processing, hosting and related activities					561.1	146.7
Storage of electrical energy					31.5	-
<b>TOTAL eligible expenses</b>					<b>2,346.5</b>	<b>301.7</b>
<b>TOTAL expenses</b>					<b>55,957.0</b>	<b>88,172.0</b>
<b>%</b>					<b>4.2%</b>	<b>0.3%</b>







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**ITALMOBILIARE**  
INVESTMENT HOLDING

REPORTING

# REPORTING

## Scope and methodology

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 year	Share held	2019	2020	2021
<b>Parent Company and Consolidated Portfolio Companies (full information and data)</b>					
Italmobiliare			✓	✓	✓
Sirap	1990-2021	100%	✓	✓	-
Italgen	July 2016	100%	✓	✓	✓
Clessidra	September 2016	100%	✓	✓	✓
Caffè Borbone	May 2018	60%	✓	✓	✓
Capitelli	December 2019	80%		✓	✓
Officina Profumo-Farmaceutica di Santa Maria Novella	January 2020	100%			✓
Casa della Salute	December 2020	85%			✓
Callmewine	December 2020	80%			✓
<b>Affiliated Portfolio Companies (basic information only)</b>					
Tecnica Group	November 2017	40%		✓	✓
Iseo	October 2018	39%		✓	✓
Gruppo Autogas Nord - AGN ENERGIA	January 2019	30%		✓	✓

In 2021 Sirap finalized strategic agreements that led to the gradual sale of all production assets. Therefore, for non-financial reporting, the Sirap perimeter is entirely excluded from the 2021 consolidation. Although fully controlled and consolidated, Franco Tosi Ventures, Crédit Mobilier de Monaco, Italmobiliare Servizi, 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 at 31 December 2021. The economic data relating to the comparative year 2020 differ from those reported in the consolidated financial statements, as they are restated following the IFRS 5 reclassification of Sirap Gema. The scope of the figures and information provided in this report varies according to the materiality of these topics for the various Group companies. 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					
		Gruppo Italmobiliare	Italmobiliare	Caffè Borbone	Officina SMN	Italgen	Casa della Salute	Capitelli	Callmewine	Clessidra
	ECONOMIC RESULTS AND SHARED VALUE	✓								
GOVERNANCE	GOVERNANCE AND INTEGRITY	✓		✓	✓	✓	✓	✓	✓	✓
	RESPONSIBLE INVESTMENTS	✓								✓
	PROCUREMENT AND SUPPLY CHAIN	✓		✓	✓	✓	✓	✓	✓	
SOCIETY	HUMAN CAPITAL DEVELOPMENT	✓	✓	✓	✓	✓	✓	✓	✓	✓
	HEALTH, SAFETY AND WELLBEING	✓	✓	✓	✓	✓	✓	✓	✓	✓
	PRODUCT AND SERVICE STEWARDSHIP	✓		✓	✓	✓	✓	✓	✓	
	MARKET AND COMMUNITIES	✓		✓	✓	✓		✓	✓	✓
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	Clessidra
SCOPE 1	Direct GHG emissions	✓	✓	✓	✓	✓	✓	✓	✓
SCOPE 2	Electricity indirect GHG emissions	✓	✓	✓	✓	✓	✓	✓	✓
SCOPE 3 Other indirect GHG emissions	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 sold 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 2019 and 2020 are reported for comparative purposes in order to facilitate the understanding of the performance trend.

The 2021 Sustainability Report was drawn up in compliance with the "Sustainability Reporting Standards" defined by the Global Reporting Initiative (GRI), according to the "in accordance - Core" option. In addition, the "Financial Services Sector Disclosures" for Italmobiliare and Clessidra and the "Electric Utilities Sector Disclosures" for Italgas, defined by the GRI in 2013, were taken into consideration.

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 methodology adopted for the 2021 materiality matrix is described on page F14. The new methodology did not change the material topics identified in the previous analysis, but it has better positioned them in the matrix and better attributed to the individual consolidated entities. To make the matrix more communicative, material topics have been aggregated into macro-issues on the basis of their affinity, following the reconciliation table hereunder.

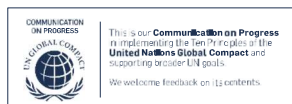
Macro-issues	GRI standard	
<b>ECONOMIC RESULTS AND SHARED VALUE</b>	201	Economic performance
	205	Anti-corruption
	206	Anti-competitive behaviour
<b>GOVERNANCE AND INTEGRITY</b>	207	Tax
	307	Environmental compliance
	419	Socioeconomic compliance
<b>RESPONSIBLE INVESTMENTS</b>	FS10	Financial Services: environmental or social interactions with the portfolio
	FS11	Financial Services: environmental or social screening of the portfolio
	412	Human rights assessment
<b>PROCUREMENT AND SUPPLY CHAIN</b>	204	Procurement practices
	407	Freedom of association and collective bargaining
	408	Child labour
	409	Forced or compulsory labour
<b>HUMAN CAPITAL DEVELOPMENT</b>	202	Market presence
	401	Employment
	404	Training and education
	405	Diversity and equal opportunity
	406	Non-discrimination
<b>HEALTH, SAFETY AND WELLBEING</b>	401	Employment
	403	Occupational health and safety
<b>PRODUCT AND SERVICE STEWARDSHIP</b>	416	Customer health and safety
	EU25	Electric Utilities: number of industrial incidents
	EU28	Electric Utilities: power outage frequency
	EU29	Electric Utilities: average power outage duration
<b>MARKET AND COMMUNITIES</b>	417	Marketing and labelling
	418	Customer privacy
<b>RESPONSIBLE USE OF RESOURCES</b>	301	Materials
	302	Energy
	303	Water and effluents
	306	Waste
<b>LOW-CARBON TRANSITION</b>	305	Emissions
<b>LAN AND BIODIVERSITY</b>	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 22, 2022 and by the Board of Directors on March 8, 2022.

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 F17 details the direct and indirect contribution to the SDGs.

Principles of the Global Compact		Material topics and sections of the Report
<b>HUMAN RIGHTS</b>		
<b>Principle 1</b>	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
<b>Principle 2</b>	make sure that they are not complicit in human rights abuses.	
<b>LABOUR</b>		
<b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	
<b>Principle 4</b>	the elimination of all forms of forced and compulsory labour;	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN HUMAN CAPITAL DEVELOPMENT
<b>Principle 5</b>	the effective elimination of child labour; and	
<b>Principle 6</b>	the elimination of discrimination in respect of employment and occupation.	
<b>ENVIRONMENT</b>		
<b>Principle 7</b>	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
<b>Principle 8</b>	undertake initiatives to promote greater environmental responsibility; and	
<b>Principle 9</b>	encourage the development and diffusion of environmentally friendly technologies.	
<b>ANTI-CORRUPTION</b>		
<b>Principle 10</b>	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 foreseen by Art. 3 and by Art. 4 of Legislative Decree 254/2016 with reference to the 2021 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	
<b>Environment</b>	
a) The use of energy resources, distinguishing between those produced from renewable and non-renewable sources, and the use of water resources	
b) Greenhouse gas emissions and polluting emissions into the atmosphere	RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION LAND AND BIODIVERSITY
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	
<b>Social aspects related to personnel and respect for human rights</b>	
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	
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	HUMAN CAPITAL DEVELOPMENT HEALTH, SAFETY AND WELLBEING PRODUCT AND SERVICE STEWARDSHIP MARKET AND COMMUNITIES
e) Respect for human rights, the measures adopted to prevent violations, as well as the actions taken to prevent discriminatory attitudes and actions	
<b>Fight against active and passive corruption</b>	
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 102</b>	<b>General Disclosures 2016</b>		
102-1	Name of the organisation	F3	
102-2	Activities, brands, products, and services	F11	
102-3	Location of headquarters	F3	
102-4	Location of operations	F11	
102-5	Ownership and legal form	F8	
102-6	Markets served	F11	
102-7	Scale of the organisation	F13	
102-8	Information on employees and other workers	F24, 96	
102-9	Supply chain	F38, F46, F54, F62, F68, F76, F97	
102-10	Significant changes to the organisation and its supply chain	F11	
102-11	Precautionary principle or approach	F28	
102-12	External initiatives	F10	
102-13	Membership of associations	F27	
102-14	Statement from senior decision-maker	A4	
102-16	Values, principles, standards, and norms of behaviour	F10, F20	
102-18	Governance structure	F20	
102-20	Executive-level responsibility for economic, environmental, and social topics	F14, F20	
102-21	Consulting stakeholders on economic, environmental, and social topics	F14	
102-22	Composition of the highest governance body and its committees	F20, Report on Corporate Governance	
102-23	Chair of the highest governance body	F20, Report on Corporate Governance	
102-26	Role of highest governance body in setting purpose, values, and strategy	F14, F20	
102-29	Identifying and managing economic, environmental, and social impacts	F14	
102-30	Effectiveness of risk management processes	F21	
102-32	Highest governance body's role in sustainability reporting	F109	
102-40	List of stakeholder groups	F26	
102-41	Collective bargaining agreements	F97	
102-42	Identifying and selecting stakeholders	F14	
102-43	Approach to stakeholder engagement	F14	
102-44	Key topics and concerns raised	F14	
102-45	Entities included in the consolidated financial statements	F106	
102-46	Defining report content and topic Boundaries	F106	
102-47	List of material topics	F21, F106	
102-48	Restatements of information	F107	
102-49	Changes in reporting	F107	
102-50	Reporting period	F107	
102-51	Date of most recent report	31 March 2021	
102-52	Reporting cycle	F104	
102-53	Contact point for questions regarding the report	<a href="http://www.italmobiliare.it/en/contacts">www.italmobiliare.it/en/contacts</a>	
102-54	Claims of reporting in accordance with the GRI Standards	F108	
102-55	GRI content index	F112	
102-56	External assurance	F117	

		Page / Remarks	Omissions
<b>ECONOMIC RESULTS AND SHARED VALUE</b>			
103-1	Explanation of the material topic and its boundary	F14, F106	
103-2	The management approach and its components	F18-19	
103-3	Evaluation of the management approach	F18-19	
<b>GRI 201</b>	<b>Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	F18-19	
<b>GOVERNANCE AND INTEGRITY</b>			
103-1	Explanation of the material topic and its boundary	F20, F106	
103-2	The management approach and its components	F20-21	
103-3	Evaluation of the management approach	F20-21	
<b>GRI 205</b>	<b>Anti-corruption 2016</b>		
205-2	Communication and training about anti-corruption policies and procedures	F20	
205-3	Confirmed incidents of corruption and actions taken	F21	
<b>GRI 206</b>	<b>Anti-competitive Behaviour 2016</b>		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	F21	
<b>GRI 207</b>	<b>Tax 2019</b>		
207-1	Approach to tax	F21	
207-2	Tax governance, control, and risk management	F21	
207-3	Stakeholder engagement and management of concerns related to tax	F21	
207-4	Country-by-country reporting	F21	
<b>GRI 307</b>	<b>Environmental Compliance 2016</b>		
307-1	Non-compliance with environmental laws and regulations	F21	
<b>GRI 419</b>	<b>Socioeconomic Compliance 2016</b>		
419-1	Non-compliance with laws and regulations in the social and economic area	F21	
<b>RESPONSIBLE INVESTMENTS</b>			
103-1	Explanation of the material topic and its boundary	F22, F106	
103-2	The management approach and its components	F22	
103-3	Evaluation of the management approach	F22	
<b>GRI Sector Disclosure - Financial Services</b>			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	100%, F22, F83	
FS11	Percentage of assets subject to positive and negative environmental or social screening	100%, F22, F83	
<b>GRI 412</b>	<b>Human Rights Assessment 2016</b>		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	F22, F83	

		Page / Remarks	Omissions
<b>PROCUREMENT AND SUPPLY CHAIN</b>			
103-1	Explanation of the material topic and its boundary	F14, F106	
103-2	The management approach and its components	F38, F46, F54, F62, F68, F76	
103-3	Evaluation of the management approach	F38, F46, F54, F62, F68, F76	
<b>GRI 204</b>	<b>Procurement Practice 2016</b>		
204-1	Proportion of spending on local suppliers	F38, F46, F54, F62, F68, F76	
<b>GRI 407</b>	<b>Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	F38, F46, F54, F62, F68, F76	
<b>GRI 408</b>	<b>Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	F38, F46, F54, F62, F68, F76	
<b>GRI 409</b>	<b>Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	F38, F46, F54, F62, F68, F76	
<b>HUMAN CAPITAL DEVELOPMENT</b>			
103-1	Explanation of the material topic and its boundary	F23, F106	
103-2	The management approach and its components	F23	
103-3	Evaluation of the management approach	F23	
<b>GRI 202</b>	<b>Market Presence</b>		
202-2	Proportion of senior management hired from the local community	F24	
<b>GRI 401</b>	<b>Employment 2016</b>		
401-1	New employee hires and employee turnover	F100	
<b>GRI 404</b>	<b>Training and Education 2016</b>		
404-1	Average hours of training per year per employee	F24	
404-3	Percentage of employees receiving regular performance and career development reviews	F24	
<b>GRI 405</b>	<b>Diversity and Equal Opportunities</b>		
405-1	Diversity of governance bodies and employees	F23, Report on Corporate Governance	
<b>GRI 406</b>	<b>Non-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	In 2021, there were no episodes of discrimination	
<b>HEALTH, SAFETY AND WELLBEING</b>			
103-1	Explanation of the material topic and its boundary	F25, F106	
103-2	The management approach and its components	F25	
103-3	Evaluation of the management approach	F25	
<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	F33, F40, F56, F63, F77, F85	
<b>GRI 403</b>	<b>Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	F33, F40, F56, F64, F77, F85	
403-2	Hazard identification, risk assessment, and incident investigation	F33, F40, F56, F64, F77, F85	
403-3	Occupational health services	F33, F40, F56, F64, F77, F85	
403-4	Worker participation, consultation, and communication on occupational health and safety	F33, F40, F56, F64, F77, F85	
403-5	Worker training on occupational health and safety	F33, F40, F56, F64, F77, F85	
403-6	Promotion of worker health	F33, F40, F56, F64, F77, F85	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	F33, F40, F56, F64, F77, F85	
403-9	Work-related injuries	F33, F40, F56, F64, F77, F85	

		Page / Remarks	Omissions
<b>PRODUCT AND SERVICE STEWARDSHIP</b>			
103-1	Explanation of the material topic and its boundary	F25, F106	
103-2	The management approach and its components	F25	
103-3	Evaluation of the management approach	F25	
<b>GRI 416 Customer Health and Safety 2016</b>			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		In 2021 there were no episode of non-compliance with regulations and / or voluntary codes.
<b>GRI Sector Disclosure – Electric Utilities</b>			
EU25	Number of industrial incidents	F57	
EU28	Power outage frequency	F57	
EU29	Average power outage duration	F57	
<b>MARKET AND COMMUNITY</b>			
103-1	Explanation of the material topic and its boundary	F26, F106	
103-2	The management approach and its components	F26	
103-3	Evaluation of the management approach	F26	
<b>GRI 417 Marketing and Labelling 2016</b>			
417-2	Incidents of non-compliance concerning product and service information and labelling	F21	
417-3	Incidents of non-compliance concerning marketing communications	F21	
<b>GRI 418 Customer Privacy 2016</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	F21	
<b>RESPONSIBLE USE OF RESOURCES</b>			
103-1	Explanation of the material topic and its boundary	F28, F106	
103-2	The management approach and its components	F28	
103-3	Evaluation of the management approach	F28	
<b>GRI 301 Materials 2016</b>			
301-1	Materials used by weight or volume	F28	
301-2	Recycled input materials used	F28	
<b>GRI 302 Energy 2016</b>			
302-1	Energy consumption within the organisation	F28	
<b>GRI 303 Water and Effluents 2018</b>			
303-1	Interaction with water as a shared resource	F28, F42, F50, F58, F65, F71	
303-2	Management of water discharge-related impacts	F28, F42, F50, F58, F65, F71	
303-3	Water withdrawal	F99	
303-4	Water discharge	F99	
303-5	Water consumption	F99	
<b>GRI 306 Waste 2020</b>			
306-1	Waste generation and significant waste-related impact	F28, F42, F50, F58, F65, F71	
306-2	Management of significant waste-related impacts	F28, F42, F50, F58, F65, F71	
306-3	Waste generated	F28	

		Page / Remarks	Omissions
<b>LOW-CARBON TRANSITION</b>			
103-1	Explanation of the material topic and its boundary	F29, F106	
103-2	The management approach and its components	F29	
103-3	Evaluation of the management approach	F29	
<b>GRI 305</b>	<b>Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	F29, F43, F51, F59, F65, F73, F98	
305-2	Energy indirect (Scope 2) GHG emissions	F29, F43, F51, F59, F65, F73, F98	
305-3	Other indirect (Scope 3) GHG emissions	F29, F43, F51, F59, F65, F73	
305-4	GHG emissions intensity	F29, F43, F51, F59, F65, F73, F98	
<b>LAND AND BIODIVERSITY</b>			
103-1	Explanation of the material topic and its boundary	F59, F106	
103-2	The management approach and its components	F59	
103-3	Evaluation of the management approach	F59	
<b>GRI 304</b>	<b>Biodiversity 2016</b>		
304-2	Significant impacts of activities, products, and services on biodiversity	F59	



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**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 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, 2021 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 8, 2021 (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

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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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### Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *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. Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains 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;
  - 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 subsidiary Caffè Borbone S.r.l., Casa della Salute S.r.l., Officine Profumo Farmaceutica di Santa Maria Novella S.p.A. and Italgem S.p.A. 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, Caivano (NA) site and production plant for Caffè Borbone S.r.l., Genova site for Casa della Salute S.r.l., Firenze site and production plant for Officine Profumo Farmaceutica di Santa Maria Novella S.p.A. and Villa di Serio (BG) site for Italgem S.p.A., 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, 2021 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

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 17, 2022

The document has been compiled with the methodological support of





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