

# GENERAL INFORMATION

## Letter to the Stakeholders

During this difficult year, Italmobiliare's primary commitment has been to support initiatives aimed at guaranteeing safety conditions and smoother operations to protect everyone in the Group. Italmobiliare - both directly, through Fondazione Pesenti and with the help of the portfolio companies - has been involved in an exceptional effort to provide support to the institutions and local communities on the front line to cope with the Covid-19 emergency.

The complexities of the situation did not slow down our intense search for excellence, using careful management and further diversification of the investment portfolio to consolidate Italmobiliare's ability to present itself as a long-term strategic partner for companies with significant growth potential. The acquisitions concluded in this period, building strong, constructive relationships with companies and entrepreneurs in various sectors, have confirmed how important it is to provide not only economic resources, but also management and industrial skills.

In such an uncertain and volatile year, Italmobiliare's reinforced its strategic support for the portfolio companies, which again demonstrated an equilibrium that was capable of overcoming critical phases of the economy. In this difficult context, the companies of the Italmobiliare Group have had, and are still having, a positive reaction, turning in better performances than the average fall-out on the Italian economy. This is thanks to a sector mix that has shifted towards more resilient areas, in some cases towards a better corporate performance compared with competitors in the same sector, and towards an extraordinary commitment for which we would like to thank all our colleagues and collaborators who have had to operate in such a complicated scenario.

The pandemic has also increased the sense of urgency of the holding company and of the other Group companies to consolidate a more sustainable and increasingly effective strategy. Indeed, in 2020 the Board of Directors established the Committee for Sustainability and Social Responsibility and the Sustainability Department. The Group joined the United Nations Global Compact, confirming 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 for the integrity of the business, in all its aspects. To this end, Italmobiliare shares, supports and applies the fundamental 10 Principles of the Global Compact in its sphere of influence and actively contributes towards achieving the United Nations' Sustainable Development Goals. This commitment is further detailed in the Sustainability Report, which this year focuses not only on Italmobiliare, but also on each of the Portfolio Companies.

The new investments - for a total of approximately 250 million euro during the entire period - were completed through the development of specific and targeted solutions in a context of exclusivity, with an approach that is consistent with our industrial and entrepreneurial vision. In this way we have reached agreements for three acquisitions in the last twelve months, starting with 80% of Officina Profumo-Farmaceutica di Santa Maria Novella, a name that echoes throughout the world the best of our country and what it is loved for: beauty and exceptional craftsmanship. It is precisely in a complicated situation like the present one that Italmobiliare sees extraordinary potential of this kind in Officina Profumo-Farmaceutica di Santa Maria Novella, because Italmobiliare has the enhancement of "Made in Italy" in its DNA. The latest investments in Casa della Salute (92.5%) and Callmewine (60%) also mark the entry into priority sectors, such as healthcare and e-commerce, as well as the expansion of Italmobiliare's range of investments into the small cap growth segment, i.e. small high-tech companies with considerable growth potential. Other investments include the acquisition of 23.9% of Florence InvestCO, which aims to develop a leading platform to supply high-end manufactured products for the most important fashion brands. The sale of the Sirap Group's main assets was closed (formally at the beginning of 2021, based on an Enterprise Value of 162 million euro), after developing the company to become one of the leaders in food packaging. This has confirmed Italmobiliare's ability to enhance its portfolio by seizing the best opportunities for industrial and strategic development for its assets, as was the case with Italcementi, Bravosolution and Finter Bank. During the year, a significant stake in HeidelbergCement was sold, effectively halving the investments held in listed companies, which now amount to only 84 million euro. A significant net cash position remains at the start of the year (over 380 million euro, but still not including the net proceeds from the sale of the Sirap assets), which will be available to finance more deals that are in the pipeline.

The recent investments and positive performance of the Portfolio Companies (+190.3 million euro on a like-for-like basis) are reflected in the fact that they now represent a higher proportion of Italmobiliare's total NAV - more than 60%. At the end of 2020, NAV came to 1.83 billion euro compared with 1.74 billion at the end of 2019 (after



Laura Zanetti  
**CHAIRMAN**



Carlo Pesenti  
**CHIEF EXECUTIVE OFFICER**  
**CHIEF OPERATING OFFICER**

distributing 75 million euro of dividends in May 2020), which reflects a period of evolution in the quality of the Company's assets.

In the last five years, thanks to a good performance by the stock, the distribution of dividends and the repurchase of treasury shares, Italmobiliare's shareholders have benefited from an overall return on investment (known as TSR) of 70%.

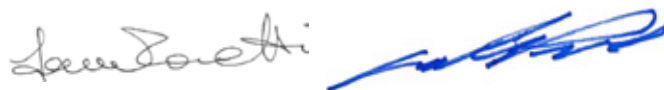
Today's results are generated by a portfolio that reflects the important work carried out by management, based on the strategy established by the Board. Constant commitment has also been given to transversal lines of development identified together with the Portfolio Companies' management: sustainability, the search for operational efficiency, taking action in marketing and strengthening brands, in addition to targeted M&A activity. We also identified effective solutions for managing human resources and attracting new talent, which will continue with the implementation of management and control systems and the adoption of best practices in terms of corporate governance. Risk management, at overall portfolio level, was further strengthened by mapping the main risk factors (regulatory, environmental, market, macro, technological) and identifying appropriate risk mitigation initiatives.

Lastly, with a view to improving communication with the financial community even in these changed circumstances that entail limitations on travel and physical events, Investor Relations in 2020 focused on: maintaining stable coverage by leading equity research analysts, with Equita and Kepler Cheuvreux who today follow the Italmobiliare stock with constant updates on its activities (e.g. periodic financial results, extraordinary transactions, etc.); taking part in the main investor conferences organised by investment banks and the Italian Stock Exchange by video-conference; holding one-to-one meetings with Italian and international investors.

Clessidra has continued to structure itself as an alternative investment platform, alongside its traditional activity in Private Equity. An important step in the diversification of the company's activities was the launch of the Clessidra Restructuring Fund which, through the transfer of Unlikely-to-Pay (UTP) loans by eleven Italian banks and the availability of new finance, will support fourteen Italian companies that are restructuring their finances and relaunching their businesses. At the end of 2020, Clessidra SGR also acquired Clessidra Factoring, a company that specialises in financing the working capital of companies that are restructuring and small and medium-sized enterprises with good industrial prospects, but which are finding it hard to access bank credit.

The pandemic has dramatically affected our communities, with a disruptive impact also on the national and international economy, with effects that are unlikely to be short-lived. On the other hand, in recent months we have also witnessed extraordinary resilience in certain sectors, such as food & beverage or energy. Over the medium to long term, it is very difficult to make forecasts, given that the general picture is still unclear. This global shock will probably lead to a further acceleration of some latent trends. The Portfolio Companies have also accelerated the strengthening of certain elements that will be of fundamental importance in the future, such as the general shift online, digitisation also as a way of working and strengthening the financial structure so to be more solid even in unpredictable situations caused by external crises.

For our part, we have strengthened the commitment so that the sector mix and prudent risk management that have always characterised the activities of Italmobiliare and its Portfolio Companies can make it easier to manage contingencies, taking advantage of any opportunities to enhance synergies, to strengthen the best practices already in place and to open up new opportunities offered by structural changes.

Two handwritten signatures in blue ink. The signature on the left is more legible and appears to be 'Luca Cordero di Montezemolo'. The signature on the right is more stylized and less legible.