

ITALMOBILIARE
INVESTMENT HOLDING

NEWSLETTER #6 | July 2023

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OUR COMMITMENT TO TRANSITIONING TO LOW-CARBON

by LAURA ZANETTI and CARLO PESENTI

By adhering to the Science Based Targets Initiative (SBTi), Italmobiliare has committed to setting short and long-term emission reduction targets in line with the net-zero scenario.

In recent years, our daily lives have been shaken up by a series of dramatic events. While initially these seemed to push the climate emergency or growing social inequalities off the front pages, in fact they made **reflections on the present, but above all on the future**, even more urgent. A future where everyone, starting with businesses and the more important economic players, must be aware of the need **to create value and express values that are truly shared and sustainable**.

This belief is one of the founding pillars of Italmobiliare. In its long history as an investment holding company in industry and finance, it was one of the forerunners in Italy to have **an innovative approach to sustainability**.

Even back in the nineties, it built **ambitious sustainability programmes** into its main industrial holdings, fully integrated into strategic development priorities and coordinated by dedicated functions. As a result of this experience, a constant commitment to best practice has developed over time. From principles to policies, from processes to products, from local and global initiatives to reporting tools, goal being **to help deal with global challenges**, while at the same time protecting and strengthening financial performance for the benefit of shareholders and all other stakeholders.

This vision was further strengthened when Italmobiliare redesigned itself as a modern investment holding company. It chose sustainability as an integrated driver for success, investing primarily in companies with high potential for growth in their business and in their market, but also with a strong propensity for innovation and sustainability.

Thanks to this strategy, Italmobiliare now ranks as **one of the leading companies in the main ESG Ratings worldwide**. At the same time, it has been creating value for its shareholders, given that it has distributed more than 200 million euro of dividends over the last five years. This confirms that, if sustainability is properly integrated into the business, it too can be a driver of success.

Nor have we deviated from our path because of the difficult economic situation. In fact, it has spurred us on to pick up speed. In 2020, Italmobiliare boosted its sustainability strategy even more by **taking part in the UN Global Compact**. The objectives are even stronger integration of ESG into the processes of the holding company, more effective management of the subsidiaries and clear guidance for the associated companies. All subsidiaries will soon join the UN Global Compact directly, as will many of the associates.

In 2021, Italmobiliare updated its **Code of Ethics** and **Sustainability Policies** with the express purpose of highlighting its sustainability strategy. It has been integrated by our Responsible Investment Policy, which clearly identifies the **Sustainable Development Goals** as a model for value creation. These documents, which constitute our identity, have gradually become the reference point for all of the Group's portfolio companies.

In 2022, Italmobiliare accelerated yet again, involving the entire investment portfolio. The fight against climate change was already the focal element of environmental action, with effective initiatives that made it possible to significantly reduce direct and indirect emissions from electricity consumption as early as last year. In the wake of these results, the Board of Directors approved our **participation in the Science Based Targets initiative (SBTi)**, which involved Italmobiliare making a commitment to set short- and long-term emission reduction targets in line with the net-zero scenario.

The challenge of decarbonisation has been definitively accepted, in the awareness that the ability we show in managing the **low-carbon transition** is not only the primary characteristic of resilience of each individual company and of the investment portfolio as a whole, but also the only way to take full advantage of any opportunities for growth and distinction that might arise. By joining the Science Based Targets initiative, **Italmobiliare is tasked with ensuring the full scientific and strategic solidity of its climate actions, with the active contribution of all the companies in its portfolio.**

Long-term goals are aiming for **net-zero in 2050**. This means taking action not only on the direct consumption of thermal energy and electricity by individual companies, but also on the design of new products and services; above all, on supply and distribution chains, selecting and stimulating business partners towards low-carbon solutions. However, the commitment to the SBTi also calls for short-term reduction targets, i.e. by 2030, which means taking immediate decisions and integrating them fully into our strategic plans.

The global economic situation is still volatile. However, as a result of the experience accumulated over our long industrial history, together with the professionalism and expertise of the men and women who work for Italmobiliare and the portfolio companies, **we can look to the future with confidence. A future that Italmobiliare aspires to build as a protagonist**, in the knowledge that social and economic well-being will depend on our ability to create sustainable value and express positive values.

As Italmobiliare, we also have another duty: to study the future so that we can develop immediate guidelines for our portfolio companies, to help them along this path. Now is the time to act.



THE ITALIAN ECONOMIC REMINDS US OF THE UGLY DUCKLING: AT TIMES IT SEEMS LIKE A FAIRY TALE, BUT IN FACT IT IS SOLID, DRIVEN BY INVESTMENTS, EXPORTS AND EMPLOYMENT



by Fabrizio Galimberti and Luca Paolazzi



The Italian economy is growing more – or slowing down less – than the Eurozone: What are the factors that explain this performance? And what other stumbling blocks lie in wait for the global economy? Why has the Chinese rebound not lived up to its promises? Inflation is falling: but perhaps not enough? The trend in benchmark rates: which ones are continuing, which are slowing and which are stopping? Where is the USD going? Are stock prices overvalued?

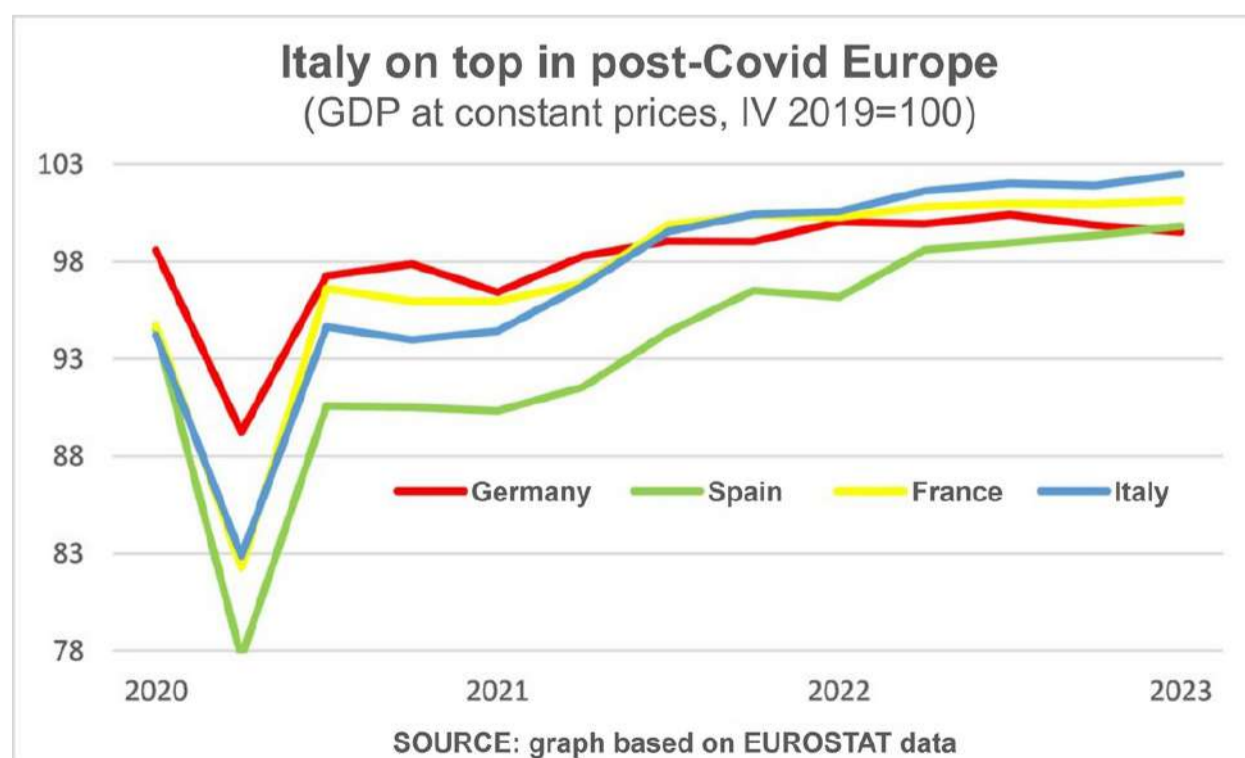
REAL INDICATORS

“Once upon a time there was an **ugly duckling**...” Everyone knows the happy ending of Hans Christian Andersen's fairy tale, capable of tormenting its characters, the children reading who identify with it, with stories bordering on cruelty, before letting them breathe a sigh of relief at the end.

The **amazing recovery** of the post-pandemic **Italian economy** has some fairy tale elements, but nothing miraculous, as it is the child of difficult transformations and **voluntary corrections** in European macroeconomic policies. We will tell you the story and frame it within the current global context.

The **background**, or the period of ugliness. From the beginning of the new millennium to the last year pre-COVID, **the growth of Italy's economy** was completely unsatisfactory. Along the way, we lost more than one percentage point of GDP growth per year compared with the other major countries in the single currency.

Cumulatively, this comes to over 20%: for a household, it would be like not earning or spending anything after mid-October, then starting again in January, compared with a German or French household. An extreme case of belt tightening! And to think that the Germans whine that **Italians are like cicadas**, handing out generous pensions to one and all (which is another piece of false news if you consider the average pension actually received).

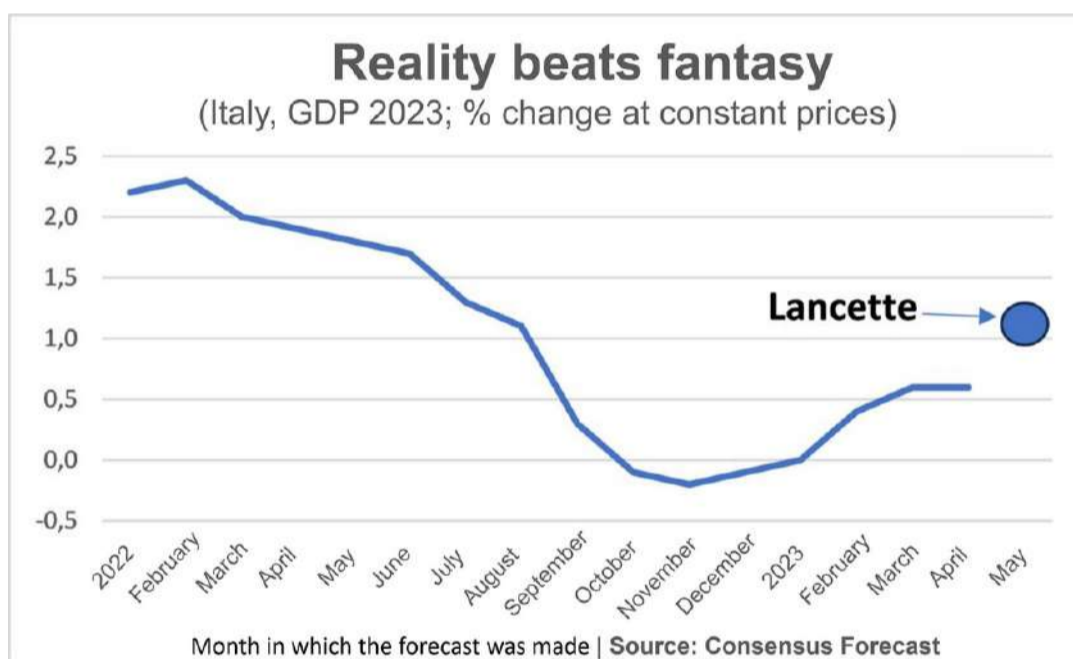


Then, since the start of the recovery from the COVID crisis, **the pace of the Italian economy has speeded up faster** than the others: in the first quarter of 2023 the increase in GDP was significantly higher than that of Germany, France or Spain.

The difference between the growth forecasts for 2023 made in 2022 and the results actually achieved has also been surprising: at a certain point last year, the initial forecasts indicated **a real reduction for this year**, albeit a small one.

Now the actual result is 0.9% and it is highly probable that the final figures will be a few tenths of a percentage point higher than that. Of course, some were even more drastic: Cassandras who beat their breast, announcing that **recession was just around the corner** due to the war, the double whammy from energy and food, and the rapidly rising cost of money.

But more than the tightened belt, albeit loosened slightly by government policies, other factors may have contributed to this situation. And the observation that reality has surpassed the forecasts makes it necessary to look for the reasons why and to understand if they are solid or short-lived.



If we use the scalpel of statistics to dissect **the demand components** which have gone from strength to strength, we can identify **exports and capital investment**. The former also includes **tourism**, and anyone who travels the length and breadth of Italy will see armies of visitors filling up trains, restaurants, streets and squares, as if it were their **last chance to travel in life**. But the former also comprises the **competitive ability** of the business system, aided by a trend in **the cost of labour**, which is much lower than that of our European competitors. Companies are riding the wave of **innovations with their capital investments**, the second component that is moving very fast. Helped by **home renovations** (thanks to the government's infamous building bonuses) and public works.

Unit cost competitiveness and new systems (even a café adding tables outside creates greater production capacity) have generated **record employment**, which gives some extra cash to households impoverished by

price hikes. This allows them to increase their consumption, in **a dance of supply and demand**, which resembles that of the planets chasing the sun, moving around the centre of the Milky Way (at an unthinkable speed).

THE ITALIAN ECONOMY: WILL THIS GROWTH LAST?

Will this dance continue, or as in the game of **musical chairs** will we have to stop at some point with someone being eliminated? The experience of recent years has taught us **the cardinal virtue of prudence**, because ugly ducklings become swans, but if they are fundamentally tarnished, nothing is going to clean them. Let's take a look at what will remain and what will disappear, knowing that we can distinguish fairy tales from reality, above all thanks to **our experience of reality**.

Certainly, the fact that we have conquered **market shares** in goods and tourism will continue to make us grow, providing customers' trust has been fulfilled and their general experience satisfactory, and we have no reason to doubt it. The same goes for **the advantage that Italy has in its cost of labour**. However, it may be worth reflecting on how attractive these wages are for young people, many of whom are leaving Italy.

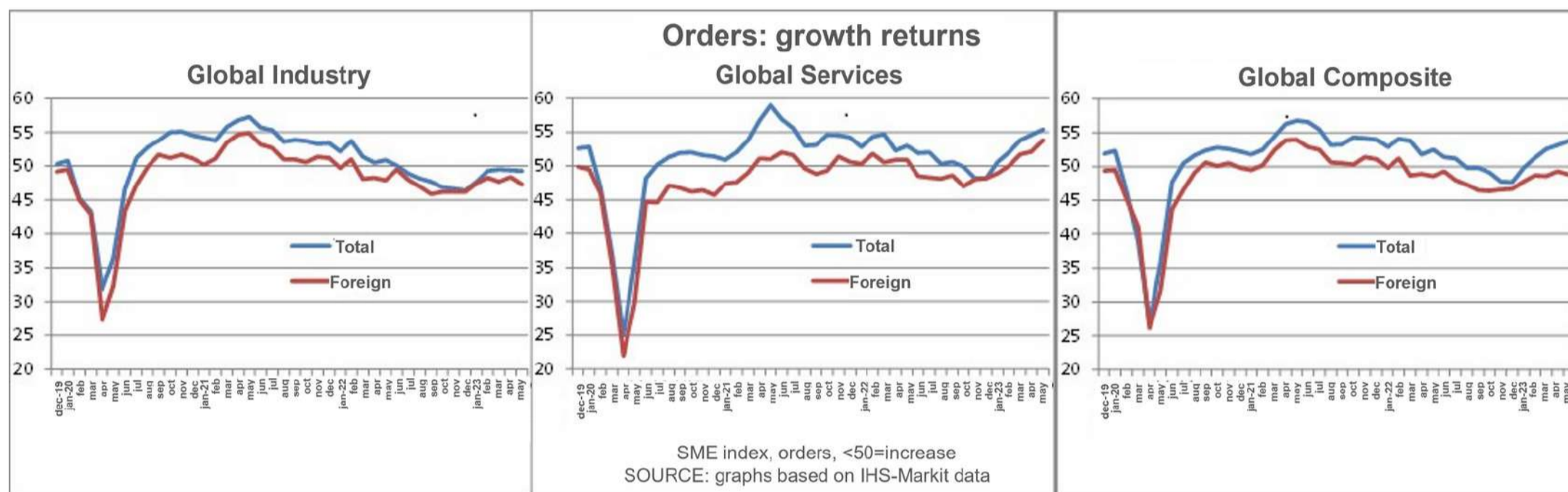
On the other hand, with regard to the rise in capital investment in the building industry, it is legitimate to ask the following question: will the **National Recovery and Resilience Plan (NRRP)** and the other funds allocated by Draghi's government be used to keep actual growth high and therefore raise potential growth? This is a **historical opportunity**, one of those that comes along every couple of generations. The government that knows how to take advantage of it will be able to boast about it for years to come. The government that doesn't will see the beautiful swan **turn back** into an Ugly Duckling; or the carriage and the horses back into **a pumpkin and mice**, according to another fairy tale whose origins are less Nordic and therefore to be taken very seriously.

Markets as well: the spread between BTPs and Bunds – the litmus test of 'Italy risk' – remains calm, as does the other 'test': the spread between BTPs and Bonos. Especially since there is another structural reason for this: the improved **health of the banking system** (copyright Ignazio Visco). On the other hand, budget policy effectively supported households and businesses in the dark times of the pandemic, improving their finances and creating reserves ("**private stashes**") which allowed them to keep spending, both consumption and investments, as soon as COVID loosened its grip.

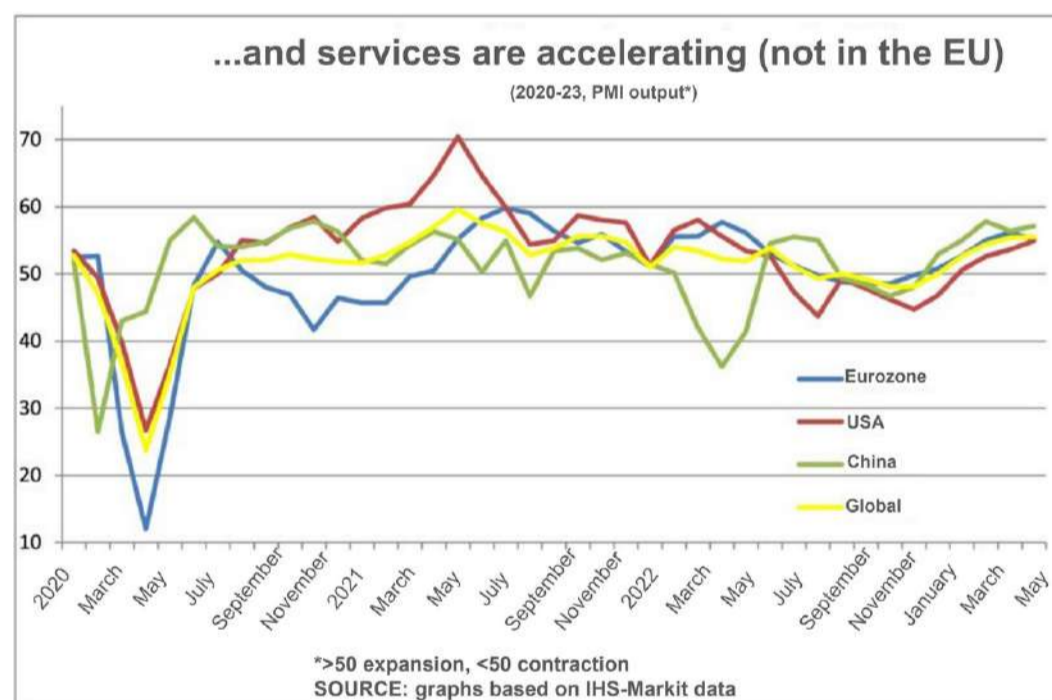
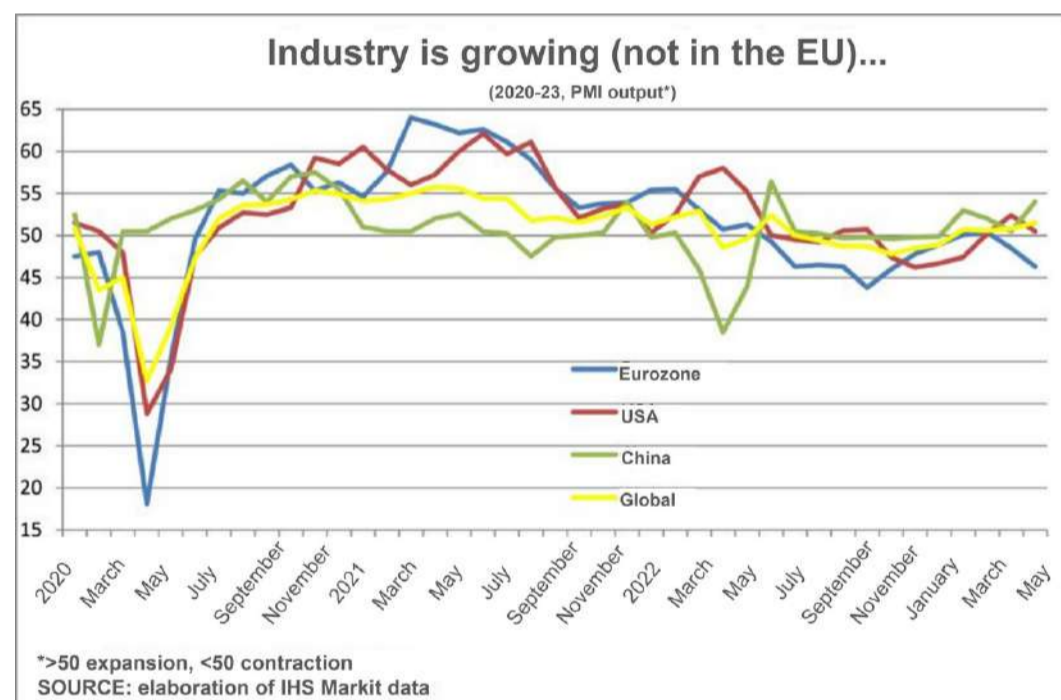
As for the rest, **the international economic framework** continues to be in favour of Italy. The figures for Italy's **SMEs** are still positive, albeit more for services than for manufacturing (as evidenced by the further decline in industrial output in April). But this is a gap that can be seen almost everywhere. We will take a look at the reasons for it next month.

We can now see that we have left behind **the unending worry of the US public debt limit**, but there are "new sufferings, new sufferers, surrounding me on every side" – as Dante wrote – and we could write too, given that **other threats**, both economic and political, are waiting at the horizon. On the one hand, there are growing tensions over Ukraine, where, amid drone attacks on Moscow, more incursions into the Russian city of Belgorod (with a number of people killed), dams blown up and massive flooding, **the war is getting nastier**. **The high tension between the US and China** is continuing, accompanied by signs of **a slowdown in the European economy** (with the Eurozone – but not Italy – in a 'technical recession'), but not the Chinese one.

Widening our gaze to the entire globe, we observe that **orders are growing overall**, but as they are increasing in services, they are tending to decrease in industry.



This **industry-service sector gap** can also be seen in the current trends in output. With an unpleasant extra for us: **Europe** appears to be in trouble, either because its manufacturing is contracting or because its services are decelerating, whereas elsewhere they are accelerating.



Fabrizio Galimberti was born in Rome in 1941. After graduating from the Bocconi University in Milan, he studied at Columbia University in New York, and subsequently taught Public Economics in Rome and Ferrara. Later he worked at the OECD Economics Department. In Rome, he was an economic advisor to the Treasury, with Beniamino Andreatta and Giovanni Goria. In later years, he was FIAT Chief Economist and most recently a leader writer with Il Sole 24 Ore.

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THE UNSTOPPABLE RISE OF THE SPORTS ECONOMY

ref.
ricerche

by Luca Paolazzi



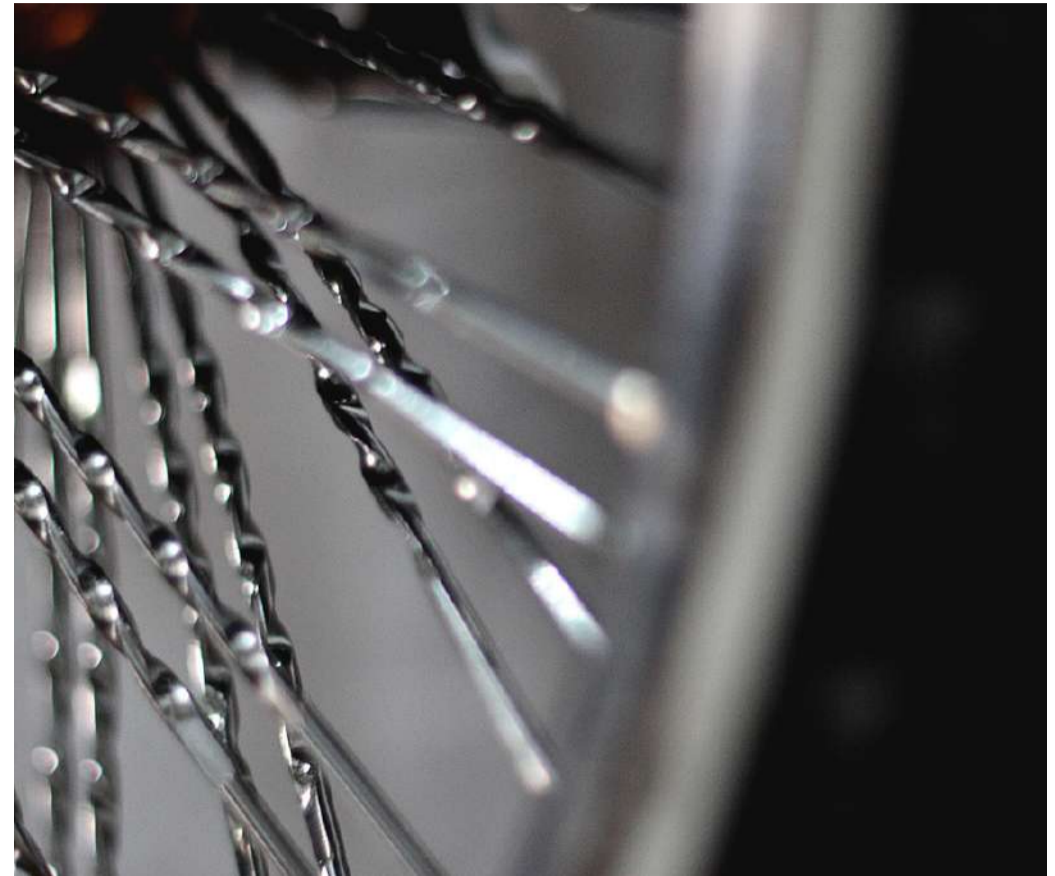
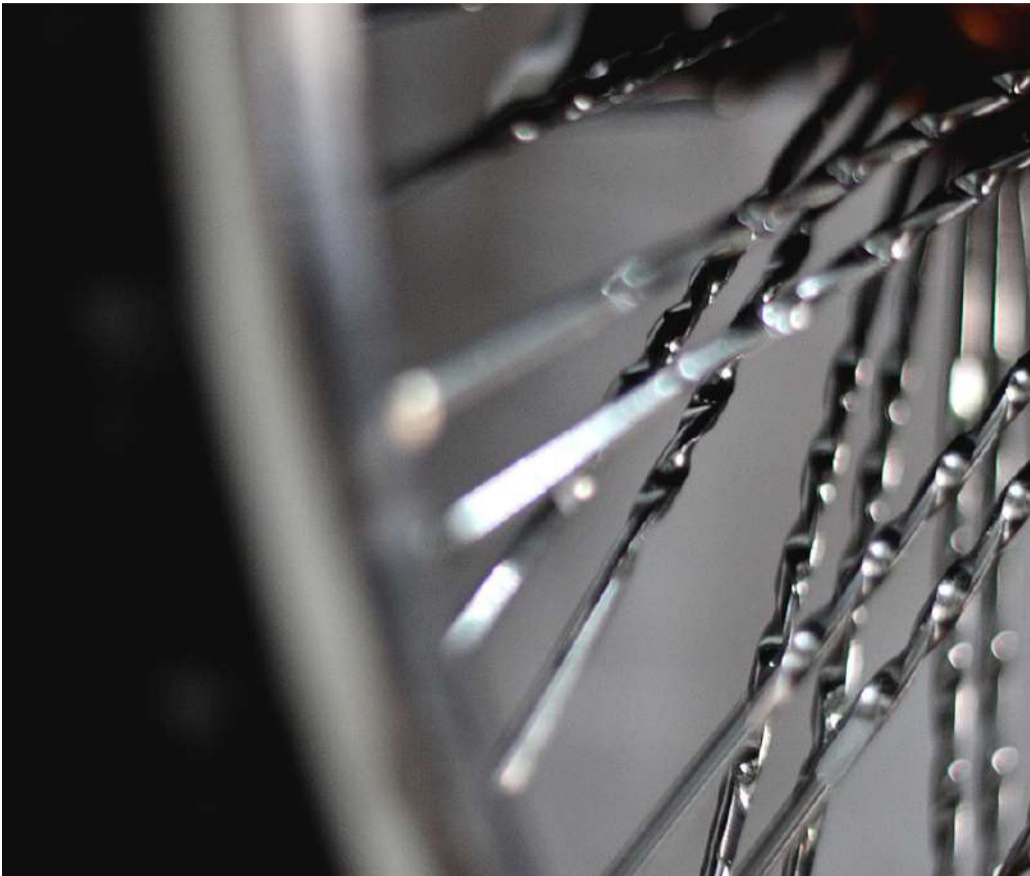
Forecasts for the sportswear market all indicate very high growth: 6-7% per year from now to the end of the decade, double the forecast rise in global GDP.

World-wide, consumer spending on **sporting goods** is expected to grow at a much higher rate than that of the global economy. For several important reasons. We will summarise three of these in as many words: share, nature and health. There is a fourth, which moves in the opposite direction: ageing. Let's take a closer look at them.

Share. Actually, shares. There are two important aspects of personal spending on this particular type of clothing. The first share originates from an economic law that takes its name from its inventor: Ernst Engel. "Who was Engel?": a German economist, born in 1821 and died in 1896. Studying the consumer spending and income data of 200 Belgian working families (this seems small for a representative sample, but at the time statistics were very scarce and one had to get by with what little information was available), Engel observed that the share of income allocated to buying food went down as income went up. In other words, expenditure on food rose from poorer to richer households, but not in proportion to the increase in income. Engel had the happy intuition of considering this empirical result a behavioural rule valid for the entire universe of consumers from any part of the world. What does Engel's law have to do with sporting goods? It's simple: **the more family income increases over time, the higher the share of income gets freed up for other types of consumer spending** – i.e., non-essential spending – above all relating to leisure time dedicated to well-being and enjoyment. **This includes the time spent playing sports.**

The second share is that of households with high purchasing power in the populations of **emerging countries**. The distribution of people according to their income is fairly constant in advanced countries and the increase in average income is the most important source of the breakdown and level of consumer spending, with relatively limited changes. In emerging countries, on the other hand, development is accompanied by a marked increase in income gaps (also linked to the initial geographical concentration of that development). So for many households, income grows much faster than per capita GDP, which also increases more than in advanced markets. This means that in those countries, Engel's law acts in a very decisive way, making them very promising in terms of potential growth.

Nature. Global megatrends include environmental sustainability. This also translates into **outdoor activities** and direct contact with nature. Especially for city dwellers. The population living in cities is set to increase more than the world's population. Thus, the number of people interested in the right clothing, especially **footwear**, for enjoying the outdoors, is set to rise rapidly.



Health. *Mens sana in corpore sano*, and a healthy body requires **sporting activities** that are suited to the individual's age and level of fitness. These activities also have a direct effect (i.e. not mediated by bodily health) on the mind, because they are rewarding and because physical effort prompts the brain to produce endorphins, which improve mood, reduce pain and increase tolerance to fatigue. If we think of the psychological damage inflicted by the measures needed to combat the pandemic, the need to counter them with time dedicated to sport becomes indispensable. Naturally, appropriate physical activity helps to counteract cardiovascular disease (the main cause of reduced life span) and body weight, by burning fat.

The ageing of the population, on the other hand, tends to provide resistance against an increase in consumer spending on sporting goods: with increasing age the drive to do physical activity weakens and lowers the desire to follow fashion or the latest technological discoveries or to buy new sporting goods. Unless the amount of innovation is perceived as radical. In other words, the introduction of **technological elements that change the performance of products** can mitigate the negative impact of ageing. For example, wearing "smart" clothing, i.e. clothes equipped with sensors that provide the wearer with information that helps them regulate their training.

Especially in the most tiring of sports: cycling. It must also be said, however, to mitigate the negative impact of ageing, that while the population is getting older, **life expectancy is increasing**, so that "modern oldies" are more active than the "oldies of yore".

All these reasons explain why forecasts for the **sportswear** market all indicate **very high growth**: 6-7% per year from now to the end of the decade, while the increase in global GDP will be around 3% per year (according to the long-term projections of the International Monetary Fund). Where the estimates differ – and they differ by a lot – is the basis on which to apply this high percentage increase: the forecasts range from 182 billion dollars of FortuneInsight to 320 billion dollars of Statista and 432 billion dollars of Globaldata. But all analysts agree in indicating that **Asia** will record the highest growth, although **North America** currently holds the largest share (45% according to FortuneInsight). And we mustn't forget **Africa**: 13 of the 15 youngest countries in the world (average age under 20) are in Africa, where sports and athletics are one of the continent's "comparative advantages".

In conclusion: investors looking for ways to escape from age-long stagnation can certainly turn to sportswear companies to boost portfolio returns.



A STEP INTO THE FUTURE

SIDI Sport is based in Maser (TV), Italy and specialises in the manufacture and sale of **footwear for cycling and motorcycling**. Its products, which are used by top professional and amateur athletes all over the world, have always been synonymous with excellence, quality, tradition, craftsmanship and design.

Founded in 1960 by Dino Signori, SIDI established itself as one of the industry leaders by combining tradition and innovation, performance and design, moving the frontier of sports footwear development and creating extremely popular models such as Shot 2 shoes for cycling and Crossfire boots for motorcycling.

In more than sixty years of its history, SIDI shoes and boots have stood on the podiums of all major international sporting events. From Joel Robert to Stefan Everts and Loris Capirossi, the Maser-based company has written indelible pages in product development for motorcyclists, all the way up to nine-time world champion Tony Cairoli with SIDI also for the 2022 Motocross des Nations in the United States. Giacomo Agostini – one of the all-time legends of motorcycling – was immediately on the same wavelength as SIDI Sport and in 1969 the “Corsa Special Agostini”, a motorcycle boot made of hand-grained calf leather with a rear zip, was dedicated to him.

In cycling, Francesco Moser began using "Titanium" shoes in 1973, a revolution for the world of bicycles: with them there was no longer any need to nail on the cleats as they were now easily adjustable. Paolo Bettini, a professional from 1997 to 2008, has always remained loyal to SIDI Sport. Olympic road champion at the 2004 Athens Games and world champion in various specialities in 2006 and 2007, he has an infinite number of cups and titles on show.

And SIDI also fits the Colombian Egan Arley Bernal Gómez, winner of the 2019 Tour de France, Richard Carapaz, Olympic gold medallist in Tokyo 2020, Pauline Ferrand-Prévot, who made history as the winner of the inaugural Women's World Gravel Championship in 2022 and of four gold medals in four different specialities, and the athletes of the Eolo-Kometa team, founded by Alberto Contador and Ivan Basso, champions who have written important chapters in the history of cycling while wearing SIDI shoes.

In March 2023, thanks to Billy Bolt's victory in the Super Enduro World Championship, **the 100th world title won by a rider wearing SIDI boots was celebrated** (the first was won by Giacomo Agostini in 1968).



Billy Bolt in front of the SIDI headquarters

ACQUISITION BY ITALMOBILIARE

In October 2022, **Italmobiliare completed the acquisition of 100% of the capital of SIDI Sport** and following that acquisition, **Davide Rossetti was appointed CEO of SIDI.**

Rossetti gained over 25 years of experience in the world of top-level sporting goods, working for multinationals in Italy and internationally, both wholesale and retail, including the Safilo Group (sport division), 55DSL by Diesel, Cisalfa Sport, Alpinestars and, most recently, Northwave, a technical-sports footwear company for biking and snowboarding, which he led as General Manager, developing the business.

Also joining the board is Davide Cassani, former professional cyclist and manager of the Italian national cycling team, who led the team to victory in two time trial world championships and four European championships on the road. *"The world of two-wheelers in Italy needs investment, skill and passion"*, said Cassani. *"I am thrilled to find these three elements in Italmobiliare's top management and to be part of this new development challenge for SIDI."*

With this acquisition, Italmobiliare is continuing its process of supporting and assisting the industrial excellences of Italy.

"SIDI means excellent professionals, the highest-quality products, a winning brand that is highly appreciated and a sector that is starting to show very interesting growth rates again thanks to an ever wider audience of enthusiasts and athletes", pointed out **Carlo Pesenti, Chief Executive Officer of Italmobiliare.** *"These are the factors that Italmobiliare aims to enhance globally through sustainable growth based on the creation of value over time. As an entrepreneur and a lover of cycling and motorcycling, I know the value of tradition and the identity of a brand that has a very strong link with the world of sport and those who practise it, by profession or by passion, and which represents another extraordinary example of the quality of products Made in Italy."*

Following its entry into the Italmobiliare Group, **SIDI is currently in the middle of a process of reorganisation** aimed at developing the brand's growth potential at an international level.

Specifically, the company is focusing on initiatives for **business growth** by strengthening its commercial strategy, developing new products and **launching projects in the field of sustainability.**

SIDI is also making investments to expand its team, by hiring managers who are experts in the sector with international experience.



SIDI at EICMA 2022 (International Motorcycle and Accessories Exhibition):
 from left Davide Cassani, Davide Rossetti, the journalist Vera Spadini and Carlo Pesenti

LET'S TALK ABOUT IT WITH...



Davide Rossetti
CEO of SIDI Sport

What are SIDI's main objectives after joining the Italmobiliare Group?

By joining the Italmobiliare Group, SIDI will be able to further boost its process of development, innovation and international growth, while respecting the history and tradition that are the brand's strength, always in line with the local areas where the company is rooted and with the company's people.

From a company founded on the figure of an entrepreneur to an organisation built around a team. How is SIDI going to change?

Since its foundation, SIDI has developed around the figure of its entrepreneur, but now it is based on the strength of a team. For this reason, we are reviewing processes and by investing to reinforce our team, we intend to hire managers with solid skills gained in leading companies in the sector and international scenarios for key positions.

At the same time, we are going to invest in the people already working for the company and in their growth, investing in their development and increasing their training. There's a great sense of belonging, which we want to cultivate by stimulating more and more participation on the part of everyone in the life of the company. For this reason, we are building a new recreational area with a new canteen and changing rooms to encourage them to do sport, and organising new activities open to all employees and their families.

How is SIDI dealing with the growing focus on consumers?

The system today is highly focused on the factory. However, we must also increase our external approach, listening to the market and becoming increasingly consumer-oriented, as consumers nowadays are extremely competent. To do so, we have to take new approaches. We are going to start partnerships with international designers and we are thinking of setting up a SIDI LAB in Maser that will interact with the athletes who are currently working for us, so as to involve them in the creation of the new collections.

And as far as production is concerned, what is going to change?

For production, we are renewing our trust in the local areas, which I know like the back of my hand. In this endless goldmine of skills, know-how and passion that is synonymous with manufacturing excellence all over the world, especially when it comes to footwear.

In terms of local areas, we are in discussions with schools and universities to move forward with projects of collaboration, but also to be closer to the new generations. We certainly aim to have an increasingly global dimension, even if today 90% of our turnover is already generated outside of Italy, but our roots remain firmly in Italy in the Montebelluna district.

Tradition, values and commitment make SIDI a company in continuous expansion with a presence all over the world. What are your next challenges?

Always striving to achieve new targets is not easy, but now more than ever, this is the time to invest in sustainability, a new challenge towards mitigating the company's environmental footprint and making a more positive impact on society. For example, this is already happening and will happen more in the future, thanks to the use of recyclable materials and renewable energy, attention to the supply chain, good employment practices, the promotion of responsible consumption and many other strategic initiatives.

Already today, production is designed and managed to reduce waste, lower emissions and eliminate the more aggressive chemicals from products. SIDI is FSC certified and promotes responsible, controlled management of the forests used for paper production. Our product packaging is completely recyclable, as is the paper wrapping our shoes. The glue used is made of corn starch and plant-based dyes are used. This is not a point of arrival, but it is certainly a good starting point to do better and more.

**SIDI Sport: from a company based
on an entrepreneur to an organisation
based on a team**

Callmewine

CALLMEWINE BECOMES CARBON NEUTRAL

As a result of its new packaging, the many initiatives adopted to mitigate the environmental footprint and offset the remaining CO2 emissions, Callmewine is one of the first Italian e-commerce portals to become carbon neutral

It is reducing emissions as much as possible and offsetting the rest, thereby eliminating the company's carbon footprint. This is the strategy that brought Callmewine, **a leading platform for the online sale of wines and spirits**, to become one of the first Italian e-commerce portals to achieve carbon neutrality.

This result was due to the combined effect of **various actions taken to reduce the direct and indirect CO2 emissions** of Callmewine, including the adoption of new, even more sustainable packaging and the purchase of CO2 credits to offset the company's entire carbon footprint for the two-year period 2023-2024. In line with the commitment of the parent company Italmobiliare, which has identified **sustainability as a founding pillar** of its growth strategy for the group, Callmewine integrates ESG into all phases of the business.

"We started this journey years ago" explained **Roberto Pesenti, CEO of Callmewine**, "integrating ESG criteria into supplier selection policies and even when choosing the wineries we work with, purchasing only certified renewable energy and overseeing every aspect of packaging. This way we have already considerably reduced direct and indirect CO2 emissions. And we are committed to carry on doing so. In addition to our constant mitigation actions, starting this year we decided to invest so that we could fully offset our carbon footprint. We are going to do this by supporting projects with a high environmental and social impact, aimed at safeguarding water resources and the local area, resources that we feel are closest to our sector."



ECO-SUSTAINABLE PACKAGING

Long-term customers will remember the iconic red box, which was the company's trademark for years. Today Callmewine is saying goodbye to red to offer neutral brown packaging. This choice makes it possible to use more than 75% recycled paper from responsibly managed forests, avoiding bleaching processes and consuming less water. However, this did not seem like enough, so Callmewine moved on to more compact packaging (-10% paper compared with traditional packaging), less consumption of raw materials and less weight to transport. Individually, these are all tiny contributions towards reducing our climate footprint, but they have a huge effect in total. With the new packaging, CO2 emissions have been reduced by 50%.



TRANSITION TOWARDS ELECTRICITY DISTRIBUTION

Callmewine only relies on shippers that fully embrace its values; for example, choosing from among the many that were certified GOLD by ECOVADIS in 2022. Callmewine immediately and concretely joined the "Last Mile" pilot project for deliveries in the last mile using electric vehicles in the main urban centres. Just a few months after the start of the project, more than 20% of "last mile" deliveries were made in these centres using electric vehicles.



GREEN ENERGY

Callmewine only uses green energy from renewable sources. Already in its offices, and by 2023 also in its warehouses, which will make it possible to reduce other tonnes of CO2 emitted.



SELECTION OF WINE PRODUCERS

Callmewine has always given preference to wine producers that focus on the sustainability of agricultural practices, so it is no coincidence that it has one of the widest selections of organic and artisanal wines. Vineyard artisans support natural agriculture and do not use chemicals or invasive, stressful treatments on the soil or the vineyard, helping to safeguard soil biodiversity. Many winemakers choose not to irrigate, thus saving a great deal of water, refuse to use artificial yeasts or invasive processes in the wine making phase, thereby presenting authentic, genuine wines, the fruit of a land that deserves to be listened to and respected.



PURCHASE OF CARBON CREDITS

Bringing CO2 emissions down to zero is a long process and Callmewine has been fully committed to it for a long time. With this awareness, it was decided to start offsetting all emissions related to the business, from the vineyards to the wine glass and beyond, supporting and financing projects with a high environmental and social impact. By purchasing carbon credits, Callmewine makes a contribution towards safeguarding water resources and the local territory.



OFFICINA PROFUMO-FARMACEUTICA DI SANTA MARIA NOVELLA PRESENTS THE "I GIARDINI MEDICEI" EAUX DE PARFUM COLLECTION



The Officina rediscovers its botanical roots with four expertly composed Eaux de Parfum to redefine the role of artistic perfume making today

Eight centuries of history, research and tradition to create the perfect essence. Officina Profumo-Farmaceutica di Santa Maria Novella presents the "I Giardini Medicei" collection, **four Eaux de Parfum** – Iris, Bizzarria, Gelsomino and Magnolia – which come from a philological work of reconstruction through which the Florentine maison traced back to the origins of several specific varieties of flowers and plants whose roots are inextricably linked to the history of Florence and the Medici family.

"For us, this is a dream that we have finally made come true: meticulous research has led us to rediscover some of the rarest botanical species of the Medici era. Four unique olfactory stories, which can connect the Officina to the deepest part of its soul." Gian Luca Perris, CEO and Master Perfumer of the Florentine maison, commented on the preparatory work that gave life to "I Giardini Medicei".

THE GIARDINI MEDICI (MEDICI GARDENS): THE SEARCH FOR INNER BEAUTY

Beauty and wonder, two of the pillars on which the heritage of Officina Profumo-Farmaceutica di Santa Maria Novella is based, are combined here with botanical discovery. In sixteenth-century Florence, they began to cultivate citrus fruits in the "**I Giardini Medicei**" (**Medici Gardens**) for purely aesthetic purposes: they were intended to be looked at and contemplated; they were not used for culinary purposes. They were seen as an allegory of eternal life: a citrus fruit continuously produces leaves, flowers or fruit, its vital essence knows no end.

THE MEDICI VILLAS: HERITAGE OF INNOVATION

The Medici family's botanical experiments were conducted in the large country villas built between the 15th and 17th centuries: in 2013 UNESCO recognised the gardens of fourteen Tuscan Medici Villas among the masterpieces of world heritage. In homage to this extraordinary page in Florentine history, Officina Profumo-Farmaceutica, in conjunction with the presentation of the new collection of "I Giardini Medicei" Eaux de Parfum, announced its commitment by restoring the Secret Garden of the **Villa Medicia in Castello**. Precisely because it was in places like this, gardens in which expert botanists passionately cultivated plants and herbs with a range of kaleidoscopic colours and heady scents, where the essences that have made Officina Profumo-Farmaceutica famous all over the world were created and continue to be created.

BLOOMING IN PARADISE

To celebrate the launch of the new Eaux de Parfum collection and to enhance the work of rediscovery and exaltation of typically Florentine botanical and floral raw materials, the Officina has commissioned **Blooming in Paradise** from Felice Limosani. From June 12 to November 12, 2023 in Via della Scala 16 in Florence, this immersive art experience will envelop the museum spaces of Officina Profumo-Farmaceutica di Santa Maria Novella in an atmosphere of great visual, sound and olfactory impact, offering perception, sensoriality and beauty.

IRIS: THE ESSENCE OF TIME ITSELF

An intimate but assertive fragrance. A bouquet that is both delicate and intensely bright. Top notes of galbanum, timur pepper and orange flower meet heart notes of geranium, champak and Arabian jasmine. The base notes include musk and ambergris, but above all the concrete of Florentine iris. An incredibly precious raw material, obtained after six years of decantation from the rhizomes of iris flowers growing in the Florentine hills.

BIZZARRIA: ODE TO UNIQUENESS

Bizzarria is a very rare natural periclinal chimera (defined as a "a mosaic formed by tissues from two or more species") of bitter orange, citron and lemon. The structure of its scent is immediately fascinating with Timur pepper and the ambiguous but unmistakable sweetness of orange flowers. The scent then takes you to the heart notes of absolute (the most precious extract) of orange blossom, davana and ginger. The base consists of enticing notes of cedar wood and musk.

JASMINE: THE FAVOURITE OF THE SECRET GREENHOUSE

The jasmine that arrived from Goa in 1688 as a gift for Cosimo III De' Medici was a particular variety, more similar to a small rose than to classic jasmine. Bold scent structure comprised of bergamot, mandarin and pink peppercorn in the top notes. In the heart notes, the mystery is revealed with an absolute of Arabian jasmine, geranium and ylang ylang. Then it opens up completely with cedar wood and musk scents.

MAGNOLIA: A PRODIGIOUS TREE

Magnolia Grandiflora, commonly known as Southern Magnolia or Bull Bay, is an evergreen tree dating back to prehistoric times, which has been able to adapt to different environments throughout the ages, while preserving its peculiarity. Its scent structure is built upon a powerful opening of white rose and geranium. It expresses its depth with heart notes of southern magnolia, paired with absolutes of champak and Arabian jasmine. At the base, amber and musk provide an intoxicating finish.



ITALGEN INAUGURATES A NEW PHOTOVOLTAIC PARK IN MODUGNO

Composed of 10,046 next generation photovoltaic panels, the plant has 5.5 MW of power, sufficient to meet the annual needs of over 3,200 households.

Italgen, a company that has operated in the renewable energy sector for over a century, continues its process of development and diversification of energy generation sources by inaugurating a new photovoltaic plant in Modugno (BA) built as part of the project **to redevelop an abandoned industrial area**.

Made with cutting-edge technologies, the Modugno plant is made up of 10,046 next generation panels and has a total power of 5,480 kW with an expected generation of 8,500 MW/year, equal to the annual consumption of about 3,200 households. **Renewable, fully green energy**, with savings in terms of emissions of no less than 2,700 tonnes of CO2 per year.

*"We are proud that we have created a renewable energy generation plant, with zero new soil consumption, which gives new life to an abandoned industrial area, leaving a 20-hectare natural park as a gift to the territory," commented **Luca Musicco, Chief Executive Officer and Managing Director of Italgen**. "With the inauguration of the photovoltaic park in Modugno, Italgen not only increases its generation capacity by almost 10%, but also takes another important step in its process of sustainable development."*

The construction of the plant stems from the collaboration between Italgen and the Municipality of Modugno and forms part of a project to redevelop the industrial area of Modugno, home to a quarry and the Italcementi cement plant, which had not been used for many years.

Italgen, the owner of the area, built the **photovoltaic park** on an area of 6 hectares that was once occupied by industrial facilities, so without consuming any new land, and donated the rest to the Municipality for the construction of a natural park for public use of about 20 hectares, which increases the green areas in Modugno by about 5 times. As part of the project, the company has also built a **pedestrian and bicycle path** which winds through the park with a viewpoint looking out over the lake that has formed in the former quarry.





THE COMPANY CREATED TO SUPPORT THE GROWTH AND RECOVERY OF ITALIAN COMPANIES

Clessidra Factoring SpA is a financial intermediary pursuant to Art. 106 of the Consolidated Law on Banking which was acquired by Clessidra SGR in November 2020, and in March 2021 became part of the Clessidra Financial Group (in turn part of the Italmobiliare SpA Group). Clessidra Factoring provides companies with services for the disinvestment, management and guarantee of trade receivables, due to customised financial solutions.

The entry of Clessidra Factoring into the Clessidra Financial Group was a business operation with the goal of accessing a market that guarantees positive returns with low risks, with a view to possible complementarity and maximising synergies also with the other companies of the Group.

It provides four main services:

Factoring receivables

This involves financing receivables in Italy or abroad by paying the consideration in advance. Flexible and customisable, Clessidra Factoring's financing follows the development of the turnover of client firms and adapts to their operating cycle. Client firms can obtain financing based on their relative growth rates, without having to incur any further debt.

Receivables management

Clessidra Factoring deals entirely with the management of assigned receivables, issuing payment reminders, recording collections and recovering debts relating to the assigned invoices. To guarantee a high quality standard, Clessidra Factoring provides its clients with a team of experts, specialising in credit management.



Guarantee against client insolvency

In the event of insolvency of the assigned debtors, Clessidra Factoring offers coverage of up to 100% of the invoice amount. Clessidra Factoring clients can thus select their own clients and be able to make quick, reliable business decisions.

Indirect factoring

Also known as reverse factoring, this service allows suppliers to collect receivables due from the debtor company in advance through a specific agreement that Clessidra Factoring has entered into with the debtor. Specifically, this product 'inverts' the traditional factoring process, since it is the debtor who decides to use this tool in order to optimise the management of its purchasing cycle. Indirect factoring is aimed at medium-large industrial or commercial groups, to streamline the management of their purchasing cycles by offering advantageous conditions to their suppliers.

All four services described above can be supplied individually or in different combinations, giving rise to a range of customised products for each client. Due to the high levels of expertise and specialisation of the more than 35 professionals who work for Clessidra Factoring, the needs of client companies can be met by **creating customised solutions**, adapting the financial products that the Company has in its catalogue.

Clessidra Factoring, which is led by **Federico Ghizzoni as Chairman and Gabriele Piccini as CEO**, offers its products and services to Italian companies in the B2B segment. Specifically, it targets those companies that are going through a situation of financial difficulty or that are in the process of recovery. The company's registered office is in Milan, its operational headquarters are in Padua and **it operates throughout Italy** with a series of Area Managers. In the first two years of operation, **more than 300 clients** were managed, for a total amount of intermediated and factored receivables exceeding **700 million euro** out of over 2,000 assigned debtors.

The latest financial year, 2022, closed with a turnover of 459 million euro (85% compared with the previous year), with total receivables amounting to 153 million euro (+79% compared with 2021) and gross loans of 134 million euro, 78% higher than in 2021. Furthermore, the number of active clients almost doubled year-on-year, reaching 230. In 2022, just as in 2021, the trend of growth in profitability also continued: **net interest and other income amounted to 9 million euro**, up by 67% year-on-year. This resulted in **a net profit of 2.4 million euro** (+152% on the previous year).

At December 31, 2022, high quality marked the loan portfolio, as there were no positions classified as non-performing, while loans classified as unlikely-to-pay had a gross value of 321 thousand euro, 0.24% of gross exposures overall. The **Total Capital Ratio was 14.0%**, confirming the good level of capitalisation of the Company in relation to regulatory limits, while the **2022 ROE stood at 15.4%**, a significant increase compared with 9.2% in 2021.

Clessidra Factoring's goal for 2023 and for the next few years is to continue **developing its core business**, especially in the area of distressed loans, becoming the main player in this market segment. The growth in intermediated volumes will be supported by the **constant strengthening of the operating structure** and the **further diversification of funding sources**, by activating other funding tools complementary to those in place.



KEY FIGURES AT MARCH 31, 2023

CONSOLIDATED TURNOVER IN THE FIRST QUARTER UP BY 6.4%

In a context of prolonged uncertainty of extraordinary significance, Italmobiliare confirms its strategy focused on proactive risk management, implementation of transformational evolution paths along guidelines of efficiency and sustainability and constant operational and strategic support for its subsidiaries to face up to the challenges of a complex scenario. An approach that has made it possible to achieve good results in terms of resilience and responsiveness in the management of the portfolio companies.

In the first quarter of the year, the Group has been recording positive trends by continuing its path of efficiency-raising and development of the various businesses. Consolidated turnover in the first quarter (138.5 million euro) has gone up by 6.4%.

Specifically, of the main industrial portfolio companies:

- the revenue of Caffè Borbone has grown significantly to 77.2 million euro (+16.3%);
- Officina Profumo-Farmaceutica di Santa Maria Novella is showing revenue that is up by 7.9% to 10.2 million euro;
- Casa della Salute (CDS) is continuing to grow, with revenue of 10.4 million euro, an increase of 23.5% compared with the same period of last year.

The consolidated gross operating profit (EBITDA) has decreased from 29.8 million to 7.6 million euro, mainly due to the reduction in the margins of Italmobiliare S.p.A., which in the first quarter of 2022 benefited from the extraordinary distribution of dividends essentially linked to the disposal of the investment in Sirap and the early distribution of dividends by Capitelli and Italgen.

The Net Asset Value of Italmobiliare S.p.A., excluding treasury shares, comes to 2,029.6 million euro (2,029.1 million euro at December 31, 2022).

The net financial position of Italmobiliare S.p.A. is positive, going from 151.5 million euro at December 31, 2022 to 146.5 million euro at the end of March 2023, mainly because of investments in portfolio equity investments.

PERFORMANCE OF THE MAIN GROUP COMPANIES

(in millions of euro)	Revenue			Gross operating profit (EBITDA)		
	March 31, 2023	March 31, 2022	Change %	March 31, 2023	March 31, 2022	Change %
Italmobiliare	7.6	91.7	-91.7	(16.4)	78.4	<i>n.s.</i>
Portfolio Companies						
Caffè Borbone	77.2	66.4	16.3	20.5	17.1	20.2
Officina Profumo-Farmaceutica di Santa Maria Novella	10.2	9.4	7.9	1.3	2.5	-47.3
Italgen	8.9	9.0	-1.7	(1.9)	(0.6)	<i>n.s.</i>
Casa della Salute	10.4	8.4	23.5	1.3	1.3	-2.4
Capitelli	5.6	4.9	15.5	0.7	0.8	-7.8
Callmewine	3.4	3.8	-11.6	(0.4)	(0.6)	<i>n.s.</i>
SIDI Sport	7.7	<i>n.a.</i>	<i>n.a.</i>	0.4	<i>n.a.</i>	<i>n.a.</i>
Tecnica Group (*)	94.1	96.7	-2.7	4.6	5.3	-13.3
AGN Energia	214.8	214.6	0.1	23.2	24.2	-4.1
ISEO	41.4	41.8	-0.9	4.1	6.3	-34.9
Bene Assicurazioni (**)	48.5	36.3	33.6	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Total Industrial Portfolio Companies	522.2	491.3	6.3	53.8	56.3	-4.4
Clessidra Group	8.4	7.9	6.3	1.9	2.9	-34.5
Total Portfolio Companies	530.6	499.2	6.3	55.7	59.2	-5.9

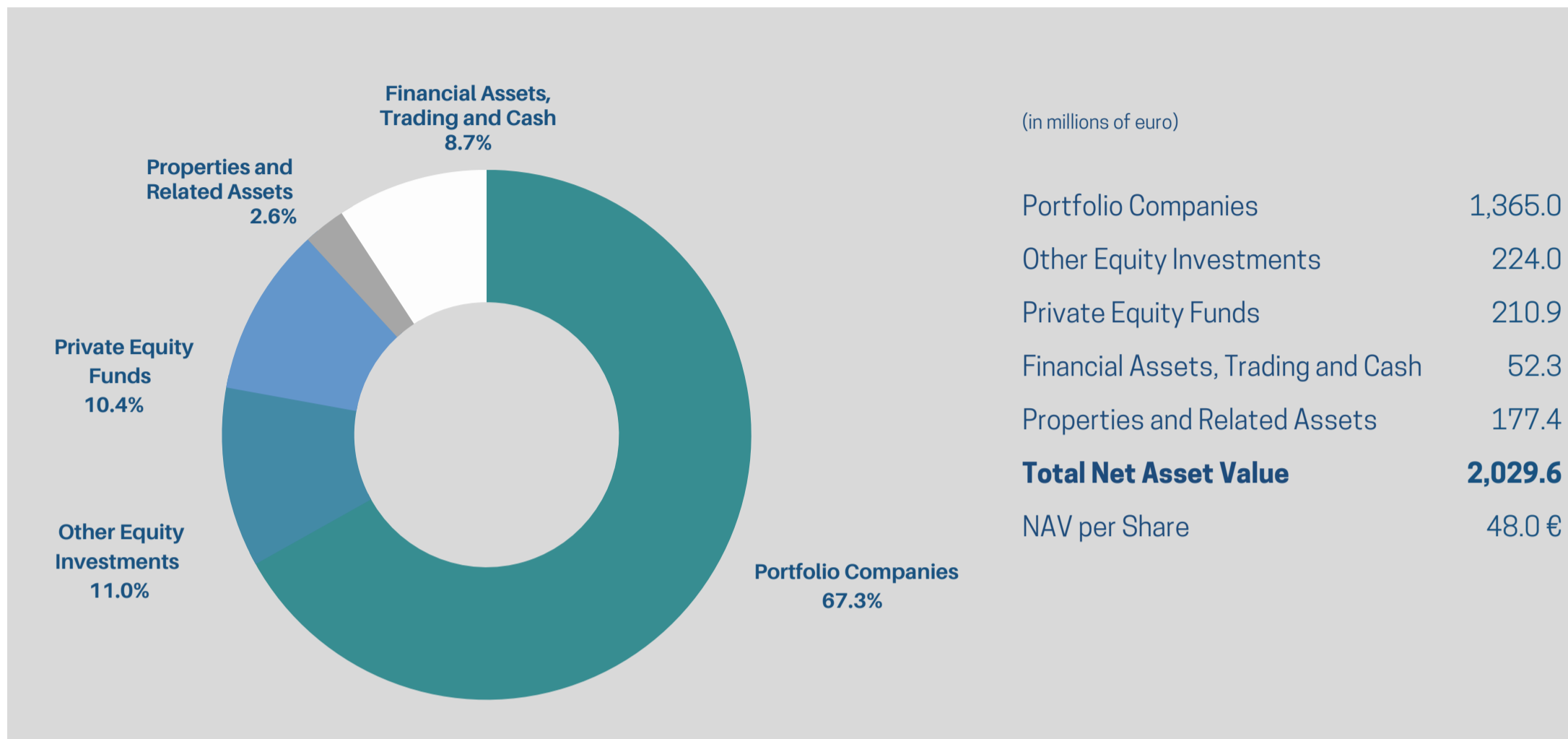
* The 2022 figures differ from those published in the previous report to improve comparability.

** Figures estimated on the basis of the information provided by the Company.

n.a. = not available

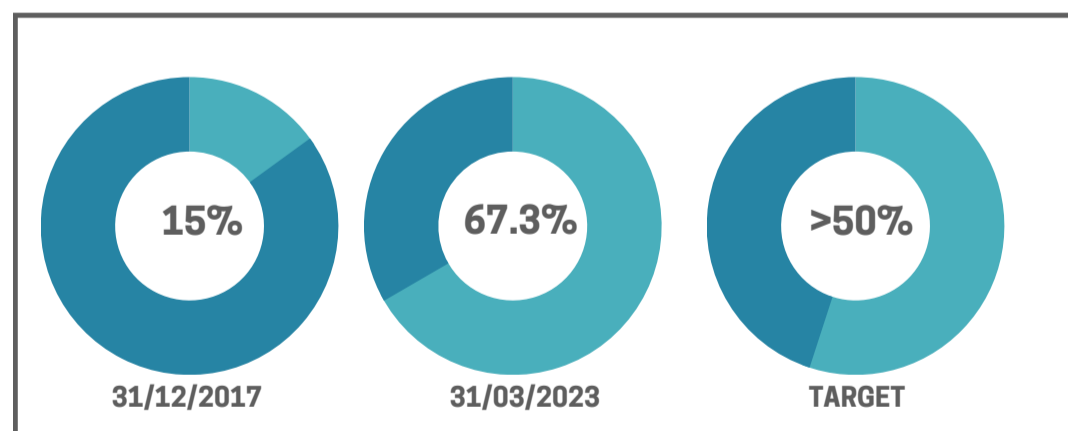
n.s. = not significant

NAV OF 2,029.6 MILLION EURO at March 31, 2023

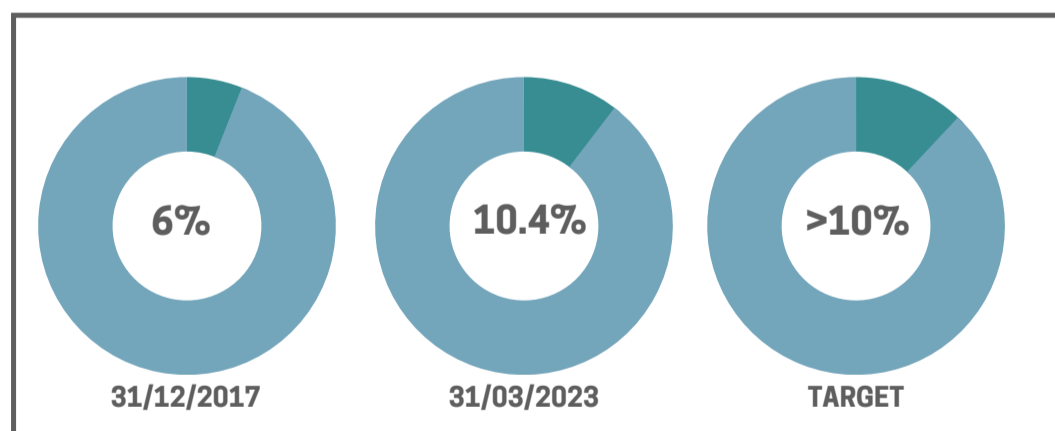


NAV TRANSITION

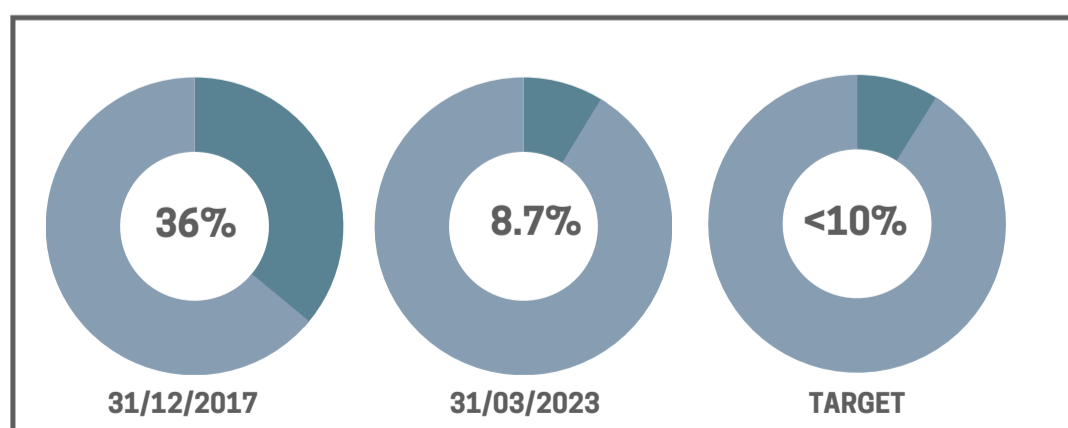
Portfolio Companies
% of total



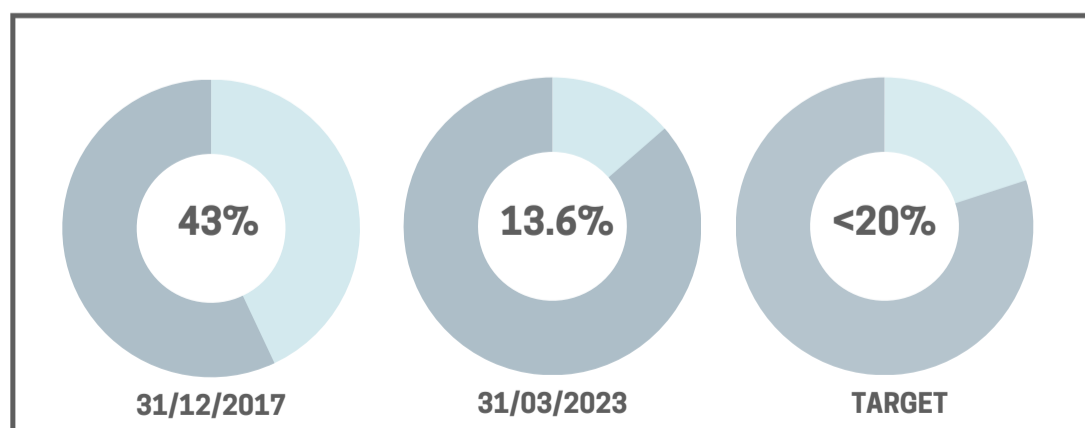
Private Equity Funds
% of total



Financial assets, trading and cash
% of total



Investments and other assets
% of total



THE SUSTAINABILITY TEAM



Stefano Gardi

- At Italmobiliare since 2020, Chief Sustainability Officer
- Previously Chief Sustainability Officer at Itelyum and for over 10 years Sustainable Development Officer for the Italcementi Group
- Degree in Industrial Chemistry from the State University of Milan
- Thirty years of international sustainability experience with the World Business Council for Sustainable Development and UN Global Compact
- Thirty years' experience in the main organisations of industrial representation at national and European level
- Lecturer for university degree and Master's courses



Sonia Saibene

- At Italmobiliare since 2022, Sustainability Manager
- Previously Business Development Manager at Snam's Hydrogen Business Unit and at Exxon Mobil Chemicals and Downstream in commercial and operations roles for 12 years
- MBA from POLIMI Graduate School of Management
- Degree in Mechanical Engineering - Transport and Logistics Focus from the Polytechnic University of Milan
- More than ten years of experience in companies with a structured approach to sustainability
- Safety and leadership coaching

Focusing on the Group's Vision and Mission, the Sustainability Department has the main task of supporting Italmobiliare and the Portfolio Companies in their integrated approach to sustainable business models, overseeing strategies, targets, action plans, operational decisions and specific initiatives. Specifically, coordinating with the other functions of the holding company and the management of the Portfolio Companies, the Sustainability Department:

- facilitates and monitors the integration of dedicated commitments, policies and action plans into business strategies, assessing the ESG performance of the Group and of the individual Portfolio Companies;
- contributes to defining initiatives to reduce the environmental footprint of the operations of the Group and of the individual Portfolio Companies, in compliance with internal standards and applicable regulations;
- promotes, within Italmobiliare and the Portfolio Companies, a culture of safety and the protection of the health of all people and encourages full support for human rights and the creation and maintenance of relationships with all stakeholders based on mutual commitment, active partnership, trust, transparency and long-term collaboration;
- represents Italmobiliare and the Portfolio Companies within national and international bodies that promote sustainability;
- ensures the consolidation of non-financial performance in line with the reporting needs deriving from current and future regulations, from the voluntary acceptance by the Group and the Portfolio Companies of strategic commitments for sustainability (e.g. UN Global Compact and Science Based Targets initiative) and from the eligibility requirements to access all the main ESG ratings (e.g. S&P Global, CDP, Sustainalytics, Ecovadis and Refinitiv).

ESG Investment Roadmap



edited by the Communication Department @ ITALMOBILIARE

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