ITALMOBILIARE
INVESTMENT HOLDING

Annual Financial and Sustainability Report

AT DECEMBER 31, 2024

2024

Annual Financial and Sustainability Report

AT DECEMBER 31, 2024

2024

Annual Financial and Sustainability Report
approved by the Board of Directors on March 6, 2025

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).

Presentation

GENERAL INFORMATION

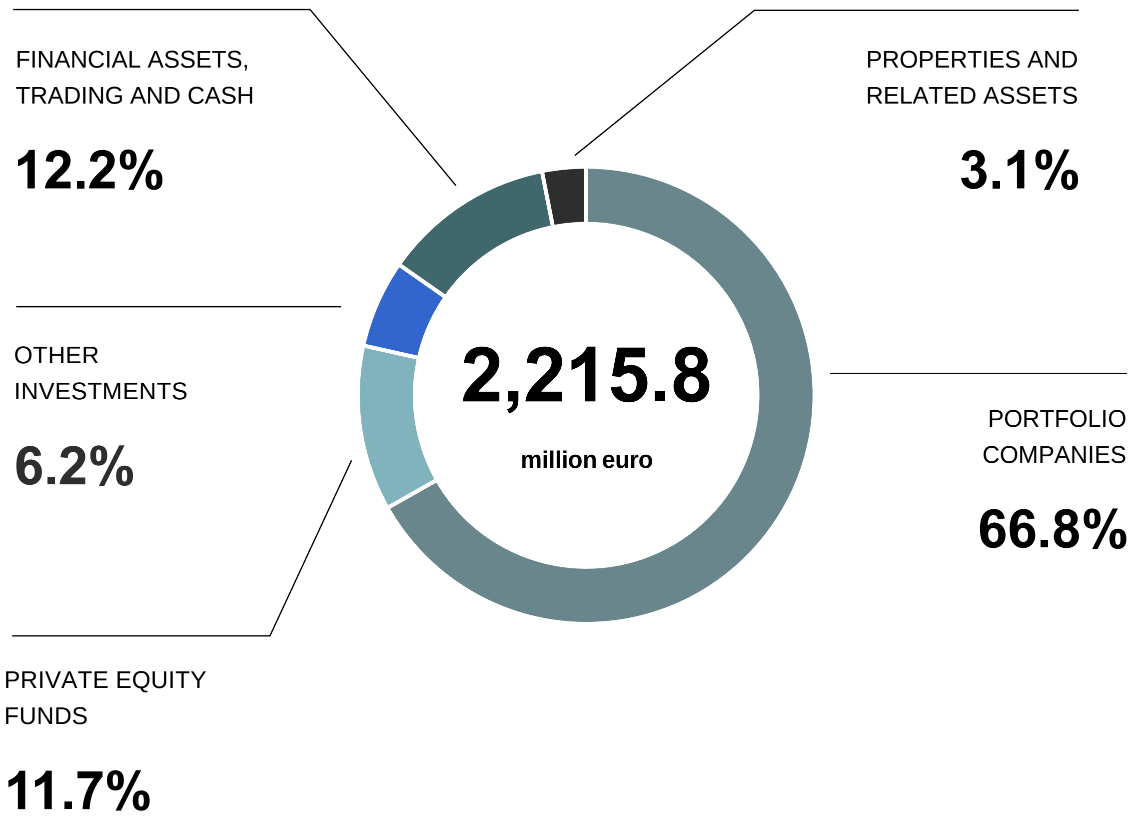
Annual Financial and Sustainability Report

DIRECTORS' REPORT

Net Asset Value at December 31, 2024

Changes in the portfolio composition

AGN Energia	**OUT**



NAV PER SHARE

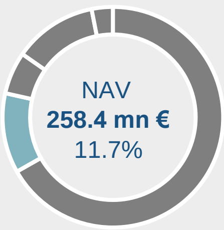
52.4€

	(million euro)
Portfolio Companies	1,481.1
Private Equity Funds	258.4
Investments	137.8
Financial assets, trading and cash	270.1
Properties and related assets	68.4
Total NAV at December 31, 2024	**2,215.8**

Portfolio composition at December 31, 2024

PORTFOLIO COMPANIES

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



PRIVATE EQUITY FUNDS

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

OTHER INVESTMENTS

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

CASH AND OTHER ACTIVITIES

270.1 mn€
12.2%
FINANCIAL ASSETS, TRADING AND CASH

68.4 mn €
3.1%
PROPERTIES AND RELATED ASSETS

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

Our History

Italmobiliare Investment Holding S.p.A. is one of the leading Italian investment holding companies.

Headed up by the Pesenti family, Italmobiliare owns and manages a diversified portfolio of equity and other investments with a strategic vision based on a financial and industrial history that goes back more than 150 years.

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

In 1979 Italmobiliare became the holding company for the entire Group when it acquired a majority of the ordinary shares in Italcementi. In 1980 Italmobiliare was admitted for trading on the Italian Stock Exchange. Under the leadership of Giampiero Pesenti (1931-2019) a period spent focusing on the cement industry then followed, addressing the challenges imposed by globalisation and the need for sustainability in this sector.

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

Milestones of a Success Story

1946 THE FOUNDATION

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

1950s - 60s

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

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

1970s - 80s

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

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

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

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

Italian Stock Exchange Archive, Palazzo Mezzanotte, Sala delle Grida

1990s

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

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

Entry into the capital of Credito Italiano.

2000 - 2015

Portfolio diversification into RCS and Mediobanca.

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

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

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

2016

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

Conversion of the Italmobiliare savings shares.

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

2017

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

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

2018

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

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

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

2019

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

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

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

The investment in Jaggaer was sold to Cinven.

2020

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

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

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

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

2021

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

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

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

Anchor investor of the Clessidra Capital Partners 4 fund.

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

2022

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

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

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

2023

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

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

2024

Sale of the investment in AGN Energia following a development process that has strengthened the company's leadership in the LPG business and expanded its scope of activities, addressing the challenges of the energy transition.

Disposal of investments in CRM Casa della Piada (held since 2018) and FiberCop (held since 2021).

Achieved an "A-" rating in the CDP Worldwide climate rating, an international non-profit organisation that collects and analyses environmental data from nearly 25,000 companies worldwide.

Key Consolidated Figures

(in millions of euro)	2024	2023	Change %
Revenue and income	**701.4**	**585.8**	***19.7***
Gross operating profit (EBITDA)	**157.2**	**99.2**	***58.5***
% of revenue	*22.4*	*16.9*	
Amortization and depreciation	(46.4)	(37.4)	
Impairment losses on non-current assets	(3.4)	(5.6)	
Operating profit (EBIT)	**107.4**	**56.2**	***91.3***
% of revenue	*15.3*	*9.6*	
Net finance income (costs)	(9.4)	(9.4)	
Impairment losses on financial assets	0.0	0.0	
Share of profit/(loss) of equity-accounted associates	29.6	57.3	
Profit/(loss) before tax	**127.6**	**104.0**	***22.7***
% of revenue	*18.2*	*17.8*	
Income tax	(20.2)	(19.3)	*4.7*
Profit/(loss) for the year relating to continuing operations	**107.3**	**84.7**	***26.8***
Profit relating to assets classified as held for sale	0.0	0.0	
Profit/(loss) for the year	**107.3**	**84.7**	***26.8***
attributable to:			
- Owners of the parent company	**93.6**	**66.6**	***40.6***
- Non-controlling interests	13.7	18.1	
Cash flows from operating activities	2.9	72.4	
Cash flows from investing activities	135.1	153.6	

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023
Total equity	1,673.1	1,691.9
Equity attributable to owners of the parent company	1,481.4	1,499.3
Net financial position	(138.5)	(32.4)
Employees (headcount) at the end of the year	1,731	1,497

Sustainability as an integrated growth lever

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

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

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

		Target 2025	2020	2021	2022	2023	2024
Objective: GENDER EQUALITY Supported by adherence to the Women Empowerment Principles, the goal is to create conditions of inclusiveness and social culture that nurture a pathway aimed at achieving gender equality, starting from management positions.							
Women in managerial positions (Managers and Middle managers)	*%*	**>40%**	22%	33%	31%	35%	**38%**
Gender pay gap unadjusted *	*%*	**reduction**	--	--	47%	**63%**	**47%**
Objective: DECENT WORK Every accident at work is unacceptable, therefore the only acceptable goal is Zero Accidents. Only the creation of a culture of safety, well beyond the legal obligations, allows to record progresses.							
Injury frequency rate (> 24)	*# / million worked hours*	**0**	4.8	6.8	3.3	4.8	**5.4**
Hours of training	*hours / person*	**>40**	5	29	33	28	**24**
Objective: RESPONSIBLE PRODUCTION Renewable or recycled materials out of the total materials used support the transition to a regenerative economy.							
Responsible resources: raw materials	*%*	**>80%**	46%	90%	90%	**91%**	**96%**
Responsible resources: packaging	*%*	**>60%**	64%	58%	58%	**80%**	**80%**
Objective: NET-ZERO In 2024, the SBTi expert team validated the Group's emission reduction targets.							
Carbon intensity: scope 1	*tCO_{2e} / million € Revenues*	**reduction**	17	15	13	13	12
Carbon intensity: scope 2	*tCO_{2e} / million € Revenues*	**0**	62	8	0	0	0
Carbon intensity: scope 3 categories 1-14	*tCO_{2e} / million € Revenues*	**reduction**	593	617	640	573	605
Carbon intensity: scope 3 category 15	*tCO_{2e} / million € Revenues*	**reduction**	2,281	3,479	3,442	3,131	1,407
Objective: BUSINESS INTEGRITY Organisation, Management and Control Model (Modell 231). For new investments, adoption is expected no later than the second year of active management.							
Companies with Modell 231	*%*	**100%**	83%	88%	100%	100%	**100%**
Objective: SUSTAINABLE PARTNERSHIP Code of Ethics explicitly oriented toward sustainability; evolved Sustainability Policies; Partnership Charter with ESG pre-qualification. For all new investments, implementation is planned within the first year of active management.							
Companies with Code of Ethics	*%*	**100%**	67%	100%	100%	100%	**100%**
Companies with Sustainability Policies	*%*	**100%**	33%	100%	100%	100%	**100%**
Companies with Partnership Charter	*%*	**100%**	--	--	81%	89%	**100%**

* In 2023, the variable compensation of the 3-year Long Term Incentive plan for the management of the Holding was paid.

Partnership with companies to create values

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

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

PERFORMANCE OF THE MAIN GROUP COMPANIES

	Revenue			Gross operating profit (EBITDA)		
(in millions of euro)	**2024**	**2023 (*)**	**Change %**	**2024**	**2023 (*)**	**Change %**
Italmobiliare	140.1	123.1	*13.9*	105.1	67.7	*55.3*
Portfolio Companies						
Caffè Borbone	334.5	300.4	*11.4*	67.5	79.7	*(15.3)*
Officina Profumo-Farmaceutica di Santa Maria Novella	70.0	56.2	*24.6*	19.2	15.7	*22.1*
CDS-Casa della Salute	63.2	42.8	*47.7*	7.5	5.1	*47.8*
Italgen	66.8	56.8	*17.6*	31.9	12.6	*>100*
SIDI Sport	31.7	23.8	*33.1*	0.4	(2.7)	*n.s.*
Capitelli	23.2	22.4	*3.7*	4.0	3.5	*15.1*
Callmewine	11.6	13.5	*(14.5)*	(2.2)	(1.8)	*n.s.*
Tecnica Group	516.9	540.3	*(4.3)*	74.5	79.9	*(6.8)*
Iseo	153.9	159.7	*(3.6)*	16.6	16.9	*(1.8)*
Bene Assicurazioni[1]	290.2	222.1	*30.7*	n.a.	n.a.	*n.a.*
Total Industrial Portfolio Companies	**1,562.0**	**1,438.0**	***8.6***	**219.3**	**208.9**	***5.0***
Clessidra Group	45.2	38.5	*17.2*	7.4	7.2	*2.1*
Total Portfolio Companies	**1,607.1**	**1,476.5**	***8.8***	**226.7**	**216.1**	***4.9***

(*) The 2023 figures of Tecnica Group differ from those previously published for a better data comparability.

1. Figures are based on information provided by the company.

n.a. not available

n.s. not significant

Corporate Bodies

BOARD OF DIRECTORS

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

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

1 Member of the Committee for Sustainability and Social Responsibility

2 Member of the Remuneration and Nominations Committee

3 Member of the Control and Risk Committee

4 Member of the Committee for Transactions with Related Parties

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

6 Independent director (only pursuant to Legislative Decree no. 58 February 24, 1998)

BOARD OF STATUTORY AUDITORS

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

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

FINANCIAL REPORTING OFFICER

Mauro Torri

INDEPENDENT AUDITORS

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

Deloitte & Touche S.p.A.

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

BOARD OF DIRECTORS

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

Graduated with honours from Bocconi University, where she is Associate Professor with tenure of Corporate Finance as well as Research Fellow of the Baffi Research Centre and Academic Director of the Bachelor Degree in Economics and Finance.
Previously, she was Director of the Master of Science in Finance at Bocconi University, Visiting Scholar at both the MIT (Massachusetts Institute of Technology) and the LSE (London School of Economics and Political Science).
She is a Certified Public Accountant, Registered Auditor and Director of various leading companies.
She currently serves on the Board of Directors of WeBuild S.p.A., a listed company and a leading global player in the construction of large-scale complex infrastructures, and of Allianz Bank Financial Advisors S.p.A., an Italian bank of the Allianz Group that provides investment services to private clients.
She was a member of the Board of Directors of Italcementi S.p.A., among the major global players in the building materials sector, and, between 2012 and 2015, of Alerion Clean Power S.p.A., one of the leading Italian renewable energy operators.
She is a member of the Executive Committee and the Board of Assonime.
She is the author of many articles on corporate governance, corporate finance and company valuations.

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

Degree in Economics & Commerce - Bocconi University, Milan. Certified Public Accountant in Milan and registered auditor.
Tax consultant, he holds the position of Director and Statutory Auditor of various companies.
Since 2009, he has been a member of the Board of Directors of Bormioli Luigi S.p.A., a glassmaking group specialising in the production of high-end glassware (home & professional) and packaging.

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

Degree in Mechanical Engineering - Milan Polytechnic.
Master in Economics & Management - Bocconi University, Milan.
Since 1999 he has been a member of the Board of Directors of Italmobiliare, an investment holding company listed on the Milan Stock Exchange. In 2001 he was appointed Chief Operating Officer and in May 2014 he became Chief Executive Officer. During his career he served for more than a decade, till 2016, as CEO of Italcementi.
Along with the positions held in the Italmobiliare Group, he has also been a member of the Boards of Directors of leading listed companies such as Unicredit S.p.A., RCS S.p.A. and Mediobanca S.p.A. for several terms of office.
He is currently Chairman of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. and is a member of the Board of Directors of Clessidra Holding S.p.A., Tecnica Group S.p.A. and Caffè Borbone S.r.l. (Italmobiliare Group Portfolio Companies).
Former Vice-President of Confindustria (2014-2016), he is a member of the Advisory Board of Assolombarda. He is a member of the Board of ISPI and Co-Chairman of the Italy-Thailand Business Forum.
He is Chairman of the Pesenti Foundation, which promotes interaction between profit and non-profit organisations for the diffusion of a culture of innovation to generate projects and activities in the social, environmental and cultural sectors.

Giorgio Bonomi – Director since May 3, 2002

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

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

Degree in Law from the University of Catania. She has been a member of the Italian Bar Association since 1996, and has a specialisation in real estate finance.
From 1996 to 2005, she worked in banking and finance law at Clifford Chance (Rome-London) and Allen & Overy (Milan). From 2005 to 2017 she was with Lehman Brothers (London-Milan) holding various positions in the Global Real Estate Group and - since 2008 - in Administration. Since 2014 she has been Founder member and Chief Executive Officer of Restar, a real estate non-performing loans platform for the US Varde Fund, which was sold and merged with Guber Banca, in which she served as Head of Real Estate until April 2022.
Since April 27, 2022, she has served as Chief Executive Officer of Il Sole 24 Ore S.p.A., one of the leading Italian publishing groups.
She is a Director of Zurich Investments Life S.p.A., Tecma Solutions S.p.A., a listed company specialising in business innovation in the real estate sector, and Clessidra Holding S.p.A.

Valentina Casella – Director since July 29, 2021

She holds a degree in Law from the University of Milan, and is specialised in corporate law and business administration, with a Master of Laws from Columbia University and an M.B.A. from INSEAD.
She is a member of the Milan Bar Association since 2006 and of the New York State Bar Association since 2008.
From 2007 to 2012 she was an associate at Simpson Thacher & Bartlett LLP law firm in New York.
She is a partner at Casella e Associati law firm in Milan since 2014.
She is a Director of Banco di Desio e della Brianza S.p.A., an Italian banking institution, and of Riso Gallo S.p.A., an Italian company specialising in the production and marketing of rice and rice-based products.

Marco Cipelletti – Director since January 27, 2021

Degree in Business Economics and Corporate Finance from Bocconi University.
Work experience: more than twenty years in the financial sector (investment analysis and fund management) at Amber Capital, Milan, UBS Investment Bank, Milan, ABN Amro Bank, NV, Milan, Credit Lyonnais Securities, London, San Paolo Bank – Istituto Bancario San Paolo di Torino, London, Actinvest Group Ltd, London, and the last fourteen years in the real estate sector.
Since May 2011, CEO of Galtrucco S.p.A., a real estate company based in Milan, and of other minor real estate companies linked to it.

Elsa Fornero – Director since July 27, 2017

Elsa Fornero is Honorary Professor of Economics at the University of Turin, where she held the chair of Political Economy until 2018; Honorary Senior Fellow of the Collegio Carlo Alberto of Turin and Scientific Coordinator of CeRP (Center for Research on Pensions and Welfare Policies); member of the Academia Europaea; Vice-President of the Observatoire de l'Epargne Européenne of Paris; member of the Research Committee of the OECD International Network on Financial Education. She is also a Research Fellow of a number of European research institutions and an honorary member of the Académie de Contabilité.
She has been a member of the Board of Directors of Teatro Regio of Turin, INA Assicurazioni, Buzzi Unicem, Fideuram, Centrale del Latte of Turin and Intesa SanPaolo, of which she was also Deputy Chair.
She was Minister of Labour and Social Policies with responsibility for Equal Opportunities in the government led by Mario Monti (2011-13), a period in which she implemented reforms of the pension system and labour market. She was part of the Steering Council for Economic Policy of Palazzo Chigi in Mario Draghi's government (2021-22). She acts as a key-note speaker, editorialist for La Stampa and television commentator.
Her research has focused on the savings behaviour of households throughout their life cycle, pension savings in particular. Specific topics: effects of demographic ageing; work, savings and retirement choices; welfare systems and reforms; life insurance; labour market reforms. In recent years, she has devoted herself, in both research and dissemination, to basic financial education, understood as a tool to help people make important decisions during their lives, also as a prerequisite for democracy to function better.
She has adopted as her motto a line by the poet Wislawa Szymborska: "*It's easy, it's impossible, it's difficult, it's worth it.*"

Luca Minoli – Director since May 3, 2002

Degree in Law, *magna cum laude*, 1985 - Milan State University.
Registered member of the Order of Lawyers of Milan since 1988.
Registered member of the Special Order of Cassation Lawyers and Higher Jurisdictions since 2006.
Associate at Hughes Hubbard & Reed in New York in 1986, he began his career at Ardito law firm, where he became a partner in 1991.
Partner from 2002 to 2004 at Casella Minoli e Associati. Partner until 2012 at the Italian office of Dewey Ballantine, later Dewey & LeBoeuf.
Since 2013, founding partner at Gattai, Minoli, Partners.
As of March 2024, partner at LCA Studio Legale.

Chiara Palmieri – Director since April 19, 2017

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

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 serves on the Board of Directors of Ceme S.p.A., a manufacturer of industrial valves and pumps; Flos B&B Italia Group S.p.A., a worldwide leader in luxury design, featuring iconic brands in the industry; Fondaco SGR S.p.A., an independent asset management company exclusively serving institutional investors; La Doria S.p.A., a global food company specialising in canned products; Snaitech S.p.A., a leading player in Italy's gaming and betting sector; and Guala Closures S.p.A., a worldwide leader in manufacturing closures for spirits, wine, oil, and beverages.

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

Roberto Pesenti – Director since April 27, 2023

Since January 2025, he has been the Head of Strategic Development at Italmobiliare.
He holds a degree in Mechanical Engineering and Business Finance from University College London and an MSc in Materials Engineering from Stanford University.
After completing his Master's, he worked for two years at Eurazeo's New York offices, an international private equity firm, focusing on investment activities in mid-market American companies.
In 2019, he joined the Development and Investment Department of Italmobiliare, where he managed sourcing, due diligence, and investments in Italian companies and foreign investment funds.
From 2022 to 2024, he served as the CEO of Callmewine, one of Italy's leading e-commerce platforms for wine and spirits, with a presence in other European markets, and he currently serves as its Chairman.

Pietro Ruffini – Director since April 27, 2023

He obtained a BA (Hons) in International Business with Entrepreneurship and French at the European Business School in London.
From 2014 to 2017, he has worked as a consultant at Bain and Company. He is the Founder and Chief Executive Officer of Archive S.r.l., a company that supports companies by accompanying them on a growth path. He is Chief Executive Officer of Ou(R) Places S.r.l., Ou(R) Group S.r.l. and Ruffini Partecipazioni Holding S.r.l.
He is, among other things, a member of the Board of Directors of Double R S.r.l., the largest shareholder of Moncler S.p.A., Langosteria Holding S.r.l., The Attico S.r.l. and SA Hospitality Group LLC.

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, and ArtDefender S.r.l., Milan. He was Chairman of the Board of Statutory Auditors of Parmalat S.p.A., Interpump Group S.p.A., Permasteelisa S.p.A. and Banca Italease S.p.A., as well as Independent Director of Guala Closures S.p.A., all listed companies. He has been a Director and Chairman of the Board of Statutory Auditors of various unlisted companies.
He is the author of three monographs and about forty articles on commercial, banking and bankruptcy law.

Antonia Di Bella

Having graduated in Economics and Social Sciences from the Università della Calabria, she is enrolled in the Register of Chartered Accountants and Accounting Experts of Milan and in the Register of Independent Auditors.
In 1992 she joined KPMG where she worked for almost fifteen years, becoming Senior Manager.
From 2007 to 2015 she worked in Mazars S.p.A. as manager for the insurance sector.
From 2016 to 2021 she was professor of Accounting and Management in Insurance for the Bachelor's Degree program in Actuarial Sciences at the Catholic University of Milan. She is currently a Lecturer at the same Faculty.
She practices professionally at her own office in Milan and serves as Counsel at ADVANT-Nctm.
She is Chairman of the Board of Directors of Bnp Paribas Cardif Vita S.p.A. and holds the position of Independent Director in Interpump Group S.p.A., Ariston Holding NV and BCC Vita Assicurazioni S.p.A., and is a Statutory Auditor or Chairman of the Board of Statutory Auditors in several small and medium-sized companies including Cetena S.p.A. and NextChem S.p.A.

Gabriele Villa

Graduated in Economics and Commerce from the Catholic University of Milan.
Associate Professor at the Faculty of Banking, Financial and Insurance Sciences of the Catholic University of Milan.
Certified Public Accountant in Milan. Registered Auditor in the register established at the Ministry of Economy and Finance.
He is a member of the Audit Committee of Unicredit S.p.A.
He is a Standing Auditor of Edison S.p.A. and Transalpina di Energia S.p.A., as well as Auditor of the Teatro alla Scala Academy of Arts and Crafts of the Performing Arts Foundation.

Annual Financial and Sustainability Report

ITALMOBILIARE
INVESTMENT HOLDING

DIRECTORS' REPORT

ITALMOBILIARE
INVESTMENT HOLDING

Section 1

OVERVIEW & HIGHLIGHTS

Information on operations

INTRODUCTION

The Italmobiliare Group's consolidated financial statements for the year ended December 31, 2024, and the corresponding figures for 2023, have been drawn up in compliance with Reporting Standards issued by International Accounting Standard Board and adopted by the European Union.

The scope of consolidation saw a number of changes during 2024 as a result of: the sale of AGN Energia in the first quarter of 2024; the percentage change from 24.095% to 24.622% in Farmagorà due to the capital increases not subscribed by all shareholders; the percentage change from 84.734% to 87.8525% in the Casa della Salute Group due to the capital increases not subscribed by all shareholders; the percentage change from 80% to 80.717% in Callmewine due to the capital increases not subscribed by all shareholders.

PERFORMANCE INDICATORS

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

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

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

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

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

NET ASSET VALUE

At December 31, 2024, the NAV per share (excluding treasury shares) is equal to 52.4 euro and, considering the distribution of dividends of 3.00 euro per share, shows an increase of 6.4% compared with the figure at December 31, 2023.

The Net Asset Value of Italmobiliare S.p.A. (the definition and reconciliation of which is provided in the Annex), excluding treasury shares, is equal to 2,215.8 million euro (2,201.4 million euro at December 31, 2023); considering the distribution of 126.9 million euro of dividends during the year, the net performance is positive for 141.3 million euro.

	NAV (in millions of euro)	**NAV per azione (euro)**
December 31, 2023	2,201.4	52.1
December 31, 2024	**2,215.8**	52.4
Change	**14.4**	**0.3**
Dividends paid	126.9	3.0
Net performance	**141.3**	**3.3**
Net performance %	**6.4%**	

The net performance at December 31, 2024, amounts to 141.3 million euro and is mainly due to the increase in value of the Portfolio Companies for 78.9 million euro (Italgen, Officina Profumo-Farmaceutica di Santa Maria Novella, CDS-Casa della Salute and Bene Assicurazioni), Other Equity Investments for 18.4 million euro, and Private Equity Funds for 25.8 million euro. Additionally, the increase in value was supported by the performance of Trading Activities for 12.6 million euro and positive taxes for 33.7 million euro against the positive net IRES position for 2023 and the Group's 2024 IRES advance payments (approximately 23.8 million euro) and the reimbursement related to the favourable resolution of some of the Company's tax disputes (approximately 8.0 million euro). Net of dividend distribution of 126.9 million euro and holding costs of total 24.2 million euro, the change in Net Asset Value is positive by approximately 14.4 million euro.

(in millions of euro)	**Net performance**
Portfolio Companies[1]	78.9
Other equity investments	18.4
Financial assets, trading and cash and cash equivalents	12.6
Properties and related assets	(3.9)
Private equity funds	25.8
Gross performance	**131.8**
Holding Company costs	(24.2)
Income tax	33.7
Italmobiliare NAV net performance	**141.3**
Dividends paid	(126.9)
Change	**14.4**

1. "Portfolio Companies" include the investments in Italgen S.p.A., Caffè Borbone S.r.l., Clessidra Holding S.p.A., Tecnica Group S.p.A., Iseo Serrature S.p.A., Capitelli S.r.l., Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A., Callmewine S.r.l., Casa della Salute S.p.A., Bene Assicurazioni S.p.A. Società Benefit and SIDI Sport S.r.l.

The detailed composition of the NAV at December 31, 2024 is shown below:

(in millions of euro)	December 31, 2024	% of total	December 31, 2023	% of total	Change
Portfolio Companies[1]	1,481.1	*66.8%*	1,518.3	*69.0%*	(37.2)
Other Equity Investments[2]	137.8	*6.2%*	166.7	*7.6%*	(28.9)
Private Equity Funds	258.4	*11.7%*	239.4	*10.9%*	19.0
Properties and related assets	68.4	*3.1%*	72.2	*3.3%*	(3.9)
Financial assets, trading and cash and cash equivalents[3]	270.1	*12.2%*	204.9	*9.3%*	65.2
Total Net Asset Value (*)	**2,215.8**	***100.0%***	**2,201.4**	***100.0%***	**14.4**

1. "Portfolio Companies" include the investments in Italgen S.p.A., Caffè Borbone S.r.l., Clessidra Holding S.p.A., Tecnica Group S.p.A., Iseo Serrature S.p.A., Capitelli S.r.l., Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A., Callmewine S.r.l., Casa della Salute S.p.A., Bene Assicurazioni S.p.A. Società Benefit and SIDI Sport S.r.l. Note that the investment in Bene Assicurazioni S.p.A. was classified for NAV purposes to Portfolio Companies due to the significant amount of the investment.

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

3. Note that "Financial assets, trading and cash and cash equivalents" include the net financial position of the parent company Italmobiliare, the investment in Sirap Gema S.r.l. for 2.1 million euro (2.7 million euro at December 31, 2023) and the net financial position of the vehicles FT2 S.r.l. and FT3 S.r.l. after reclassification of the 6 million euro loan granted to Archimede S.p.A. to "Other equity investments".

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

The total value of the “Portfolio Companies” at December 31, 2024 decreased by 37.1 million euro, mainly determined by the sale of AGN Energia (99.0 million euro, net of the tax effect) and the distribution of dividends (42.4 million euro), partially offset by the positive performance during the period of 78.9 million euro and the capital increase of CDS-Casa della Salute (24.2 million euro).

"Other equity investments" of 137.8 million euro decreased, mainly due to the sales of shares in Heidelberg Materials AG and KKR Teemo Co-Invest LP, co-investor vehicle in the FiberCop project, that took place during the period, partially offset by the increase in the fair value (18.4 million euro) of some listed equity investments.

The increase in “Financial assets, trading and cash and cash equivalents” of 65.2 million euro is mainly due to the proceeds from the sale of AGN Energia (100.0 million euro) and KKR Teemo Co-Invest LP, co-investor vehicle in the FiberCop project, (20.9 million euro), dividends received (51.3 million euro), the positive performance of trading activities (12.2 million euro), and operating costs and taxes (positive balance of 9.5 million euro), and reimbursements net of investments in Private Equity funds, (6.8 million euro), partially offset by the dividend paid (- 126.9 million euro).

The NAV was calculated taking into account:

- the market price at December 31, 2024 of the equity investments in listed companies;
- the value of non-listed companies, determined by an independent expert on the basis of commonly used valuation methods (DCF and/or market multiples) or, where sufficient information is not available for the application of the methods envisaged by the International Private Equity and Venture Capital (IPEV) valuation guidelines and/or their consistency can be considered immaterial, their net equity resulting from the latest approved financial statements, determined according to IAS/IFRS or local accounting standards;
- the market value of the real estate assets held;
- the effect of deferred taxation.

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

PERFORMANCE OF THE MAIN GROUP COMPANIES

	Revenue			Gross operating profit (EBITDA)		
(in millions of euro)	**2024**	**2023 (*)**	**Change %**	**2024**	**2023 (*)**	**Change %**
Italmobiliare	140.1	123.1	*13.9*	105.1	67.7	*55.3*
Portfolio Companies						
Caffè Borbone	334.5	300.4	*11.4*	67.5	79.7	*(15.3)*
Officina Profumo-Farmaceutica di Santa Maria Novella	70.0	56.2	*24.6*	19.2	15.7	*22.1*
CDS-Casa della Salute	63.2	42.8	*47.7*	7.5	5.1	*47.8*
Italgen	66.8	56.8	*17.6*	31.9	12.6	*>100*
SIDI Sport	31.7	23.8	*33.1*	0.4	(2.7)	*n.s.*
Capitelli	23.2	22.4	*3.7*	4.0	3.5	*15.1*
Callmewine	11.6	13.5	*(14.5)*	(2.2)	(1.8)	*n.s.*
Tecnica Group	516.9	540.3	*(4.3)*	74.5	79.9	*(6.8)*
Iseo	153.9	159.7	*(3.6)*	16.6	16.9	*(1.8)*
Bene Assicurazioni[1]	290.2	222.1	*30.7*	n.a.	n.a.	*n.a.*
Total Industrial Portfolio Companies	**1,562.0**	**1,438.0**	***8.6***	**219.3**	**208.9**	***5.0***
Clessidra Group	45.2	38.5	*17.2*	7.4	7.2	*2.1*
Total Portfolio Companies	**1,607.1**	**1,476.5**	***8.8***	**226.7**	**216.1**	***4.9***

(*) The 2023 figures of Tecnica Group differ from those previously published for a better data comparability.

1. Figures are based on information provided by the company.

n.s. not significant

n.a. not available

In 2024, Italmobiliare's portfolio gave further confirmation of solidity and resilience, thanks to the quality of the assets and proactive risk management, complete integration of sustainability into its development strategies and management responsiveness at the Holding and Portfolio Companies. Despite often challenging moments (think, in particular, of the price of coffee for Caffè Borbone or the critical issues that arose after the release of Iseo's new ERP), overall, the Portfolio Companies have shown better results at an aggregate level in terms of both revenue and gross operating profit.

Looking at the pro-forma aggregate:

- the revenue of the Industrial Portfolio Companies has grown to 1,562.0 million, up 8.6% from 1,438.0 million in 2023. In particular, it is worth mentioning the double-digit growth of all of the strategic industrial platforms (Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, CDS-Casa della Salute, and Italgen).
- the aggregate gross operating profit of the Industrial Portfolio Companies is equal to 219.3 million, up 5.0% compared with 2023. Driven by the performance of Italgen, Officina Profumo-Farmaceutica di Santa Maria Novella and CDS-Casa della Salute.

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

- In the food sector, Caffè Borbone has given further impetus to its development path in a context made extremely challenging by the record cost of its raw material, namely coffee. The company closed 2024 with revenue increasing to 334.5 million euro, driven by the growth in volumes (+6%) of single-serve coffee, the company's flagship product, and by the excellent performance of the large-scale retail channel (+32%). Despite the record increase in the cost of Robusta coffee, the company has proven itself capable of maintaining a good margin, which stands at 20.2% of revenue, with a gross operating profit of 67.5 million euro. In a difficult scenario, due to African swine fever which increased the cost of the raw material and complicated procurement, Capitelli turned in excellent results, with revenue of 23.2 million euro, up 3.7% compared with 2023. Gross operating profit comes to 4.0 million euro, up 15.1%.
- 2024 was a very positive year for Officina Profumo-Farmaceutica di Santa Maria Novella, which posted revenue up by 24.6% to 70 million euro and a gross operating profit that has risen to 19.1 million euro (+22.1%). Excellent performances by the retail channel (+42.0%), which is growing in all geographies thanks to both the company's direct entry into the Japanese market and the important contribution of the Florence area, the new stores and e-commerce (+29.4%). On the product side, growth was recorded throughout the year in all categories, in particular fragrances and products for the home and the ambiance.

- During 2024, CDS-Casa della Salute continued its growth and expansion trajectory, inaugurating 3 new outpatient clinics and completing the acquisition of 6 other facilities. The financial year closed with revenue rising to 63.2 million euro, up 47.7% thanks to new openings and the good performance of existing clinics. The gross operating profit stands at 7.5 million euro and, if we neutralise non-recurring costs of 5.7 million euro mainly related to the new clinics, it comes to 13.2 million with an increase of 52% compared with 2023 (again net of non-recurring costs).
- 2024 was a record year for Italgen in terms of both production and profitability. In particular, the hydroelectric energy output of the Italgen Group for the year came to 386.8 GWh, with revenue of 66.8 million euro and a gross operating profit of 31.9 million euro (+19.3 million euro compared with 2023).
- In the outdoor sector, SIDI turned in a good performance, closing the year with revenue on the rise to 31.7 million euro, 33.2% up on the previous year. The result benefits from the marketing and commercial initiatives implemented by the management team, but also from the launch of many new products in both the motorbike (+32.7%) and bicycle (+32.7%) segments. The gross operating profit came to 0.4 million euro, an improvement of 3.1 million euro compared with the previous year, mainly thanks to the increase in volumes. Tecnica Group has closed 2024 with revenue of 516.9 million euro, slightly down on the previous year, with an upturn in the fourth quarter. The Group's gross operating profit is equal to 74.5 million euro.
- In a shrinking market, Callmewine recorded revenue in 2024 of 11.6 million euro, 14.5% down on the previous year, but with an improvement in the fourth quarter compared with the trend seen in the previous months.
- ISEO closed 2024 with turnover of 153.9 million euro, down by 3.6% mainly due to problems that arose during implementation of a new ERP system. The gross operating profit came to 16.6 million euro, substantially in line with the previous year.
- Bene Assicurazioni achieved an excellent level of premium income during the year, equal to 290.2 million euro, up 30.7% on the previous year with positive results in all sales channels.

Clessidra, a non-industrial Portfolio Company, closed the year with a positive brokerage margin of 37.2 million euro (32.5 million euro at December 31, 2023), which includes 20.2 million euro of management fees for the Clessidra Funds (19.9 million euro at December 31, 2023) and 12.7 million euro in commissions from the factoring activity (11.4 million euro at December 31, 2023). The consolidated result of the Clessidra Group at December 31, 2024, net of taxes of 2 million euro, comes to 1.8 million euro (1.7 thousand euro at December 31, 2023).

SUMMARY OF RESULTS FOR THE FOURTH QUARTER

	Revenue			Gross operating profit (EBITDA)		
(in millions of euro)	**Q4 2024**	**Q4 2023**	**Change %**	**Q4 2024**	**Q4 2023**	**Change %**
Italmobiliare	20.5	56.0	*(63.3)*	12.7	46.0	*n.s.*
Portfolio Companies						
Caffè Borbone	91.4	79.2	*15.4*	16.9	21.4	*(21.0)*
Officina Profumo-Farmaceutica di Santa Maria Novella	22.9	18.7	*22.3*	7.2	6.4	*12.0*
CDS-Casa della Salute	17.3	12.8	*35.2*	2.1	1.9	*10.5*
Italgen	16.9	17.2	*(1.7)*	5.0	6.6	*(24.2)*
SIDI Sport	11.4	7.4	*54.1*	1.6	(3.5)	*n.a.*
Capitelli	6.0	6.0	*0.0*	0.8	1.1	*(27.3)*
Callmewine	3.9	4.1	*(5.7)*	(0.9)	(0.5)	*n.s.*
Tecnica Group	188.0	183.7	*2.3*	34.6	31.7	*9.1*
Iseo	42.3	43.6	*(3.0)*	7.3	7.1	*2.8*
Bene Assicurazioni	92.0	72.6	*26.7*	n.a.	n.a.	*n.a.*
Total Industrial Portfolio Companies	**492.1**	**445.3**	***10.5***	**74.5**	**72.1**	***3.4***
Clessidra Group	12.0	10.9	*9.7*	1.3	(1.3)	*n.s.*
Total Portfolio Companies	**504.0**	**456.2**	***10.5***	**75.8**	**70.8**	***7.0***

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

(*) The 2023 figures of Tecnica Group differ from those previously published for a better data comparability.

n.a. not available

n.s. not significant

Looking just at the fourth quarter:

- The revenue of Industrial Portfolio Companies amounts to 492.1 million euro, which is higher than in the previous period. Compared with the same period in 2023, worthy of note are the increases recorded by SIDI (+54.1%), CDS-Casa della Salute (+35.2%) and Officina Profumo-Farmaceutica di Santa Maria Novella (+22.9%), in line with the good results achieved during the year.
- The gross operating profit of the Industrial Portfolio Companies comes to 74.5 million euro, showing an increase compared to the same period of the previous year.

SUSTAINABILITY HIGHLIGHTS

GOVERNANCE AND VALUE CHAIN

100% COMPANIES
Code of Ethics
Sustainability Policies
Partnership Charter

100% COMPANIES
UN Global Compact
WEPs
SBTi

3 COMPANIES
Legality Rating

2 COMPANIES
ECOVADIS GOLD

1 COMPANY
BCorp

CLIMATE STRATEGY

SCOPE 1
-8% vs. 2023
tons CO_2 / M€ Revenue

SCOPE 2
Zero
tons CO_2 / M€ Revenue

SCOPE 3
-44% vs. 2023
tons CO_2 / M€ Revenue

HEALTH, SAFETY, AND WELL-BEING

5.4 ACCIDENTS PER MILLION HOURS WORKED
Increasing efforts is an imperative that cannot be disregarded.

3 COMPANIES
ISO 45001

~5,800
SAFETY TRAINING HOURS

GENDER AND HUMAN CAPITAL DEVELOPMENT

38%
MANAGERIAL POSITIONS HELD BY WOMEN

+272
BALANCE RECRUITMENTS vs. VOLUNTARY OUTPUTS

~42,000
TRAINING HOURS

ESG Ratings

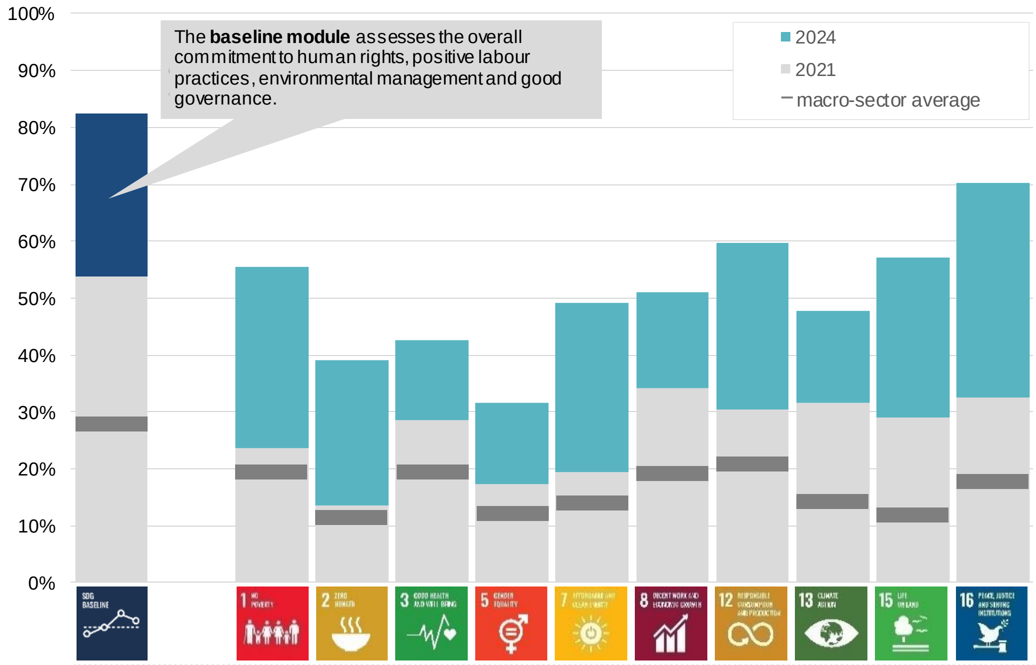
S&P Global	MORNINGSTAR SUSTAINALYTICS	CDP	REFINITIV	CSRHUB
ESG Score Total score resulted at 90° percentile in the reference industry	**ESG Risk Rating** “Negligible risk”, combination of “Low Exposure” and “Strong Management”	**CDP Climate A-** Leadership level for low-carbon transition management	**ESG Score** 74/100	**ESG Ranking** 84%
100° percentile for climate strategy	#1 among comparable companies by level of capitalisation	CDP Forest: B CDP Water: B	Among the best-ranked companies in the sector**.**	Among the very first ranked companies in the sector.

CONTRIBUTION TO SDGs

Italmobiliare Investment Holding intends to be an inspiration, an example and a reference for all those who want to identify, accelerate and enhance their long-term transformation potential and actively contribute to global challenges, creating sustainable, innovative and therefore more competitive and resilient businesses.

By joining the **United Nations Global Compact**, the Italmobiliare Group confirms its commitment - both formal and substantial - to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of protecting the environment and actively involved in every aspect of business integrity. To this end, Italmobiliare shares, supports and applies the fundamental **Ten Principles** of the Global Compact in its sphere of influence and actively contributes to the achievement of the **Sustainable Development Goals (SDGs)**.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. Six SDGs are set as common targets for the Holding which promotes their implementation also within the Portfolio Companies, in addition to specific SDGs related to the specific business sectors. The following graph represents the weighted contribution of the Holding and Portfolio Companies, highlighting the improvement since 2021.



	1	2	3	5	7	8	12	13	15	16
Italmobiliare				✓		✓	✓	✓		✓
Caffè Borbone	✓	✓	✓	✓		✓	✓	✓	✓	✓
Officina SMN			✓	✓		✓	✓	✓		✓
Italgen				✓	✓	✓	✓	✓	✓	✓
Casa della Salute			✓	✓		✓	✓	✓		✓
Capitelli	✓	✓	✓	✓		✓	✓	✓	✓	✓
Callmewine		✓	✓	✓		✓	✓	✓		✓
SIDI Sport			✓	✓		✓	✓	✓		✓
Clessidra				✓		✓	✓	✓		✓

ITALMOBILIARE
INVESTMENT HOLDING

Section 2

ITALMOBILIARE GROUP

Economic and financial performance

Italmobiliare Group

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	**701.4**	**585.8**	***19.7***
Gross operating profit	**157.2**	**99.2**	***58.5***
% of revenue	*22.4*	*16.9*	
Amortisation and depreciation	(46.4)	(37.4)	
Impairment losses on non-current assets	(3.4)	(5.6)	
Operating profit	**107.4**	**56.2**	***91.3***
% of revenue	*15.3*	*9.6*	
Net finance income (costs)	(9.4)	(9.4)	
Impairment losses on financial assets	0.0	0.0	
Share of profit/(loss) of equity-accounted investees	29.6	57.3	
Profit/(loss) before tax	**127.6**	**104.0**	***22.7***
% of revenue	*18.2*	*17.8*	
Income tax	(20.2)	(19.3)	*4.7*
Profit (loss) from continuing operations	**107.3**	**84.7**	***26.8***
Profit/(loss) from assets classified as held for sale	0.0	0.0	
Profit/(loss) for the period	**107.3**	**84.7**	***26.8***
attributable to:			
- Owners of the parent company	**93.6**	**66.6**	***40.6***
- Non-controlling interests	13.7	18.1	
Cash flows from operating activities	2.9	72.4	
Cash flows from investing activities	135.1	153.6	

(in millions of euro)	December 31, 2024	December 31, 2023
Total equity	1,673.1	1,691.9
Equity attributable to owners of the parent company	1,481.4	1,499.3
Net financial position	(138.5)	(32.4)
Employees (headcount) at the end of the year	1,731	1,497

(*) Note that the employee figures at December 31, 2023, include Italmobiliare Servizi S.r.l., Punta Ala S.r.l., Crédit Mobilier de Monaco S.A., and Société d'Etudes de Participations et de Courtages S.A., which are not considered in Section 3.

- **Revenue and income**: 701.4 million euro compared with 585.8 million euro at December 31, 2023 (+19.7%);
- **Gross operating profit**: 157.2 million euro compared with 99.2 million euro at December 31, 2023 (58.5%);
- **Operating profit**: 107.4 million euro compared with 56.2 million euro at December 31, 2023 (91.3%);
- **Profit/(loss) before tax**: a profit of 127.6 million euro compared with 104.0 million euro at December 31, 2023 (22.7%)

The positive change in revenue and income is mainly attributable to Caffè Borbone (+34.1 million euro), CDS-Casa della Salute (20.4 million euro), Italmobiliare (+19.7 million euro), Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. (+13.8 million euro), Italgen (+10.0 million euro), SIDI Sport S.r.l. (+7.9 million euro) and Clessidra Holding (+6.6 million euro).

The **gross operating profit** of 157.2 million euro has gone up by 58.0 million euro compared with 31 December 2023 (99.2 million euro), mainly thanks to the positive contribution of Italgen (19.3 million euro), Officina Profumo-Farmaceutica di Santa Maria Novella (3.5 million euro), CDS-Casa della Salute (2.4 million euro) and Italmobiliare (37.4 million euro), partially offset by Caffè Borbone (-12.2 million euro).

After an increase in amortisation and depreciation and impairment losses on non-current assets compared with the previous year, **operating profit** came to 107.4 million euro (positive for 56.2 million euro in 2023).

Net finance costs show a negative amount of 9.4 million euro, substantially in line with the previous year.

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

The share of profit of the equity-accounted investees is positive for 29.6 million euro (57.3 million euro in 2023), thanks to the positive contribution made by the Tecnica group (+9.0 million euro), Gardawind (3.0 million euro) and the capital gain of 25.4 million euro generated by the sale of AGN Energia, partially offset by the negative contribution of Iseo (-7.5 million euro), which mainly includes write-downs of -8.2 million euro and a profit for the year of +0.9 million euro.

The Group's **profit before tax** is positive for 127.6 million euro (positive for 104.0 million euro in 2023).

After negative income taxes of 20.2 million euro (negative for 19.3 million euro in 2023), the **consolidated net result** for the year shows a profit of 107.3 million euro, of which 93.6 million euro is attributable to the Group, compared with 84.7 million euro at December 31, 2023 (of which 66.6 million euro attributable to the Group).

At December 31, 2024, **total equity** was 1,673.1 million euro, while **equity attributable to the owners of the parent company** was 1,481.4 million euro, compared with 1,691.9 million euro and 1,499.3 million euro respectively at December 31, 2023.

In 2024, **financial and industrial investments** totalled 135.1 million euro, down compared with 2023 (153.6 million euro).

The consolidated **financial position** at December 31, 2024 was a negative balance of 138.5 million euro (-32.4 million euro at the end of December 2023). The change of 106.1 million euro is mainly due to Caffè Borbone (-86.0 million euro), Clessidra Factoring (-47.1 million euro), Gres Hub (-3.3 million euro), CDS-Casa della Salute (-11.9 million euro), and Sirap Gema S.p.A. (-6.6 million euro), partially offset by the positive change by Italmobiliare S.p.A. (69.5 million euro).

REVENUE AND OPERATING PROFIT FOR 2024

CONTRIBUTION TO CONSOLIDATED REVENUE AND INCOME
(net of intragroup eliminations)

(in millions of euro)	2024		2023		Change	
		%		%	%	%[1]
Business segments						
Italmobiliare	55.6	7.9	31.9	*5.4*	*74.1%*	*74.1%*
Caffè Borbone	334.5	47.7	300.4	*51.3*	*11.4%*	*11.4%*
Officina Profumo-Farmaceutica di Santa Maria Novella	69.9	10.0	56.1	*9.6*	*24.6%*	*14.1%*
CDS-Casa della Salute	63.2	9.0	42.8	*7.3*	*47.7%*	*45.4%*
Italgen	63.8	9.2	54.0	*9.2*	*18.0%*	*16.8%*
SIDI Sport	31.7	4.5	23.8	*4.1*	*33.1%*	*33.2%*
Capitelli	23.2	3.3	22.4	*3.8*	*3.7%*	*3.7%*
Callmewine	11.6	1.6	13.5	*2.3*	*-14.5%*	*-14.6%*
Clessidra	45.2	6.4	38.5	*6.6*	*17.2%*	*17.2%*
Other companies	2.8	0.4	2.3	*0.4*	*23.5%*	*23.5%*
Total	**701.4**	**100.0**	**585.8**	***100.0***	***19.7%***	***18.4%***

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

BREAKDOWN OF CONSOLIDATED PROFIT BY SEGMENT

(in millions of euro)	December 2024	% of total	December 2023	% of total
Italmobiliare	104.8	*n.s.*	51.6	*77.4*
Caffè Borbone	22.1	*23.7*	28.8	*43.3*
Officina Profumo-Farmaceutica di Santa Maria Novella	7.2	*7.7*	6.2	*9.3*
CDS-Casa della Salute	(6.9)	*(7.4)*	(3.2)	*(4.8)*
Italgen	19.3	*20.6*	3.2	*4.8*
SIDI Sport	(1.8)	*(1.9)*	(6.5)	*(9.8)*
Capitelli	1.6	*1.7*	1.4	*2.1*
Callmewine	(4.0)	*(4.3)*	(5.2)	*(7.8)*
Tecnica Group	9.0	*9.7*	8.7	*13.0*
Iseo	(7.5)	*(8.0)*	1.3	*2.0*
Clessidra	1.8	*1.9*	1.8	*2.7*
Other companies (*)	(15.1)	*(16.1)*	5.2	*7.8*
Elimination of dividends and intragroup gains/losses	(36.8)	*(39.3)*	(26.6)	*(39.9)*
Profit/(loss) for the period attributable to the owners of the parent company	**93.6**	***100.0***	**66.6**	***100.0***

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

n.s. not significant

STATEMENT OF COMPREHENSIVE INCOME

In 2024 the components of the comprehensive income statement had a positive balance of 17.0 million euro (positive for 26.3 million euro in 2023), mainly thanks to the positive change in the fair value of FVTOCI assets (20.8 million euro before the tax effect) and the conversion reserve of foreign operations (1.4 million euro), partially offset by the negative change in fair value of financial flow hedging derivatives (-4.9 million euro before the tax effect) and negative adjustments deriving from net liabilities/(assets) for employee benefits (-0.4 million euro).

Considering the profit for the year of 107.3 million euro and the above items, total comprehensive income in 2024 was positive for 124.3 million euro (positive in 2023 for 111.0 million euro).

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

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in millions of euro)	December 31, 2024	December 31, 2023
Property, plant & equipment and investment property	352.1	292.4
Intangible assets	619.3	617.2
Other non-current assets	600.6	603.6
Non-current assets	**1,572.0**	**1,513.2**
Current assets	**843.2**	**651.9**
Assets classified as held for sale	1.2	74.6
Total assets	**2,416.4**	**2,239.7**
Equity attributable to owners of the parent company	1,481.4	1.499.3
Non-controlling interests	191.7	192.6
Total equity	**1,673.1**	**1,691.9**
Non-current liabilities	233.3	237.3
Current liabilities	510.0	310.5
Total liabilities	**743.3**	**547.8**
Liabilities directly associated with assets classified as held for sale	0.0	0.0
Total equity and liabilities	**2,416.4**	**2,239.7**

EQUITY

Total equity at December 31, 2024 was 1,673.1 million euro, down 18.8 million euro from December 31, 2023. The overall change was due to:

- Positive change in the result for the period of 107.3 million euro;
- Positive change in fair value of equity investments for 20.8 million euro
- Negative change in the exchange-rate reserve for 1.4 million euro;
- Negative change in dividends paid of 147.3 million euro;
- Other changes for 1 million euro.

NET FINANCIAL POSITION

At December 31, 2024, the consolidated **net financial position** showed a negative balance of 138.5 million euro, up by 106.1 million euro on the figure at December 31, 2023 (negative for 32.4 million euro).

Cash flows for the period show a negative balance for 106.1 million euro, mainly due to the investments for 135.1 million euro, more than offset by disposals for 174.2 million euro. Other components were dividends paid for 147.3 million euro and proceeds from operating activities for 18.2 million euro.

BREAKDOWN OF THE NET FINANCIAL POSITION

(in millions of euro)	December 31, 2024	December 31, 2023
Current financial assets	351.1	307.6
Current financial liabilities	(328.3)	(174.4)
Non-current financial assets	9.9	11.8
Non-current financial liabilities	(171.2)	(177.4)
NFP of assets held for sale	0.0	0.0
Net financial position	**(138.5)**	**(32.4)**

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

CONDENSED STATEMENT OF CASH FLOWS

(in millions of euro)	December 31, 2024		December 31, 2023	
Net financial position at the beginning of year		**(32.4)**		**(15.7)**
Cash flows from operating activities		18.2		72.4
Capital investment in:				
PPE, investment property and intangible assets	*(101.8)*		*(108.7)*	
Non-current financial assets	*(33.3)*		*(44.9)*	
Cash flows from investing activities		(135.1)		(153.6)
Proceeds from disposal of non-current assets		174.2		122.5
Dividends paid		(147.3)		(41.9)
Translation and structure differences		(5.6)		(4.6)
Other		(10.5)		(11.5)
Net cash flows for the year		**(106.1)**		**(16.7)**
Net financial position at the end of year		**(138.5)**		**(32.4)**

INVESTMENTS

(in millions of euro)	Investments in non-current financial assets		Investments in PPE and investment property		Investments in intangible assets		Total investments	
	2024	2023	2024	2023	2024	2023	2024	2023
Business segments								
Italmobiliare	27.9	32.7	1.1	6.7		-	29.0	39.4
Caffè Borbone		-	13.8	8.0	0.3	2.3	14.0	10.3
Officina Profumo-Farmaceutica di Santa Maria Novella		0.7	17.7	16.7	2.8	0.3	20.5	17.7
CDS-Casa della Salute	5.0	5.3	37.9	40.0	5.1	5.2	48.1	50.5
Italgen	0.2	-	9.9	16.2	0.4	0.4	10.4	16.6
SIDI Sport		-	1.8	1.1	0.3	0.1	2.1	1.2
Capitelli		-	0.6	1.3	0.1	-	0.7	1.3
Callmewine		-		0.4	0.6	0.7	0.6	1.1
Tecnica Group		-				-	-	-
Iseo		-				-	-	-
Other companies[1]	0.2	6.2	11.1	8.5	(0.3)	0.6	11.0	15.3
Inter-segment eliminations		-	(0.3)			-	(0.3)	-
Total investments[2] (*)	**33.3**	**44.9**	**93.6**	**98.7**	**9.3**	**9.6**	**136.3**	**153.3**

1. This figure includes the Clessidra Group.

(*) The item "total investments" does not include the change in investment payables of 1.2 million euro.

2. Total investments in Property, Plant and Equipment and Intangible Assets differ from the amounts reported in the Statement of Cash Flows of the consolidated financial statements as they include investments accounted for under IFRS 16.

Group investments during the year amounted to 136.3 million euro, a decrease from 2023 (153.3 million euro).

The cash flows for financial investments, equal to 33.3 million euro (44.9 million euro in 2023), mainly refer to the investments made by Italmobiliare S.p.A. (27.9 million euro) and CDS-Casa della Salute (5.0 million euro).

The cash flows for investments in property, plant and equipment amount to 93.6 million euro and mainly refer to the investments made by CDS-Casa della Salute for 37.9 million euro, Caffè Borbone for 13.8 million euro, Officina Profumo-Farmaceutica di Santa Maria Novella for 17.7 million euro and Italgen for 9.9 million euro.

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

(in millions of euro)	December 31, 2024
Profit for the year of the parent company Italmobiliare S.p.A.	**104,758**
Consolidation adjustments	
• Profit for the year at consolidated companies (Group share)	37,722
• Adjustment to the carrying amount of equity-accounted investees	9,688
• Derecognition of dividends in the year	(46,100)
• Derecognition of intercompany gains or losses and other changes	12,504
• Reversal of write-downs in consolidated equity investments	(24,936)
Profit for the year attributable to owners of the parent company	**93,636**
Equity of the parent company Italmobiliare S.p.A.	**1,335,531**
• Derecognition of the carrying amount of consolidated equity investments	
in fully consolidated companies	(858,917)
in equity-accounted associates and subsidiaries	(108,928)
• Recognition of equity of consolidated equity investments	
in fully consolidated companies	902,459
in equity-accounted associates and subsidiaries	112,854
• Gains allocated to equity of subsidiaries and associates	102,991
• Elimination of intragroup transactions and other changes	(4,556)
Consolidated equity attributable to owners of the parent company	**1,481,434**

ITALMOBILIARE
INVESTMENT HOLDING

Section 3

ITALMOBILIARE GROUP
Sustainability Report

GENERAL DISCLOSURES

ESRS 2

Basis for preparation

GENERAL BASIS

BP-1

The Sustainability Report includes, on an annual basis, the services, data and information on the parent company Italmobiliare and on all the companies consolidated in the Annual Report.

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.

Due to the complexity of the required internal processes, data and information collection may be incomplete for companies that entered the scope in the last months of the reporting period. A similar situation may also arise for companies that left the scope during the reporting period, as only certain data and information are collected throughout the year. No such cases occurred in 2024.

The following tables summarise the evolution of the sustainability reporting scope over the last three years, based on entries and exits from the consolidation perimeter or the portfolio of Italmobiliare and the funds managed by Clessidra.

Parent Company and subsidiaries		2022	2023	2024
Italmobiliare	**Parent Company**	✓	✓	✓
Subsidiaries				
Caffè Borbone*	Portfolio Company	✓	✓	✓
Officina Profumo-Farmaceutica di Santa Maria Novella*	Portfolio Company	✓	✓	✓
Italgen*	Portfolio Company	✓	✓	✓
CDS-Casa della Salute*	Portfolio Company	✓	✓	✓
Capitelli	Portfolio Company	✓	✓	✓
Callmewine*	Portfolio Company	✓	✓	✓
SIDI Sport*	Portfolio Company		✓	✓
Clessidra*	Portfolio Company	✓	✓	✓
Other subsidiaries**				
Italmobiliare Servizi ***				✓
Credit Mobilier de Monaco				✓
Société d'Etudes de Participations et de Courtages (SEPAC)				✓
Punta Ala				✓

* Companies with wholly owned subsidiaries, all included.
** FTV, FT2, FT3, Sirap Gema, and ITM Bacco have no personnel and share offices with Italmobiliare.
*** Italmobiliare Servizi, as well as Gres Hub and Gres Art, which report to it, share offices with Italmobiliare.

Associates*		2022	2023	2024
Tecnica Group	Portfolio Company	✓	✓	✓
Iseo	Portfolio Company	✓	✓	✓
Farmagorà		✓	✓	✓
Società Editrice Sud (SES)		✓	✓	✓

* Included pro-rata in Italmobiliare’s carbon footprint (Scope 3, Category 15).

Other companies		2022	2023	2024
Unlisted *				
Bene Assicurazioni	Portfolio Company	✓	✓	✓
Listed **				
Ariston		✓	✓	✓
Cairo Communication		✓	✓	✓
Piaggio		✓	✓	✓
Heidelberg Materials		✓	✓	✓
Vontobel		✓	✓	✓

* Non-controlled and non-associated companies, included pro-rata in Italmobiliare's carbon footprint (Scope 3, Category 15).
** Companies with insignificant equity interests (a total of 0.56% of NAV), included pro-rata in the carbon footprint (Scope 3, Category 15).

Clessidra's portfolio companies		2022	2023	2024
Nexi *	Clessidra Private Equity Funds	✓	✓	✓
L&S**	Clessidra Private Equity Funds	✓	✓	
Argea **	Clessidra Private Equity Funds	✓	✓	✓
Viabizzuno **	Clessidra Private Equity Funds	✓	✓	✓
Impresoft **	Clessidra Private Equity Funds	✓	✓	✓
Everton **	Clessidra Private Equity Funds	✓	✓	✓
Sisma ***	Clessidra Restructuring Funds	✓	✓	✓
AMI ***	Clessidra Restructuring Funds	✓	✓	✓
Italtel ***	Clessidra Restructuring Funds	✓	✓	✓
OMA ***	Clessidra Restructuring Funds			✓
Iscom ***	Clessidra Restructuring Funds			✓

* Listed company, included pro rata in Clessidra's carbon footprint (Scope 3, Category 15), subsequently consolidated into Italmobiliare.
** Companies under the operational control of Clessidra Private Equity (but not considered subsidiaries under IFRS 10 in the Italmobiliare Group consolidated financial statements), 100% included in Clessidra's carbon footprint (Scope 3, Category 15), subsequently consolidated into Italmobiliare.
*** Companies in which Clessidra Capital Credit holds an operational interest (but not considered associates under IAS 28 in the Italmobiliare Group consolidated financial statements), with a stake >25% and Board representation, included pro rata in Clessidra's carbon footprint (Scope 3, Category 15), subsequently consolidated into Italmobiliare.

Based on the commitments made by the Group and the need for due diligence that derives from them, all policies, actions and objectives extend to the value chain at least in those cases where the materiality analysis has identified significant impacts, risks and opportunities. Metrics extend to the value chain when explicitly required by the relevant ESRS, as per the following table:

Value Chain Metrics	Upstream	Downstream
Italmobiliare (Parent Company)	All metrics required by the impacts, risks, and opportunities identified as material.	
Subsidiaries (Portfolio Companies)		
Other Subsidiaries	carbon footprint	
Associates		
Other Listed and Unlisted Companies		
Companies in Clessidra's Portfolio		

With regard to the reported periods, no specific information has been omitted, whether due to intellectual property, know-how, or innovation, or to upcoming business or portfolio developments or other ongoing negotiations. All economic and financial data used are reconciled with the financial statements.

SPECIFIC CIRCUMSTANCES

BP-2

Short-term (1 year), medium-term (up to 5 years), and long-term (over 5 years) horizons are considered when drafting the report and assessing impacts, risks, and opportunities.

The calculation of the carbon footprint combines analytically collected activity data with data from indirect sources, which are inherently subject to uncertainty. These aspects are described in the following table.

Carbon footprint	Parameters from Indirect Sources
Scope 1: Direct Emissions	Emission factors of fuels
Scope 2: Indirect Emissions	Emission factors of national grids, emission factors for transmission and distribution losses on owned networks
Scope 3: Value Chain Emissions	
1. Purchased Goods and Services	Cradle-to-gate emission factors of purchased goods or services
2. Capital Goods	Cradle-to-gate emission factors of purchased capital goods
3. Other Energy Activities	Well-to-tank emission factors of the fuels used, emission factors of national grids, emission factors for transmission and distribution losses on owned networks
4. Upstream Logistics	Distances travelled by land, train, ship, and air, emission factors for different transport modes
5. Waste Generated	Emission factors for waste recovery or disposal options
6. Business Travel	Distances travelled by land, train, ship, and air, emission factors for different transport modes
7. Employee Commuting	Distances travelled and emission factors for different private transport modes
8. Upstream Leased Goods	Energy consumption and emission factors of national grids
9. Downstream Logistics	Distances travelled by land, train, ship, and air, emission factors for different transport modes
10. Product Processing	Non-material, not applicable
11. Product Use	Emission factors for fuels and electricity and assumptions according to applicable Product Category Rules (e.g., coffee and cosmetics)
12. Product End-of-Life	Emission factors for product end-of-life options
13. Downstream Leased Goods	Energy consumption and emission factors of national grids
14. Franchising	Non-material, not applicable
15. Investments	Carbon footprint from companies included in the reporting, i.e., listed companies and companies with minority stakes, direct or indirect (via Clessidra), over 25% equity and Board presence

In order to ensure the highest level of accuracy, verified and authoritative indirect sources are used, seeking the highest possible coverage with primary data certified by suppliers or, in any case, data derived from companies' sustainability reports, when available. This condition does not always come about, making it necessary to resort to other indirect sources, primarily public sources (Defra, Base Empreinte, CaDI, AIB, specific PCR), LCA and scientific studies. These are generally industry averages or data taken from literature, which have scientific consistency but are not able to trace any positive developments and individual cases. In any case, the use of proxies or estimates is limited.

Other elements of uncertainty concern the calculation of the monetary value of exposure to climate transition risks, i.e., the financial dimension of the gap from the adopted decarbonisation scenario, which is calculated by combining the assessed carbon footprint, the annually updated climate risk rating, and a shadow pricing framework (see page B61). Transition risks are identified with respect to the chosen strategic reference scenario, namely 'Net Zero 2050,' as defined by the Network for Greening the Financial System (NGFS), whose carbon price curve Italmobiliare has also adopted as an effective benchmark for monetising evolving political pressure, market preferences, available technologies, and abatement costs.

The data relating to the financial year 2022 and 2023 are reported for comparative purposes in order to facilitate the understanding of the performance trend. Some restatements of previously reported data were necessary to correct some past errors in data collection or to align the calculation methodologies to those used in 2024. Material. restatements are detailed in the table below and have been highlighted in all the data tables concerned.

Data	Reason	Page
Carbon footprint	The 2022 and 2023 carbon footprint data of the Italmobiliare Group have been corrected following refinements during the validation processes by SBTi of the decarbonisation objectives of the individual companies. **Scope 1** • Italgen: inclusion of emissions from Land Use and Change related to hydroelectric plant upgrades and diffuse emissions from water reservoirs. **Scope 3** • Category 1: Further expansion of the coverage of goods and services procurement, including refinement of emission factors and calculation of the FLAG (Forest, Land, and Agriculture) fraction. • Category 2: Further expansion of the coverage of machinery and general CAPEX purchases, including refinement of emission factors. • Category 4: Verification of the correct inclusion of all contracted logistics, including downstream logistics. • Category 5: Greater detail in assessing emissions related to waste treatment. • Category 9: Inclusion of distributors and retail. • Category 10: inclusion of Capitelli's food waste processing. • Category 11: Refinement of assessment and direct/indirect use separation. • Category 12: Increased detail in the assessment of end-of-life emissions, including food waste from Capitelli. • Category 13: Inclusion of Officina Profumo-Farmaceutica di Santa Maria Novella franchise shops. • Category 15: Overall improvement of data quality.	B60
Gender Pay Gap	The calculation of the Gender Pay Gap for 2022 and 2023 has been adjusted to align with the definition requested by the ESRS and used in 2024.	B84

Italmobiliare integrates the requirements of the ESRS standards with additional information, ensuring comparability with previous reports, meeting the expectations of the sustainable commitment platforms it adheres to (e.g., UN Global Compact, Women's Empowerment Principles, Science-Based Targets initiative), and aligning with the transparency requirements of the ESG ratings it participates in (e.g., Sustainalytics, S&P Global, CDP). In drafting the report, references are made to specific information elements contained in different sections of the Directors' Report. Other public disclosures, such as the Report on Corporate Governance and the Ownership Structure and the Remuneration Report, are not documents subject to conformity assurance. Therefore, the Sustainability Report explicitly includes all necessary information elements.

Italmobiliare applies all transitional provisions (phase-in) except for those related to ESRS S1-7, S1-11, S1-12, S1-13, S1-14, and S1-15. Finally, it should be noted that the report is not based on European standards approved by the European standardisation system (ISO/IEC or CEN/CENELEC), although some are used as general references for the applied methodologies or definitions.

Governance

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

GOV-1

Italmobiliare adopts a traditional governance model, characterised by the presence of a Board of Directors and a Board of Statutory Auditors, whose roles are clearly distinct. Within the administrative, management and control bodies, there is no representation of employees or other types of workers.

Board of Directors							Internal Board Committees			
Position	**Member**	**Year of birth**	**Gender**	**Executive Member**	**Independence Code***	**CLF****	*Control and Risk*	*Remuneration and Nominations*	*Transactions with Related Parties*	*Sustainability and Social Responsibility*
Presidente	Laura Zanetti	1970	F			✓				✓
Vice Presidente	Livio Strazzera	1961	M			✓				
CEO ***	Carlo Pesenti	1963	M	✓						Chairman
Director	Giorgio Bonomi	1955	M				✓			
Director	Mirja Cartia d'Asero	1969	F		✓	✓	Chairman		✓	✓
Director	Valentina Casella	1979	F		✓	✓		✓	Chairman	
Director	Marco Cipelletti	1965	M		✓	✓		✓		
Director	Elsa Fornero	1948	F		✓	✓			✓	✓
Director	Luca Minoli	1961	M							
Director	Chiara Palmieri	1970	F		✓	✓	✓	Chairman		
Director	Roberto Pesenti	1994	M							
Director	Pietro Ruffini	1989	M		✓	✓				✓

* Corporate Governance Code of Borsa Italiana, to which Italmobiliare voluntarily adheres
** Consolidated Law on Finance - Legislative Decree No. 58 of February 24, 1998, as amended
*** Until December 31, 2024, also COO

Board of Statutory Auditors

Position	Member	Year of birth	Gender	Independence Code*	CLF**
Chairman	Pierluigi De Biasi	1956	M	✓	✓
Standing Auditor	Gabriele Villa	1964	M	✓	✓
Standing Auditor	Antonia Di Bella	1965	F	✓	✓
Alternate Auditor	Maria Maddalena Gnudi	1979	F	✓	✓
Alternate Auditor	Michele Casò	1970	M	✓	✓
Alternate Auditor	Maria Francesca Talamonti	1978	F	✓	✓

* Code for Directors
** Consolidated Law on Finance - Legislative Decree No. 58 of February 24, 1998, as amended

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The **Board of Directors** defines the strategic guidelines of the Company 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 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. 5 directors out of 12 are female (42%). 50% of the directors meet the independence requirements laid down in the Corporate Governance Code of Borsa Italiana. This percentage rises to 75% according to the requirements of the Consolidated Law on Finance.

The **Committee for Sustainability and Social Responsibility** has a duty to provide the Board of Directors with advice and proposals in order to implement a development strategy consistent with Italmobiliare's vision and mission, focused on sustainable challenges arising from the evaluation of impacts, risks, and opportunities relevant to governance, economy, society, and the environment. The Committee is headed up by the Chief Executive Officer to ensure that ESG issues are fully integrated with the Company's strategies. The Director of Sustainability, who also performs the functions of the Board's secretary, as well as the Director of Investment Management and the Director of Strategic Development attend each meeting of the Committee. The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors. In particular, the Committee assists the Board in defining Italmobiliare's strategy and mission, related to business operations and the evolution of its internal processes, in carrying out analysis and research in the ESG area, in promoting an integrated culture and in generating long-term shared value for the Company and the Group. Among its specific functions, the Committee:

- 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;
- promotes the adoption of sustainability principles, partly via the competent company functions, and defines the objectives and monitors their achievement;
- 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;
- monitors implementation of the policies and guidelines adopted by the Company from time to time with regard to sustainability issues;
- it reviews the sustainability reporting, verifying the methodology applied and the consistency of the identified strategies and objectives. In coordination with the Control and Risk Committee - also through Directors who serve on both Committees - it assesses the adequacy of the sustainability reporting in accurately representing the business model, the Company's strategies, the impact of its activities, and its overall performance, as well as its integration into the ESG framework within the internal control and risk management system.

The **Control and Risk Committee** has a duty to provide the Board with advice and proposals on the Internal Control and Risk Management System and the periodic financial reporting. 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's responsibilities and procedures are laid down in the Regulation governing the Board of Directors. In particular, the Control and Risk Committee, in assisting the Board of Directors, among other duties, coordinates with the Committee for Sustainability and Social Responsibility - also through Directors who serve on both Committees - to assess whether the sustainability reporting appropriately represents the business model, the Company's strategies, the impact of its activities, and the results achieved, also for the purposes of the internal control and risk management system.

The **Board of Statutory Auditors** oversees: compliance with the law and the By-laws; compliance with the principles of correct administration; 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; the ways in which the rules laid down in the Corporate Governance Code adopted by the Company are implemented in practice; 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, the Board of Statutory Auditors, as the "Internal Control and Auditing Committee" is responsible for:

- informing the Board of Directors of the outcome of the external audit and the assurance activities on sustainability reporting and submitting to the Board the additional report prepared by the independent auditors, accompanied by any observations;
- monitoring the financial reporting process and sustainability reporting, the procedures implemented by the Company to comply with the reporting standards adopted by the European Commission, as well as submitting recommendations or proposals aimed at ensuring their integrity;
- checking the effectiveness of the internal quality control and business risk management systems and of the internal audit, as regards the financial reporting and sustainability reporting, without infringing their independence;
- monitoring the independent audit of the separate and consolidated financial statements, and the assurance of compliance of sustainability reporting, also taking into account the results and conclusions of any quality checks carried out by Consob, where available;
- checking and monitoring the independence of the independent auditors and sustainability auditors, particularly as regards the adequacy of services provided other than audit;
- the procedure for selecting the independent auditors to be recommended to the Shareholders' Meeting for the appointment.

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. As outlined in the adopted governance documents, "*gender diversity, professional profiles, educational background, experience, and age inform the advisory opinion on composition, which the outgoing Board prepares for shareholders at the end of its term, taking into account recommendations from the self-assessment process. The same principles apply to the composition of the Board of Statutory Auditors, ensuring constructive and effective interaction with the Board of Directors. Both directors and statutory auditors must possess skills and experience that, considering Italmobiliare's portfolio composition, enable them to contribute meaningfully to board discussions. Shareholders, when submitting candidate lists, and directors, when co-opting a new director, assess candidate profiles without any form of discrimination.*"

Italmobiliare manages a diversified investment portfolio. Accordingly, the members of the Board of Directors and the Board of Statutory Auditors bring professional experience and/or expertise gained through assignments across various industrial sectors. In particular, the experience of Italmobiliare's directors has been acquired through roles as directors in other companies, as well as through operational, research, university teaching, or consulting activities. Expertise in sustainability, with particular emphasis on the Group's commitments and material impacts, risks, and opportunities, is continuously refined and kept up to date through the work of the Committee for Sustainability and Social Responsibility and periodic training sessions. The CVs are published on the Italmobiliare website.

Among the reporting lines to the administrative, management, and supervisory bodies, the following play a particularly active role in sustainability management and internal process control:

- the **Sustainability Department**, which reports to the Chief Executive Officer and also covers secretarial and management functions for the Committee for Sustainability and Social Responsibility.
- the **Investment Management Department**, which participates in the sessions of the Committee for Sustainability and Social Responsibility and, together with the Sustainability Department, is responsible for aligning the strategy of the Portfolio Companies with the Group's ESG objectives.
- the **Internal Audit Department**, entrusted with risk management, which updates the sustainability risk exposure assessment every six months, supported by the Sustainability Department.
- the **Administration and Control Department**, whose Director also serves as the Financial Reporting Officer.

INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED

GOV-2

Each meeting of the Board of Directors includes an ESG update on the agenda, which covers: the progress of the ESG Plans, defined and refined annually based on identified impacts, risks, and opportunities, as well as any other considerations necessary to implement a business strategy consistent with the Vision and Mission, fully integrating economic, governance, social, and environmental (ESG) components; the trend of key ESG indicators, such as those on safety; and the reporting of any ESG event deemed material. The December session includes an update of the materiality analysis, which is formally approved in February of the following year. The Group's consolidated financial statements are approved in March. At the January and February sessions, the Board of Directors also approves the ESG Plans along with the budget. At the January and July sessions, the Board of Directors approves the annual risk assessment and the semi-annual risk assessment update, respectively.

The agenda of the Committee for Sustainability and Social Responsibility, which meets no less than three times a year, discusses and prepares all strategic decisions to be submitted to the Board of Directors for evaluation and approval, in consistent alignment with the Group's commitments and progressive updates of the materiality analysis.

The main topics addressed in 2024, all related to material impacts, risks, or opportunities (pages B38-B40), reflect the ESG strategic areas adopted by the Group.

Information provided to the administrative, management, and supervisory bodies – Key sustainability topics addressed

Governance and value chain	Update of the Code of Ethics, Sustainability Policies, Responsible Investment Policy, and Partnership Charter
	Responsible supplier management
	ESG rating results (Sustainalytics, S&P Global, CDP)
	Preparation for reporting under the CSRD
Climate strategy	Implementation of Italmobiliare's and the Portfolio Companies' commitment with SBTi
Health, safety, and well-being	Work-related injury trends and initiatives to promote safety culture
Gender and human capital development	Gender gap and training programs

The Board of Statutory Auditors, in its supervisory function, verifies in dedicated information sessions the existence of an adequate process for monitoring performance through annual reporting. ESG processes are also subject to spot checks, according to a rolling programme, by the Risk Management function.

For the operational monitoring of the annual ESG plans, key ESG indicators, and any significant events, the administrative, management, and control bodies rely on continuous oversight by the management, consolidated in monthly meetings coordinated by the Sustainability Department.

INCENTIVE SCHEMES

GOV-3

Italmobiliare's Remuneration Policy, defined in accordance with the Company's governance model and the recommendations made by the Corporate Governance Code to which the Company adheres, has the aim of ensuring the alignment of management's interests with the interests of shareholders and all its stakeholders. In this sense, it constitutes one of the fundamental tools for pursuing the sustainable success of the Italmobiliare Group, through the creation of long-term shared value, thereby contributing to the global challenges and, at the same time, protecting and strengthening its financial performance for the benefit of the shareholders and of all other stakeholders.

By establishing a direct relationship between pay and performance, the Remuneration Policy aims to attract, retain and motivate people with the professional qualities required to manage the Company in line with its Mission to play *"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"*.

The definition of the Remuneration Policy involves multiple parties and corporate bodies, as envisaged by the Bylaws, current regulations and the governance model adopted by the Company. In particular, this involves the Remuneration and Nominations Committee, the Board of Directors and the Shareholders' Meeting. The Company's Human Resources Department actively supports the parties involved in the Policy definition.

The Chief Executive Officer, the General Manager, the Key Management Personnel, and all other functional Managers are assigned performance objectives to be achieved during the reference financial year and which are directly linked to the Company's strategic plan (Short-term incentives - MBO). In addition, they are assigned performance objectives to be achieved at the end of a three-year vesting period (Long-term incentive - LTI). Both systems include specific objectives related to the ESG performance, accounting for 20%.

ESG Integration into incentive systems

Short-term incentives MBO	**1.** Economic and financial results of the Group **2.** Operating indicators/management's running of the Holding Company **3.** ESGs: % progress of the annual ESG Plan defined for the Holding Company and Portfolio Companies, including specific targets in the following strategic areas: *Governance and value chain* *Climate strategy* *Health, safety and well-being* *Gender and human capital development*
Long-term incentives **LTI** - Phantom Stock Grant 2023-25	**1.** Predefined level of Net Asset Value **2.** ESGs: improvement of ESG Ratings *Sustainalytics* *S&P Global* *CDP*

Following the framework of the parent company, all Portfolio Companies have adopted similar incentive systems.

DUE DILIGENCE

GOV-4

In its long history as an investment holding company in the industrial and financial fields, Italmobiliare was one of the forerunners in Italy to have an innovative approach to sustainability. Already in the 1990s it had structured ambitious sustainability programmes in the main industrial holdings, fully integrated into the strategic development priorities and coordinated by dedicated functions. Thanks to this experience, a constant commitment to best practices has matured, from principles to policies, from processes to products, from local and global initiatives to reporting tools.

Today, through the flow of investments and disposals and the management over time of the equity investments held in portfolio, Italmobiliare pursues the sustainable success of the Group by assigning priorities and mobilising financial resources in a targeted and selective manner. The objective is to contribute to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of shareholders and all other stakeholders.

Over time, Italmobiliare has formalised a series of sustainability commitments. In particular, through its participation in the **UN Global Compact**, the world's largest corporate responsibility platform, the Company commits to respecting and promoting the Ten Principles on human and labour rights, environment, and business integrity, as well as contributing effectively to the achievement of the **Sustainable Development Goals (SDGs)**. Furthermore, the Company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by joining the **Science Based Targets initiative (SBTi)**, the Company pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments inform Italmobiliare's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainable strategy, particularly the **Code of Ethics** and the **Sustainability Policies**, which extend and integrate these guidelines. Together, they guide the **Responsible Investment Policy** and are reflected in the **Partnership Charter**.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER REPORTING

GOV-5

Over the years, Italmobiliare has progressively refined its reporting according to international standards on commitments, strategies, objectives, and performance, addressing the structural complexity of the perimeter, which requires solid information flows from all consolidated entities. The mandatory disclosure elements derive from the European Sustainability Reporting Standards (ESRS) and the transparency requirements of the Taxonomy for Sustainable Finance. The voluntary commitments undertaken (e.g., UNGC, WEPs, SBTi), participation in key ESG ratings (e.g., S&P Global, CDP, Sustainalytics), and, more generally, shareholder and stakeholder expectations, require additional disclosure elements. Where applicable, reference is made to GRI Standards. A specific internal procedure outlines the rules governing the entire consolidation and drafting process of the Sustainability Report, ensuring its completeness, accuracy, and transparency through the steps summarised in the table below.

Main Elements of Procedure FI.090 “Sustainability Report”	
Preparatory Activities	Update of basic reporting criteria
	Update of the materiality matrix
	Definition of the calendar
Collection and Consolidation of Quantitative and Qualitative Data	Definition of indicators and preparation of data collection sheets
	Sharing of sheets and data collection
	Data consolidation
	Drafting of the Sustainability Report
Examination, Approval, and Oversight	Examination and approval of the draft Sustainability Report
	Oversight by the Supervisory Body
	Certification of the companies included in the reporting perimeter
	Internal certification activities for listed companies
	Limited assurance of the Sustainability Report
	Archiving of supporting documents for the Sustainability Report
	Corporate compliance and market dissemination

For each area of data and information, the procedure defines an owner, responsible for collection and archiving with predefined deadlines during the year, and a validator, who progressively verifies its congruency. A third figure is responsible for monitoring the alignment of the entire process with the procedure. All Group companies have formally adopted a similar approach. During the data and information aggregation phase, the Administrative Department and the Sustainability Department implement further horizontal and vertical consistency checks.

Moreover, the adopted procedure is an integrated component of the Company’s internal control and risk management system, addressing the direct requirements to mitigate key specific risks, namely the completeness and integrity of direct data, the representativeness of the estimates used, the collection of data and information from indirect sources, and the timelines with which information is made available for consolidation. More generally, the procedure is integrated into the risk oversight responsibilities outlined in the Organisation, Management, and Control Model adopted by the Company.

Risks under Legislative Decree No. 231/01	
Corporate Offenses	Detection, recording, and representation of business activities in accounting records, financial statements, reports, and other business documents
	Management of relationships with the Board of Statutory Auditors and the auditing firm
Market Abuse Offenses	Preparation of informational documents, press releases, and other informational material, in any form, typically intended for investors, financial analysts, journalists, other mass media representatives, or the general public.
Cybercrime Offenses	Management of profiles and logical access to Systems
	Management of electronic documents
Tax Offenses	Detection, recording, and representation of business activities in accounting records, financial statements, reports, and other business documents

The administrative, management, and control bodies are periodically informed about the entire process. In particular, the Board of Directors, after discussion in the Committee for Sustainability and Social Responsibility, is proactively informed about the progressive changes in scope, methodology, or content of the new reporting cycle, aimed at better representing the Group’s sustainable commitment and responding to the evolution of relevant regulations.

Following the parent company’s model and in support and integration of it, all Portfolio Companies have adopted a similar structured process.

Strategy

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

SBM-1

Italmobiliare Investment Holding, founded in 1946 and listed on the Milan Stock Exchange since 1980, is one of the leading Italian investment holding companies. It is headed up by the Pesenti family and 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.

Italmobiliare Group: Key Facts and Figures for 2024

Employees *	#	1,731
in Italmobiliare S.p.A. (Parent Company)	#	44
Net Asset Value	*millions euro*	2,215.8
Revenue **	*millions euro*	701.4

* On page B77 the breakdown of employees by geographic area.
** No revenues from fossil fuels (coal, oil, and gas), chemicals, controversial weapons, and tobacco. In line with the Responsible Investment Policy adopted, Italmobiliare has no consolidated revenue and does not invest in the following sectors, considered critical: weapons, coal, oil and gas, conflict minerals and other minerals, recreational drugs, nuclear energy, gambling, GMOs and cloning, pornography, water-intensive sectors or activities, forest-impacting sectors or activities, tobacco. For further details, please refer to the "Operating segment disclosure" section of the consolidated financial statements.

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 manages the 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. Information on the creation and distribution of economic value provides an effective indication of how the Group has created wealth for itself and its main categories of stakeholders.

Economic value generated and distributed		2022	2023	2024	
Economic value generated	*millions euro*	**518.9**	**646.4**	**748.4**	
Revenues and income	*millions euro*	483.6	585.8	701.4	
Public financing receives *	*millions euro*	0.6	1.5	1.2	
Other	*millions euro*	34.6	59.2	45.9	
Economic value retained **	*millions euro*	**23.8**	**52.4**	**102.0**	
Economic value distributed	*millions euro*	**495.1**	**594.0**	**646.4**	**Stakeholders who benefit**
Operating costs	*millions euro*	352.9	389.4	437.8	Suppliers of goods and services
Personnel expenses	*millions euro*	84.5	104.0	122.7	Personnel
Dividends and interests ***	*millions euro*	45.0	69.7	51.7	Shareholders and Minorities
Taxes	*millions euro*	8.0	19.3	20.2	Institutions
Finance costs	*millions euro*	3.6	10.5	12.8	Capital providers
Social investments	*millions euro*	1.1	1.1	1.4	Communities

* In 2024, public financing refers to tax relief, tax credit, subsidies and financial incentives received by Group companies in Italy.
** Amortisation and depreciation, retained earnings and provisions for new investments
*** The 2024 figure includes the dividend that the Board of Directors of Italmobiliare S.p.A. will propose to the Shareholders' Meeting.

The Responsible Investment Policy and the resulting internal procedures define the management methods, with full ESG integration, for all phases of investment and for each type of Net Asset Value (NAV) component, namely investments in portfolio companies, investments in private equity and alternative investment funds, other equity interests, cash, and other assets.

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.

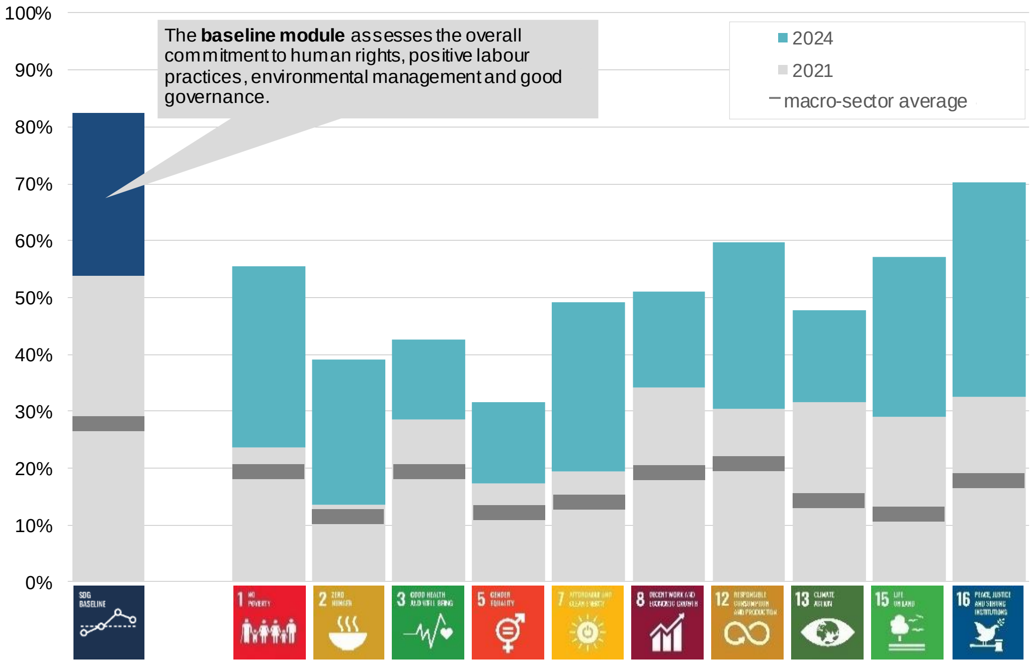
In support of its adherence to the UN Global Compact, Italmobiliare adopts the Ten Principles related to human and labour rights, the environment, and the fight against corruption, and promotes their adoption across all Group activities and companies. Additionally, Italmobiliare actively contributes to the achievement of the Sustainable Development Goals through a sustainable strategy that targets at least the following six objectives, aimed at the creation of shared value.

Italmobiliare Group: Commitment to the SDGs *

Environment	12	Ensure sustainable production and consumption models
	13	Promote actions at all levels to combat climate change.
Society	5	Achieve gender equality and empower all women and girls.
	8	Promote durable, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance	16	Peace, justice and strong institutions.
	17	Strengthen the means of implementation and revitalize the global partnership for sustainable development.

* The Portfolio Companies add other Goals depending on their specific business sectors.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the weighted contribution of the Holding and Portfolio Companies, highlighting the improvement since the first year of the assessment. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



	SDG Baseline	1	2	3	5	7	8	12	13	15	16
Italmobiliare					✓		✓	✓	✓		✓
Caffè Borbone		✓	✓	✓	✓		✓	✓	✓	✓	✓
Officina SMN				✓	✓		✓	✓	✓		✓
Italgen					✓	✓	✓	✓	✓	✓	✓
Casa della Salute				✓	✓		✓	✓	✓		✓
Capitelli		✓	✓	✓	✓		✓	✓	✓	✓	✓
Callmewine			✓	✓	✓		✓	✓	✓		✓
SIDI Sport				✓	✓		✓	✓	✓		✓
Clessidra					✓		✓	✓	✓		✓

The **Portfolio Companies** represent the most significant portion of the NAV (67%). This is a portfolio of investments in a limited number of controlled, associated, and non-associated companies, with representatives on the associate's governance bodies, which leverage on Italmobiliare's experience in managing national and international business operations. The portfolio has a medium-long term investment horizon with a focus on value creation.

Portfolio Company	% stake	Description
Caffè Borbone	60%	Caffè Borbone is one of the leading coffee producers specialising in compatible capsules and pods, with a strong distribution network throughout Italy and international commercial presence.
Officina Profumo-Farmaceutica di Santa Maria Novella	95%	Officina Profumo-Farmaceutica di Santa Maria Novella is an unicum in the panorama of cosmetics and fragrances. It is considered the oldest historical pharmacy in Europe.
Italgen	100%	Italgen operates in Italy as a producer and distributor of electricity from renewable sources.
CDS-Casa della Salute	87.855%	A network of specialist diagnostic, dental, physio-kinesitherapy outpatient clinics, characterised by high-quality healthcare services and quick appointment bookings.
Capitelli	80%	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.
Callmewine	80.72%	An e-commerce platform that specialises in the sale of wine, where it ranks as one of the market leaders in Italy. E-commerce also active in the United Kingdom, with a dedicated platform.
SIDI Sport	100%	Production and sale of cycling and motorcycling footwear.
Clessidra	100%	Clessidra Holding S.p.A. is the parent company of the Clessidra Group, one of the main financial operators active in private equity, private credit and factoring.
Tecnica Group	40%	A leading manufacturer of outdoor footwear and ski equipment with the brands: Tecnica, Nordica, Moon Boot, Lowa, Blizzard and Rollerblade.
Iseo	39.245%	A leader in the design, production and sale of mechanical and electronic locks, solutions for security and access management.
Bene Assicurazioni	19.996%	An insurance technology company specialised in the non-life insurance retail market with a focus on the motor segment.

Investments in **Private Equity and alternative investment funds** represent 12% of the NAV. They aim to seize growth opportunities in geographical areas or business sectors not directly covered by Italmobiliare and potentially to allow its shareholdings to develop and diversify. For new investments, preference is for at least "SFDR Article 8 or 9" funds, that promote environmental or social characteristics and verify that the investees respect good governance practices or funds managed by asset management companies adopting ESG policies based on exclusion criteria at least. In 2024, with reference to the related NAV, 60% of investments are represented by products of companies that are signatories to the UN PRI and adopt an ESG Policy. 41% is represented by products at "SFDR Article 8" at least. The table below provides the details of the investments in Private Equity and alternative investment funds, including the main characteristics, also from an ESG perspective.

Asset Manager	Invested Fund	Commitment Year	UN PRI	ESG Policy	SFDR Regulation		
					Art. 6	Art. 8	Art. 9
Clessidra Private Equity	**Clessidra Capital Partners 3**	2015	✓	✓		✓	
BDT	BDT Capital Partners Fund II	2016					
Isomer Capital	Isomer	2018	✓	✓	✓		
Iconiq Capital	Iconiq Strategic Partners IV	2018					
Connect Ventures	Connect Ventures 3	2018					
BDT	BDT Capital Partners Fund III	2019					
Clessidra Capital Credit	**Clessidra Restructuring Fund**	2019	✓	✓	✓		
Iconiq Capital	Iconiq Strategic Partners V	2020					
Lindsay Goldberg	LG Lindsay Goldberg 5	2020	✓	✓			
Lauxera Capital Partners	Lauxera Capital Partners	2020	✓	✓	✓		
Clessidra Private Equity	**Clessidra Capital Partners 4**	2021	✓	✓		✓	
Isomer Capital	Isomer Opp.	2021	✓	✓	✓		
Expedition Growth Capital	Expedition Growth	2021					
8-bit Capital	8-bit	2021					
Isomer Capital	Isomer II	2022	✓	✓	✓		
Connect Ventures	Connect Ventures 4	2022					
Clessidra Capital Credit	**Clessidra Private Debt Fund**	2022	✓	✓		✓	
Lakestar	Lakestar Early IV	2022	✓	✓	✓		
Lakestar	Lakestar Growth II	2022	✓	✓	✓		
JAB Holding Company	JAB Consumer V	2022	✓	✓	✓		
Visionaries Club	Visionaries Seed	2022		✓	✓		
Visionaries Club	Visionaries Growth	2022		✓	✓		
Clessidra Capital Credit	**Clessidra Restructuring Parallel Fund**	2023	✓	✓		✓	
Fondo Italiano d'Investimento	FOF Impact Investing	2023	✓	✓			✓
Lindsay Goldberg	LG Lindsay Goldberg 6	2024	✓	✓			
Isomer Capital	Isomer III	2024	✓	✓			
Lindsay Goldberg	LG Lindsay Goldberg Aspire	2024	✓	✓			

The funds managed by Clessidra Private Equity and Clessidra Capital Credit, subsidiaries of Clessidra, are highlighted.

Among the companies in the portfolios of the funds managed by the subsidiary Clessidra, particular relevance is given to those in which the funds managed by Clessidra Private Equity SGR or Clessidra Capital Credit SGR hold majority stakes or stakes greater than 25% with board representation, as well as listed companies, summarised in the table below.

Company	% stake *	Description
Nexi	0.8%	Italy's leading operator in e-money and payment services. Italy's leading operator in credit, debit and pre-paid card issuing and POS acquiring/management services
Argea	54.9%	Italy's largest group in the wine sector, in terms of size, export capacity and production technology.
Viabizzuno	76.6%	An Italian excellence, leader in the high-end architectural lighting market, internationally recognised for creativity, customisation capabilities, and service quality.
Impresoft	54.3%	Provider of proprietary and third-party software solutions, support, and consulting services for the best business applications, services, and solutions to drive digital transformation in businesses.
Everton	86.6%	Manufacturer of tea, herbal teas, and infusions. Located in Tagliolo Monferrato (AL), with direct plants in Italy, India, and Croatia, and a commercial branch in the United States.
Sisma	100.0%	Leader in Italy in the production of cotton wool and derivatives, body care products, and household items, with two production plants in Italy.
Italtel	28.6%	Italian leader in System Integration with expertise in digital innovation solutions such as cybersecurity and hybrid-cloud. Locations in Italy and 13 foreign countries, including Spain, Brazil and Peru.
OMA	30.0%	Stamping and sheet metal parts for high-end automotive production. Production sites in Italy (2) and France (1).
Iscom	100.0%	Metal roofing for large public and private buildings, with a global market reach.

* Stakes held by the asset management companies of Clessidra: Clessidra Private Equity or Clessidra Capital Credit.

The 6% of the NAV is constituted by **Other Investments**, divided into unlisted and listed companies, offering interesting growth prospects or steady returns on investment. Below is the list of only the listed companies, with ownership stakes of non-material significance (accounting for a total of 0.56% of NAV), which are included in Italmobiliare's consolidated carbon footprint and decarbonisation targets.

Listed companies	% stake	Description	Notes
Ariston	0.25%	Ariston Group operates in the sustainable thermal comfort sector, active in the production of renewable and high-efficiency heating solutions.	
Cairo Communication	0.141%	Cairo Communication operates as a television, periodical, and book publisher and as an advertising space sales agency across various media.	
Heidelberg Materials	0.003%	Heidelberg Materials is a leading integrated producers of building materials and solutions, in the cement, aggregates and ready-mixed concrete sectors.	
Piaggio	0.05%	Piaggio & C. operates in the scooter, motorcycle and mopeds and light four-wheeled vehicle sector.	
Vontobel	0.20%	Vontobel Holding is a global investment manager specialising in asset management for private and institutional clients.	

Cash, cash equivalents and other assets (15% of the NAV): liquidity under management and financial assets, represented by limited-value investments, constitute a reserve of cash and cash equivalents, allocated to instruments with a conservative risk profile, available to the Company for possible new investment opportunities. At the end of 2024, this amount represented approximately 12% of the entire NAV. In addition to this activity, there is the management of the real estate assets owned by the Company, including its head office building in Milan.

Italmobiliare refrains from any investment or involvement, even indirect, with entities connected to the production, marketing, use or trading of illegal products or activities. Other proven practices, whether direct or indirect, also lead to exclusion, such as cases of corruption, money laundering, human rights violations, activities in conflict zones, violations of fundamental labour principles, production of goods that are harmful to health, the environment and morality, and obstacles to sustainability in general.

Across all components of the portfolio, Italmobiliare plays an active and continuous role in the growth and enhancement process, combining development, internationalisation and innovation with an effective governance and risk management model and full ESG integration in all phases of the investment. In particular, through the Portfolio Companies that it controls, Italmobiliare promotes products and services that are able to create a positive impact along the entire value chain, for the benefit of shareholders, stakeholders and the environment.

Sustainable characteristics of products and services	
Caffè Borbone	Significant portion of total coffee purchases with certified origin, also in terms of ESG. Single-serve coffee, coffee beans, ground coffee and other products with packaging
Officina Profumo-Farmaceutica di Santa Maria Novella	Formulations with a high presence of ingredients of renewable origin. Packaging with a high content of renewable or recycled raw materials.
Italgen	Production of 100% renewable electricity . Hydroelectric plants and photovoltaic systems.
Casa della Salute	High quality healthcare, with short waiting times thanks to digitalization, affordable prices and low carbon footprint. Certified B Corporation
Capitelli	High-end food products, using raw materials from a supply chain that is also controlled for environmental, social and governance aspects.
Callmewine	Excellent e-commerce service, attentive to customer experience and to the environment, with sustainable packaging and logistics. Carbon neutral from 2023.
SIDI Sport	Development and design of products with safety, ergonomics and sustainability criteria. 100% of packaging materials are renewable.
Clessidra	Management of funds, with a prevalence of products that are at least "Art. 8 SFDR", i.e. those that promote environmental or social characteristics and verify good governance practices.

For the sole controlled Portfolio Companies, the following table provides the macro-description of the value chain, including the main inflows and outflows.

Upstream activities	Direct activities	Downstream activities
	Caffè Borbone	
Raw coffee from selected origin countries (mainly Uganda, Vietnam, India, Brazil) purchased through globally operating traders. Selected subcontractors for production. Primary and secondary packaging materials from domestic and European suppliers. Logistics services.	Main production site in Caivano (NA), with roasting and packaging facilities. Distribution and partially production branch in the USA.	Multi-channel distribution through large-scale retail, specialised stores, and e-commerce. The served market is mainly domestic with growing international presence.
	Officina Profumo-Farmaceutica di Santa Maria Novella	
Raw materials, cosmetic ingredients, and fragrances purchased from domestic and foreign suppliers. Packaging materials from domestic suppliers. Logistics services. Selected subcontractors for production.	Production site in Florence. 39 directly managed stores in 5 countries (Italy, USA, UK, France, and Japan).	Distributors, e-commerce, and over 300 corners in various countries around the world.
	Italgen	
Hydroelectric derivations and concessions in Italy. Machinery and parts for hydroelectric generation primarily sourced from Europe. Solar panels and related equipment mainly sourced from producers outside Europe	30 hydroelectric plants in Lombardy, Piedmont, Tuscany, and Veneto; 6 photovoltaic plants in Marche, Lombardy, and Puglia; and 300 km of proprietary transmission lines.	Distribution through the National Grid, direct customers, and in PPA.
	CDS-Casa della Salute	
Suppliers of diagnostic and medical equipment and healthcare consumables. Provision of medical services.	34 specialist diagnostic, dental, and physiotherapy outpatient clinics across Liguria and Piedmont.	Clients and patients.
	Capitelli	
Capitelli' pork meat supply chain, selected and traced from breeding, with carefully chosen suppliers of pork meat from Italy and Europe. Selected subcontractors for production. National packaging and logistics suppliers.	Production site for cooked and smoked cured meats in Borgonovo Val Tidone (PC).	Selected large-scale retail. Professional catering and slicers customers.
	Callmewine	
Producers of wines and other alcoholic and non-alcoholic beverages. Suppliers of packaging and warehousing and logistics services.	Offices in Milan.	Customers.
	SIDI Sport	
Raw material suppliers from Europe and Asia. Semi-finished products from Italy. Subcontractors in Italy and Asia.	Production sites in Maser and Popești-Leordeni (Romania) for cycling and motorcycling footwear.	Distributors and e-commerce.
	Clessidra	
Fund investors (Limited Partners). Consulting services.	Offices of Clessidra Holding, Clessidra Private Equity, and Clessidra Capital Credit in Milan. Clessidra Factoring offices in Padua.	Factoring clients.

INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-2

The interests and opinions of stakeholders play a significant role in refining the strategy and business model of Italmobiliare and its Portfolio Companies. Their involvement takes place in different ways according to the types of stakeholders.

Employees are relevant stakeholders for all entities. Their involvement takes place through questionnaires sent to informed company population, company by company.

Investors are highly relevant for Italmobiliare, which is listed on the stock exchange, and for Clessidra, which manages funds from limited partners. **Capital providers** remain key stakeholders in business management. In both cases, their positions are assessed by management based on input gathered during Investor Relations contacts, any ESG qualification processes, or dedicated surveys.

Suppliers of goods and services are particularly relevant for businesses with a complex upstream value chain. A representative selection of the most significant among them, by spending or strategic supply, receives questionnaires for direct collection of their positions.

Distributors and customers are particularly significant for businesses that sell physical products or have direct interactions with customers. A representative selection of the most significant among them, based on market share or strategic importance, receives questionnaires for the direct collection of their positions.

Communities, NGOs and media, both local and global, are relevant to companies with size exposure or significant direct or indirect territorial interactions. When necessary, their positions are assessed by management on the basis of their publicly expressed expectations.

Academia and associations, including those specifically dedicated to sustainability efforts, show growing interest. Their positions are assessed by management based on action programs and publicly expressed expectations or collected through dedicated surveys.

Finally, **authorities and institutions** are particularly significant for activities in highly regulated sectors. Their positions are assessed by management based on their regulatory or oversight activities.

The following table represents the importance of the various categories of stakeholders for Italmobiliare and the consolidated Portfolio Companies, assessed at the time of the materiality analysis.

Stakeholder categories and relevance (scale 1-4)

Company	*Employees*	*Investors and capital providers*	*Suppliers of goods and services*	*Distributors and customers*	*Communities, NGOs, and media*	*Academia and associations*	*Authorities and institutions*
Italmobiliare	✓						
Caffè Borbone	✓		✓				
Officina SMN	✓						
Italgen	✓	✓					
Casa della Salute	✓			✓			
Capitelli	✓		✓	✓			
Callmewine	✓			✓			
SIDI Sport	✓			✓			
Clessidra	✓	✓					

The dark background represents the most relevant stakeholder categories.
The tick mark indicates the categories from which updated opinions were gathered in 2024.

The entire stakeholder engagement process has been a key feature of the Group's approach to materiality for years, always viewed as a strategic tool. For this reason, periodic updates do not substantially alter the assessments, but rather contribute to confirming and consolidating the strategy and business model of each Group company.

The administration, management, and control bodies are periodically informed about the entire process, particularly the Board of Directors, the Board of Statutory Auditors, and the Committee for Sustainability and Social Responsibility.

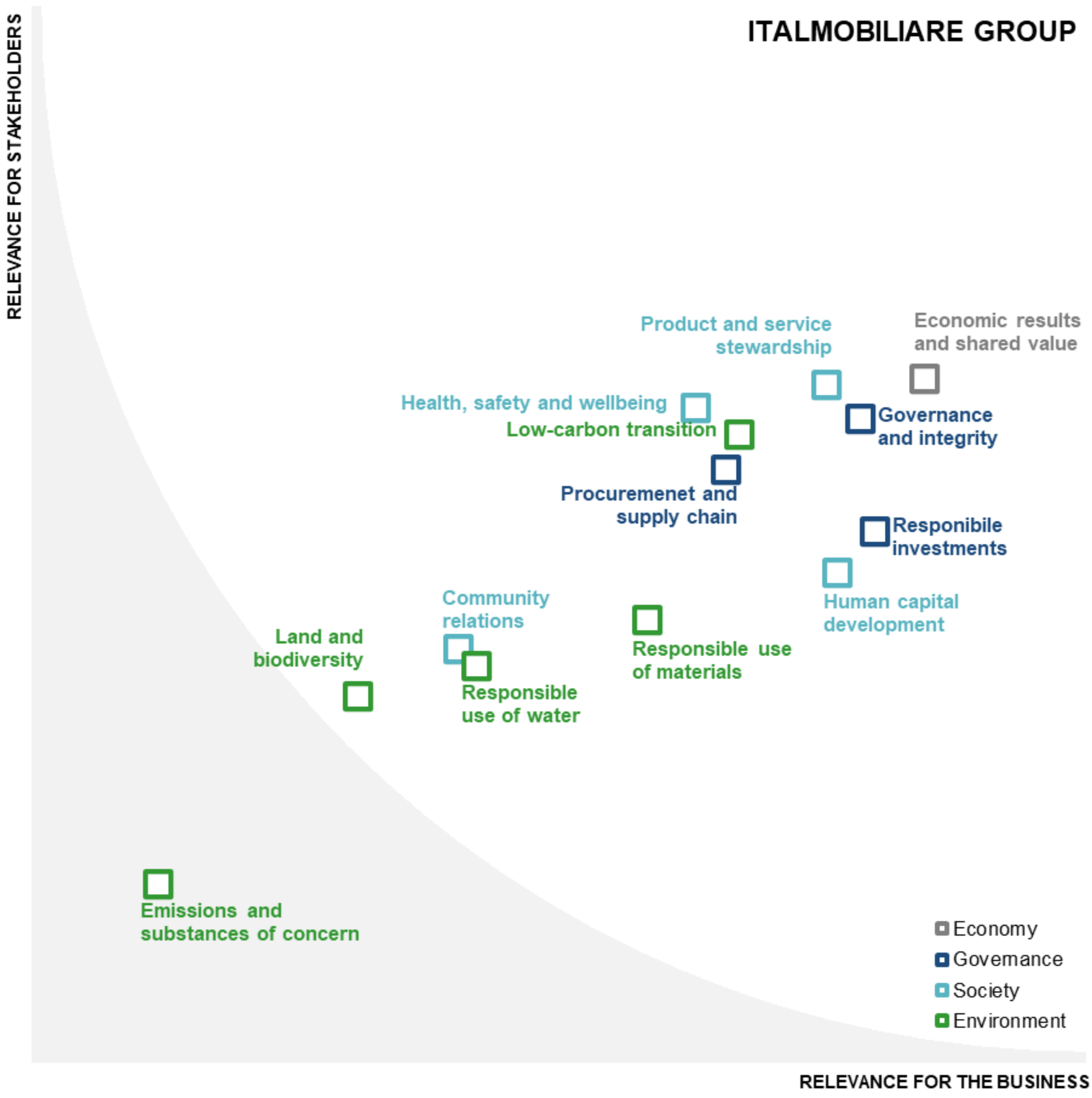
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are examined in depth by the Committee for Sustainability and Social Responsibility, approved by the Board of Directors and made operational by management through annual and multi-year action plans. The analysis takes place in two stages, as described in greater detail on page B41.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and positive ▲ Impacts		Initiatives taken
Economic result and shared value	▲ ∧∨ Generating shared value for stakeholders.	M	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance & integrity	▲ ∧∨ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M	• Adoption of a Code of Ethics, Sustainability Policies, Organisation, Management and Control Model and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Responsible investments	▲ ∧∨ Effective implementation of transformative power starting from investment decisions, through active management of portfolio companies on to the search for a buyer who can continue the sustainable development of the companies.	M	• Adoption of a Responsible Investment Policy aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement & supply chain	▼ ∧∨ Possibility of non-respect for human rights, labour rights and equal opportunities along the raw material supply chain (e.g. in coffee producing countries).	M	• ESG pre-qualification and qualification of business partners. • Sharing governance documents with all partners and stakeholders • Activation of a protected system of whistleblowing that is open to all stakeholders. • A progressive increase in the purchase of certified supplies. • Targeted partnerships and projects with strategic suppliers.
	▲ ∧ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities. ▲ ∧ Develop R&D partnerships and projects based on innovation and sustainability.	S	
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S	• Continuous and differentiated training for the various professional roles. • Gradual adoption of incentive plans. • Corporate welfare. • Team building initiatives.
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S	• Continuous promotion of a safety culture. • Safety leadership by management. • Safety Audits and Root Cause Analysis.
	▲ ∧∨ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S	
Relations with the community	▲ ∧∨ Initiatives and projects for the local community and in the value chain.	S	• Projects for communities near Italgen power plants. • Project for rural communities in coffee producing countries.
Product and service stewardship	▲ ∨ Providing products and services that give sustainable choices to customers, consumers and users.	S	• ESG pre-qualification and qualification of business partners. • Selection of raw materials • Eco-design of products, packaging and services. • Process and product certifications. • Effective communication of sustainability commitments and performance.
Low-carbon transition	▼ ∧∨ Greenhouse gas emissions along the entire value chain.	L	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets. • Budgets and strategic plans aligned with decarbonisation objectives.
	▲ ∧∨ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	S	
Emissions and critical substances	▲ ∧∨ Control and monitoring of atmospheric emissions related to production processes. ▲ ∧∨ Controlled use of “substances of concern”, beyond mere compliance with industry regulations.	S	• Monitoring and control plans, improvement of abatement systems. • Continuous upgrade of formulations and bills of materials.
Responsible use of water	▲ ∨ Attention to consumption and correct management of water balance, especially in areas with water stress	S	• Attention to water treatment plants and their modernisation, especially for Caffè Borbone and Officina Profumo-Farmaceutica di Santa Maria Novella.
Land & biodiversity	▲ ∧∨ Protection of the balance of the ecosystem in which production activities are located, or along the supply chain of materials, and fight against deforestation.	M	• Conservation of river ecosystems for Italgen power plants. • Direct involvement of coffee traders for an increase in certified lots and early commitment to EUDR (European Anti-Deforestation Regulation).
Responsible use of materials	▲ ∨ Product and packaging design with responsible selection and use of materials and waste minimisation, promoting correct end-of-life and reduction of environmental footprint.	S	• ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of products and packaging.

∧∨ Material for the value chain: upstream (∧) and downstream (∨)

S = Short term **M**= Medium term **L** = Long term

	Risks ▼ and Opportunities ▲	Mitigations and initiatives taken
Economic result and shared value	▼ **Group** - Risk of cyber attacks and IT infrastructures not fully adequate to support business development, with impacts on operations.	• Implementation of continuous technical and organisational interventions to constantly strengthen and update the defence system. • Specialised roles to strengthen IT areas. • Group security governance framework and monitoring.
	▼ **Italmobiliare** - Changes in the value of associates (*) due to macroeconomic factors in the sectors/countries in which they operate and/or underperformance compared with their development plans. ▲ **Italmobiliare** - Strategic positioning and market leadership of portfolio companies with potential upside if the enhanced value can be realised. ▼ **Italmobiliare** - Possible slowdowns in the implementation of investment/exit strategies and strategy execution in the Group with potential impacts on the expected return and evolution of the portfolio. ▲ **Italmobiliare** - Development of portfolio companies and new investments by enhancing the skills acquired in the sectors of presence and any synergies.	• Definition and updating of strategic plans supported by in-depth sector analyses. • Continuous monitoring, also with dedicated dashboards.
	▼ **Italmobiliare** – Potential compensation payments following liability claims arising from M&A deals.	• Contractual clauses that limit liability according to market standards. • "Fair disclosure" to the buyer during due diligence. • Adequate provisions in the financial statements, when needed.
	▼ **Caffè Borbone** - Possible difficulties in entering foreign markets. Entering foreign markets is an opportunity; however, the dynamics involved in new and different markets can create critical aspects with respect to the development plan. ▲ **Caffè Borbone** - Possibility of a growth trajectory on foreign markets. ▲ **Caffè Borbone** - Development of new sustainable products and expansion of the product portfolio/range.	• Projects and staff dedicated to new markets. • Brand strengthening.
	▼ **Caffè Borbone** ^ - Variability of the cost of coffee (**) and the related possibility of implementing the necessary pricing policies even in a highly competitive context.	• Flexibility of green coffee stocks. • Systematic contacts with strategic suppliers and diversification of supply sources/areas. • Evaluation of hedging strategies. • Widespread coverage of sales channels by strengthening both the sales network and the central structures. • Continuous monitoring of margins and pricing policies.
Governance and integrity	▼ **Group** ^v - Failure to achieve ESG objectives, also due to dependence on third parties. ▲ **Group**: Competitive advantage from ESG strategy	• ESG integration into business processes (M&A, budgets, strategic plans). • Refinement and monitoring of ESG plans. • Widespread ESG expertise and creation of ESG networks. • ESG Managers' skills/Focal point in companies • Selective M&A deals.
Procurement & supply chain	▼ **Caffè Borbone** ^ – Risk (***) of increases in the cost of coffee, packaging material and logistics for a value chain that is considerably exposed to industry regulations, including: • Anti-deforestation (EUDR). • Supply Chain Due Diligence (CSDDD). • Packaging Requirements Regulation (PPWR). • ETS and fuel regulations (Green Mobility - FuelEU Maritime Regulation). ▲ **Caffè Borbone** ^ - Strengthening the sustainable supply chain.	• ESG qualification of suppliers • Purchase of certified coffee (target 80% by 2026), EUDR-compliant and connected to decarbonisation projects, also to build trader loyalty. • Purchase of packaging and packaging materials tied to decarbonisation projects, also to build supplier loyalty. • Logistics optimisation • R&D for product evolution
Human capital development	▼ **Group** Organisational structures being consolidated and stabilised with possible slowdowns in the growth and development path of the business. ▲ **Group** - Attracting and developing talents with diversified skills with effects on growth and sustainability, also thanks to innovative solutions and improvement in processes.	• Strengthening the first and second line management structure. • Holding training courses in management skills • Strengthening internal processes and better definition and communication of roles and responsibilities.
Health, safety and well-being	▼ **Group** - Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	• Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company. • Safety audit
Product and service stewardship	▼ **Caffè Borbone** v - Risk of product quality and safety levels not fully in line with company standards.	• Complete product traceability system. • Periodic analyses of raw materials and finished products, aimed at food defence. • Certification of management systems according to IFS and ISO45001. • Optical sorting system at raw coffee feed-in silos. • Strengthening of the organisational structure and introduction of further controls, particularly in the R&D area.

* It embeds the strategic risk of individual Portfolio Companies.
** Also physical climate risk, due to extreme weather events at farms.
*** Also climate transition risk.
^v Material for the value chain: upstream (^) and downstream (v)

= **positive** / **negative** outlook in the medium to long term.

	Risks ▼ and Opportunities ▲	Mitigations and initiatives taken
Low-carbon transition *Physical risks*	▼ **Caffè Borbone** ʌ - Lower availability of high-quality green coffee due to extreme weather events in plantations.	• Flexibility of green coffee stocks • Systematic contacts with strategic suppliers and diversification of supply sources/areas.
	▼ **Italgen** ʌ - Increase in the variability/intensity of expected precipitation near hydroelectric power plants with effects on energy production. ▲ **Italgen** - Diversification of renewable sources: hydroelectric, photovoltaic and others.	• Development strategy with focus on source diversification (photovoltaic) Careful planning of periodic maintenance and prudent management of forward sales. Investments in technology for efficiency and business continuity.
	▼ **Tecnica Group** - Snowfall volatility with potential impact on volumes (winter segment).	• Diversification of the offering with brands beyond the winter season. • Geographical diversification of sales both in Italy and abroad.
Low-carbon transition *Transition risks*	▼ **Caffè Borbone** ʌv - Reduction in demand (single-serve) due to the growing sensitivity of distributors and consumers to product sustainability with particular attention to the carbon footprint, which depends on: • Origin of the coffee from sustainable and low-carbon footprint crops. • Use of primary packaging that is compostable and/or with a lower plastic content. • Use of secondary packaging from low-carbon supply chains. • Mix of beans/ground coffee/single-serve. ▼ **Caffè Borbone** ʌ - Increase in the purchase cost of machinery and packaging in the long term, due to the evolution of technologies adopted by suppliers to address decarbonisation (e.g. electric coffee roasters) ▲ **Caffè Borbone** - Evolution of primary and secondary packaging ahead of regulations (e.g. the Packaging Regulation) and market trends through consolidation of the pod market, a progressive increase in compostable capsules, a reduction in the use of plastic and other aspects. ▲ **Caffè Borbone** v - Growing sensitivity of sales channels (large-scale retail trade) to product sustainability with possible effects on volumes sold	• SBTi implementation: coffee supply contracts tied to decarbonisation projects. • SBTi implementation: supply contracts for packaging and packaging materials linked to decarbonisation projects. • Increase in single-serve compostable products. • Communication of the intrinsic sustainability of the main product (pods). • Elimination of non-recyclable plastics and reduction of plastic packaging. • Effective communication of the decarbonisation strategy and SBTi commitments. • Monitoring of the biogas/biomethane market and carbon credits from biogas/biomethane (in relation to SBTi). • Active role towards roasting machine suppliers to stimulate the introduction of low carbon technologies. • Active role towards suppliers of packaging materials and machines to stimulate the introduction of low carbon technologies.
	▲ **Officina Profumo-Farmaceutica di Santa Maria Novella** v - Progressive reduction in air shipments in favour of more sustainable and economical options.	• Better planning for the replenishment of ongoing products and new launches in directly managed overseas markets (USA and Japan). • Better coordination with non-European partners in managing order supply.
	▲ **Group** v - Increasing consumer awareness of product sustainability, with potential impacts on volumes.	• Boosting R&D activities to use more sustainable materials, such as recycled and/or recyclable materials. • Better packaging and careful selection of suppliers. • Adoption of low-impact logistics solutions.

ʌv Material for the value chain: upstream (ʌ) and downstream (v)

= **positive** / **negative** Outlook in the medium to long term.

Material impacts, risks, and opportunities are interconnected. The table below highlights the key areas where this interdependence is particularly significant.

	Negative impacts	Positive impacts	Risks	Opportunities
Economic results and shared value		✓	✓	✓
Governance & integrity		✓	✓	✓
Responsible investments		✓		
Procurement and supply chain	✓	✓	✓	✓
Human capital development		✓	✓	✓
Health, safety and well-being	✓	✓	✓	
Community relations		✓		
Product and service stewardship		✓	✓	
Low-carbon transition	✓	✓	✓	✓
Emissions and substances of concern		✓		
Responsible use of water		✓		
Land and biodiversity		✓		
Responsible use of materials		✓		

Impact, risk and opportunity management

DISCLOSURE ON THE MATERIALITY ASSESSMENT PROCESS

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

IRO-1

Italmobiliare's sustainable policies, strategies and objectives take into account the materiality analysis, carried out and updated annually on the basis of consolidated methodologies in line with the applicable reporting standards. The approach used up to the 2023 Report, aligned with the standards of the Global Reporting Initiative (GRI), has been maintained as a basic point of reference, adding all of the other phases of analysis and detailed requirements set out in the European Sustainability Reporting Standards (ESRS). The elements obtained from the reference documents just mentioned are supplemented by additional material that may be needed to understand the dynamics of the business better.

The assessment of impacts, with respect to the defined relevance threshold, of risks and opportunities, with respect to financial thresholds defined also in function of the NAV, cannot ignore the level of expectations and ambitions defined and progressively reinforced through formalisation of the sustainable commitments made by the Group, which give substance to the duty of care. Direct and indirect activities are included along the entire value chain, considering the most critical geographies in which the individual entities being rated operate. The process is structured and integrated into the overall risk management process. For each individual entity of the Group, it takes place in the two stages described below.

STAGE 1 (MACRO THEMES)
Identification of material macro-areas, seeing where relevance for the business matches relevance for the stakeholders

Step 1	Step 2	Step 3
With the support of the parent company's Sustainability function, the Portfolio Company's front-line functions analyse and assess all aspects of relevance to their business and interpret the point of view of their key stakeholders, thereby ensuring a multidimensional vision. They also assign relevance coefficients to the various components of business interest and to the various macro-categories of stakeholders.	With the involvement of the relevant functions of the parent company, the assessment carried out by the Portfolio Company is examined by proposing, where necessary, alternatives or additions both to the individual assessments of the aspects and to the weighting of the business elements and stakeholder categories.	Representative organisations and individuals are identified within the stakeholder categories assessed as most relevant. With the help of questionnaires, interviews or other engagement tools, their position is collected with respect to the aspects already assessed in the previous steps, integrating it, where deemed useful also in light of the specific requests expressed by the people involved. Direct stakeholder involvement can only influence the assessment for the specific category to which they belong.
Result: graphic matrix that positions the macro themes assessed according to their materiality for the business and materiality for stakeholders.		

STAGE 2 (IRO)
Identification of material impacts ("inside-out"), risks and opportunities ("outside-in")

	Step 1	Step 2
IMPACTS	The Sustainability function of the parent company, possibly with the support of the relevant functions of the Portfolio Company, makes the best assessment of the various categories of stakeholder: • severity and likelihood of negative impacts; • magnitude, scope and likelihood of positive impacts.	Representative organisations and individuals are identified within the stakeholder categories assessed as most relevant. With the help of questionnaires, interviews or other engagement tools, their position is collected with respect to the aspects already assessed in the previous steps, integrating it, where deemed useful also in light of the specific requests expressed by the people involved. Direct stakeholder involvement can only influence the assessment for the specific category to which they belong.
RISKS AND OPPORTUNITIES	**Step 1** With the support of the parent company's Risk Management function, the relevant functions of the Portfolio Company assess as best they can the extent and probability of risks that have or could have financial effects, starting from a "catalogue" defined at Group level. The analysis includes the assessment of dependencies between natural and social resources that can originate risks and opportunities.	**Step 2** The Risk Management function of the parent company, possibly supported by other functions such as the Investment Management Department and the Sustainability Department, carries out a top-down assessment of the results of the workshops. The goal of this step is to align and standardise the assessments and better represent the risks that require a top-down vision from the shareholder's point of view.
	With a symmetrical methodology, starting from the results of the risk analysis, the opportunities are also progressively assessed.	
Result: list of Impacts, Risks and Opportunities (IRO) that exceed the set materiality thresholds.		

Where relevant, the parameters, the thresholds and considerations used for each ESRS are described in the specific chapters.

The results of the individual entities are subsequently weighted and aggregated in an appropriate way. The application details of each assessment step are defined by the Materiality Guidelines, updated in 2024, and an integral part of the Sustainability Reporting Procedure.

Under the supervision of the Board of Statutory Auditors, the entire process of identifying and assessing impacts, risks and opportunities is discussed or shared, according to their respective competences, in the Sustainability and Social Responsibility Committee and in the Control and Risk Committee. Final approval is up to the Board of Directors.

DISCLOSURE REQUIREMENTS IN ESRS

IRO-2

The following table lists the ESRS disclosure requirements included in the Report. No ESRS received a negative materiality rating.

ESRS 2 - GENERAL DISCLOSURES		Page
Basis for preparation		
BP-1	General basis for preparation of sustainability statements	B22
BP-2	Disclosures in relation to specific circumstances	B23
Governance		
GOV-1	The role of the administrative, management and supervisory bodies	B25
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	B28
GOV-3	Integration of sustainability-related performance in incentive schemes	B28
GOV-4	Statement on due diligence	B29
GOV-5	Risk management and internal controls over sustainability reporting	B29
Strategy		
SBM-1	Strategy, business model and value chain	B31
SBM-2	Interests and views of stakeholders	B36
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B37
Impact, risk and opportunity management		
Disclosures on the materiality assessment process		
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	B41
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	B42
Minimum disclosure requirement on policies and actions		
MDR-P	Policies adopted to manage material sustainability matters	B44
MDR-A	Actions and resources in relation to material sustainability matters	B46
Metrics and targets		
MDR-M	Metrics in relation to material sustainability matters	B47
MDR-T	Tracking effectiveness of policies and actions through targets	B47
ESRS E1 - CLIMATE CHANGE		
Governance		
E1.GOV-3	Integration of sustainability-related performance in incentive schemes	B54
Strategy		
E1-1	Transition plan for climate change mitigation	B54
E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B55
Impact, risk and opportunity management		
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	B56
E1-2	Policies related to climate change mitigation and adaptation	B57
E1-3	Actions and resources in relation to climate change policies	B57
Metrics and targets		
E1-4	Targets related to climate change mitigation and adaptation	B57
E1-5	Energy consumption and mix	B59
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	B59
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	B61
E1-8	Internal carbon pricing	B61
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	*phase-in*
ESRS E2 - POLLUTION		
Impact, risk and opportunity management		
E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	B62
E2-1	Policies related to pollution	B62
E2-2	Actions and resources related to pollution	B63
Metrics and targets		
E2-3	Targets related to pollution	B63
E2-4	Pollution of air, water and soil	B63
E2-5	Substances of concern and substances of very high concern	B64
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	*phase-in*

ESRS S4 - CONSUMERS AND END-USERS		
Strategy		
S4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B91
Impact, risk and opportunity management		
S4-1	Policies related to consumers and end-users	B91
S4-2	Processes for engaging with consumers and end-users about impacts	B92
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	B92
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those action	B92
Metrics and targets		
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	B93
ESRS G1 - BUSINESS CONDUCT		
Strategy		
G1.GOV-1	The role of the administrative, supervisory and management bodies	B94
Impact, risk and opportunity management		
G1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	B94
G1-1	Corporate culture and business conduct policies and corporate culture	B95
G1-2	Management of relationships with suppliers	B96
G1-3	Prevention and detection of corruption and bribery	B97
Metrics and targets		
G1-4	Confirmed incidents of corruption or bribery	B99
G1-5	Political influence and lobbying activities	B99
G1-6	Payment practices	B101

Italmobiliare does not fall within the scope of the following legislative acts of the European Union, which require additional public disclosure:

- Regulation (EU) 2019/2088 (SFDR)
- Regulation (EU) 575/2013 (Third Pillar)
- Regulation (EU) 2016/1011 (Benchmark Indices)
- Regulation (EU) 2021/1119 (European Climate Law).

MINIMUM DISCLOSURE REQUIREMENT ON POLICIES AND ACTIONS

POLICIES

MDR-P

The formalised commitments to sustainability that inform Italmobiliare's approach to **duty of care** are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

The governance documents explicitly express the commitments made with the UN Global Compact, Women's Empowerment Principles and the Science Based Targets initiative and adopt the highest global references, in particular: the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Conventions, Protocols and Recommendations of the International Labour Organization, the Paris Agreement on Climate Change, International Conventions and Standards on Animal Rights.

To ensure their effectiveness, the documents are subject to periodic review or updating, taking into account the evolution of the commitments undertaken, the expectations of stakeholders and the need for transparency dictated by the main ratings and regulations. They are the subject of adequate communication or training extended to all recipients, included in document exchanges relating to business relationships and, in any case, publicly available through the company's website.

The **Code of Ethics** lays down a set of fundamental principles and rules of conduct for Italmobiliare. Based on Vision, 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. The Recipients of the Code of Ethics are the members of the Corporate Bodies, Personnel, Collaborators and Third Parties, as defined below. The Portfolio Companies adopt Codes aligned with that of the parent company.

Corporate Bodies	Shareholders' meeting, Board of Directors, Board of Statutory Auditors, Internal Board committees.
Personnel	Employment contracts of any type and nature, including those for executives, project-based staff, part-time staff, temporary staff, internships, and para-subordinate collaboration contracts.
Collaborators	Those who, by virtue of a contract or mandate, act on behalf of Italmobiliare (consultants, intermediaries, special attorneys).
Third Parties	Those who have business relationships with Italmobiliare, such as suppliers, distributors, partners, co-investors, and recipients of social initiatives, donations, and sponsorships.

Sustainability Policies extend and integrate the Code of Ethics and have the same recipients. They apply in relations with all the Group's counterparties, in due diligence, mergers or acquisitions and in the active involvement of all stakeholders in its sphere of influence. The "Guiding principles" are their cornerstone, further detailed in six dedicated policies: Health and safety, Diversity and inclusion, Environment and resources, Energy and climate, Rights and society, Quality and responsibility. The Portfolio Companies adopt Sustainability Policies aligned with those of the parent company.

The Code of Ethics and the Sustainability Policies bind directors, employees, collaborators and all those who operate in any capacity with Italmobiliare in all internal and external relationships with the Company to comply with the principles and provisions contained therein.

In particular, the members of the Board of Directors are required to draw inspiration from them when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies managed. The same applies to the managers, in giving concrete implementation to the management activity both internally, thus strengthening cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the Company. The Portfolio Companies adopt Policies aligned with those of the parent company.

The **Responsible Investment Policy** transforms the Code of Ethics and the Sustainability Policies into an operational guide for investments, detailing the activities foreseen in the pre-investment, ownership, and divestment phases, and differentiating by investment type. It covers all the components that contribute to Italmobiliare's Net Asset Value.

Contribution to the SDGs is a fundamental metric for evaluating the sustainable success of the Group. Among the various elements to be assessed, the prospects for improving the ESG positioning and alignment with Italmobiliare's sustainable strategy play a significant role.

To this end, Italmobiliare refrains from any investment or involvement, whether direct or indirect, with entities involved in the production, marketing, use or trade of illegal products or activities. Other ascertained direct or indirect practices also lead to exclusion: for example, corruption, money laundering, human rights violations, activities in conflict zones, violations of the fundamental principles of labour, production of goods harmful to health, the environment and morality, an obstacle to sustainability in general. Furthermore, the activities and sectors subject to particular attention, on which negative screening is applied, are detailed in "sectoral criteria" of the Responsible Investment Policy.

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 finds continuity in the management phase of the companies in the portfolio, through an active dialogue with the investee companies aimed at fully integrating sustainability into the business strategy. In the organisation of Italmobiliare, the task of translating the strategic indications received from the Board of Directors into current management operations is the responsibility of the Investment Management Department, supported by the other functional departments at holding company level.

The Responsible Investment Policy is applied in the operating procedures adopted, specific to each type of investment. Clessidra adopts Investment Policies aligned with those of the parent company.

Investment roadmap: the ESG essentials

Pre-investment screening ▶	Year 1: Onboarding ▶	Year 2+: Value creation ▶	Exit or new cycle
EXCLUSION LIST (sectoral criteria) Weapons Coal, oil and gas Conflict minerals and others Recreational drugs Nuclear energy Gambling GMOs and cloning Pornography Water-intensive sectors and activities Forest-intensive sectors and activities Tobacco **POSITIVE SCREENING** Capability to contribute to SDGs Promotion of social or environmental characteristics and good governance	**IMPRINTING** Diverse and qualified BoD UN Global Compact Women's Empowerment Principles SBTi Commitment 100% renewable energy **GOVERNANCE** Code of Ethics Sustainability Policies Model 231: business integrity Partnership Charter **STRATEGY** Materiality analysis ESG & SDGs assessment Gap analysis ESG plan	**ENVIRONMENT** Decarbonisation strategy (SBTi) Renewable or recycled materials Responsible packaging No-deforestation practices Biodiversity conservation **SOCIAL** Diversity, equity & Inclusion Health, safety and wellbeing Continuous training Career management Product/service stewardship Community investments **GOVERNANCE** Sustainable procurement Certified management systems ESG Rating Sustainability report	**ESG INFO** Transparency on ESG performance and on sustainable transformation achieved **MISSION LOCK** Search for buyer that could continue the ESG process
ESG DUE DILIGENCE Throughout entire value chain, including climate risk and taxonomy	*Continuous coaching, training and managerial support to all Portfolio Companies. Monitoring the progress of ESG Plans and leading KPIs through operational dashboards and monthly meetings. ESG updates as the first item on the agenda of all Board of Directors meetings for the holding and portfolio companies. Monitoring, data collection and reporting aligned with best Group's practices and legal requirements (CSRD, Taxonomy, SFDR).*		

Italmobiliare aims to establish business partnership based on a high level of integrity and sustainability. Therefore, Italmobiliare expects its business partners to be effectively and demonstrably aligned with the principles expressed in the **Partnership Charter** regarding human rights and labour, health and safety, environment, integrity, compliance, and transparency. This requirement concerns not only the Partner itself and the activity carried out directly by the same, but also the contractual relationships with third parties that are part of its value chain. Business partners include suppliers of goods and services, contractors, distributors, and any other business partner, co-investor, or beneficiary, in their direct activities, contractual relationships with any subcontractors or sub-suppliers, and, in general, in the creation and management of their respective value chains.

The Portfolio Companies adopt Charters aligned with that of the parent company. On page B96, more details about the Partnership Charter are provided, with particular reference to suppliers.

ACTIONS AND RESOURCES

MDR-A

In its long history as an investment holding company in the industrial and financial fields, Italmobiliare was one of the forerunners in Italy to have an innovative approach to sustainability. Already in the 1990s it had structured ambitious sustainability programmes in the main industrial holdings, fully integrated into the strategic development priorities and coordinated by dedicated functions. Thanks to this experience, a constant commitment to best practices has matured, from principles to policies, from processes to products, from local and global initiatives to reporting tools.

This is the legacy that Italmobiliare has applied and continues to apply with experience, expertise and passion in its way of operating, contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of shareholders, portfolio companies and all the other stakeholders.

Portfolio sustainability is part and parcel of the Group's value creation strategy. It follows that the actions and resources assigned to them are incorporated indistinguishably into strategic planning and annual budgets.

Lines of action are dictated by the Responsible Investment Policy and, in particular, by the ESG Roadmap described above. The cornerstones of strategic action are: governance and value chain; climate strategy; health, safety and well-being; gender and human capital development. These are the themes that pervade the goals, actions and metrics described in detail below.

METRICS AND TARGETS

METRICS

MDR-M

In order to assess the performances relating to the impacts, risks and opportunities identified as material, the specific metrics defined by the applicable ESRS are used, integrated where necessary with data and information that meet the expectations of the sustainable commitment platforms to which Italmobiliare adheres (UN Global Compact, Womens' Empowerment Principles, Science Based Targets initiative) and are in line with the transparency requisites required by the ESG ratings in which it participates (Sustainalytics, S&P Global, CDP).

Details of the methodologies used, as well as the assumptions, limitations and other elements that may be useful for interpreting the data and understanding the level of performance achieved are reported in the text or in the tables.

TARGETS

MDR-T

Italmobiliare defines ambitious ESG programmes for its Portfolio Companies, which are fully integrated into strategic development priorities and coordinated by dedicated functions, acting on four fundamental levers:

- Governance and value chain
- Climate strategy
- Health, safety & wellbeing
- Gender and human capital development

On an annual basis, these same levers define the targets that are linked to the variable remuneration of management. The following are the targets identified at Group level as a guideline for the next three years.

Medium-term objectives		Target	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with pre-qualification, qualification and ESG contractual clauses.	**75%**	**2027**	--	--	**--**
Climate strategy	Validation of carbon footprint reduction targets according to the requirements of the Science Based Targets initiative (SBTi) for all Portfolio Companies.	**100%**	**2025**	--	--	**25% ***
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked.	**0**	**2025+**	3,3	4,8	**5,4**
Gender and human capital development	Achieve and maintain a significant level of training hours per person.	**>40**	**2027**	33	28	**24**

* Italgen and Officina Profumo-Farmaceutica di Santa Maria Novella received validation of their targets at the beginning of 2025.

The Portfolio Companies embrace these targets, broken down according to their characteristics and level of maturity achieved on the path towards sustainability that is activated upon entry into the Italmobiliare Group portfolio.

The strategic objectives defined in 2022 in support of the Sustainable Development Goals that the Responsible Investment Policy identifies as a point of reference for value creation remain valid. They will be updated in 2025. The progress made in 2024 is shown below.

		Target 2025	2020	2021	2022	2023	2024
Objective: GENDER EQUALITY Supported by adherence to the Women Empowerment Principles, the goal is to create conditions of inclusiveness and social culture that nurture a pathway aimed at achieving gender equality, starting from management positions.							
Women in managerial positions (Managers and Middle managers)	%	**>40%**	22%	33%	31%	35%	**38%**
Gender pay gap unadjusted *	%	**reduction**	--	--	47%	**63%**	**47%**
Objective: DECENT WORK Every accident at work is unacceptable, therefore the only acceptable goal is Zero Accidents. Only the creation of a culture of safety, well beyond the legal obligations, allows to record progresses.							
Injury frequency rate (> 24h)	*# / million worked hours*	**0**	4.8	6.8	3.3	4.8	**5.4**
Hours of training	*hours / person*	**>40**	5	29	33	28	**24**
Objective: RESPONSIBLE PRODUCTION Renewable or recycled materials out of the total materials used support the transition to a regenerative economy.							
Responsible resources: raw materials	%	**>80%**	46%	90%	90%	**91%**	**96%**
Responsible resources: packaging	%	**>60%**	64%	58%	58%	**80%**	**80%**
Objective: NET-ZERO In 2024, the SBTi expert team validated the Group's emission reduction targets.							
Carbon intensity: scope 1	*tCO_2 / million € Revenues*	**reduction**	17	15	13	13	12
Carbon intensity: scope 2	*tCO_2 / million € Revenues*	**0**	62	8	0	0	0
Carbon intensity: scope 3 categories 1-14	*tCO_2 / million € Revenues*	**reduction**	593	617	640	573	605
Carbon intensity: scope 3 category 15	*tCO_2 / million € Revenues*	**reduction**	2,281	3,479	3,442	3,131	1,407
Objective: BUSINESS INTEGRITY Organisation, Management and Control Model (Modello 231). For new investments, adoption is expected no later than the second year of active management.							
Companies with Modello 231	%	**100%**	83%	88%	100%	100%	**100%**
Objective: SUSTAINABLE PARTNERSHIP Code of Ethics explicitly oriented toward sustainability; evolved Sustainability Policies; Partnership Charter with ESG pre-qualification. For all new investments, implementation is planned within the first year of active management.							
Companies with Code of Ethics	%	**100%**	67%	100%	100%	100%	**100%**
Companies with Sustainability Policies	%	**100%**	33%	100%	100%	100%	**100%**
Companies with Partnership Charter	%	**100%**	--	--	81%	89%	**100%**

* In 2023, the variable compensation of the 3-year Long Term Incentive plan for the management of the Holding was paid.

ENVIRONMENTAL INFORMATION

Taxonomy

Regulation (EU) 2020/852

With reference to Delegated Regulation (EU) 2020/852 of 18 June 2020, Delegated Regulation (EU) 2021/2139 of 4 June 2021 and Delegated Regulation (EU) 2023/2486 of 27 June 2023, the following economic activities of the Italmobiliare Group were found to be eligible.

Economic activities of the Italmobiliare Group found eligible
4.1 Production of electricity through photovoltaics; 4.5 Construction or management of hydroelectric plants; 4.10 Storage of electricity; 6.5 Cars, light commercial vehicles and motorcycles; 7.1 Construction of new buildings; 7.2 Renovation of existing buildings; 7.3 Installation of energy efficiency devices; 7.4 Charging stations for electric vehicles; 7.6 Installation of renewable energy technologies; 8.1 Data hosting; 8.2 IT consulting; 2.2 Alternative water resources for purposes other than human consumption; 4.1 Data-driven IT/OT solutions for the circular economy; 5.1 Repair, redevelopment and remanufacturing.

Furthermore, the following activities of Italgen S.p.A. and its subsidiaries were found to be not only eligible but also aligned with reference to the climate change mitigation objective.

Economic activities of the Italmobiliare Group found eligible and aligned
4.1 Production of electricity through photovoltaics; 4.5 Construction or management of hydroelectric plants; 4.10 Storage of electricity;

In particular, the substantial contribution of the three activities mentioned above was found to be aligned with the climate change mitigation objective due to the nature of the activities and the intrinsic characteristics of the plants.

In order to verify the alignment with the EU Taxonomy, in addition to the substantial contribution (SCC), the DNSH (Do Not Significant Harm) principles were also analysed, i.e. the satisfaction of the technical screening criteria in order not to cause significant damage to the other five environmental objectives and it was verified that the activities are carried out in compliance with the minimum safeguard guarantees, as described below.

Phase 1 - Identification of eligible economic activities: all the activities within the Group that are included in the Climate Delegated Act, the Complementary Delegated Act and the Environmental Delegated Act were identified. The analysis was carried out considering the six objectives, with respect to which the Group was mainly exposed to the climate change mitigation objective and to a marginal extent to the climate change adaptation and circular economy objectives.

Phase 2 - Analysis of the substantial contribution: the eligible activities identified in the previous phase were analysed in detail to verify their compliance with the specific technical criteria established in relation to their substantial contribution and specifically to the mitigation of climate change. The analysis was conducted following the criteria set out in the Delegated Act on Climate, in particular the substantial contribution to the climate change mitigation objective of Italgen's plants is verified:

- for photovoltaic plants intrinsically in consideration of the plant technology;
- for hydroelectric plants as they are flowing water and without artificial reservoirs. It is specified that only three of the assets use a basin, respecting the power density criterion of the plant greater than 5 W/m2;
- for energy storage plants in relation to the methods of construction and management of the storage (including pumping from hydroelectric energy).

Phase 3 - Assessment of DNSH principles: an analysis of existing environmental procedures was performed to verify compliance with DNSH criteria for each technology related to electricity generation activities (activities 4.1 and 4.5) and electricity storage (4.10) considering the specific requirements set by the climate change mitigation objective:

- DNSH adaptation to climate change: assessment of physical climate risks and identification of mitigation actions;
- DNSH sustainable use and protection of water and marine resources: analysis of water-related procedures, authorizations, national regulations and water management plans;
- DNSH transition to a circular economy: application of Legislative Decree 152 of 2006 compatible with waste management, purchasing requirements and projects and maintenance of the certified ISO 14001/2015 environmental management system;
- DNSH protection and restoration of biodiversity and ecosystems: compatibility with national and regional procedures and regulations.

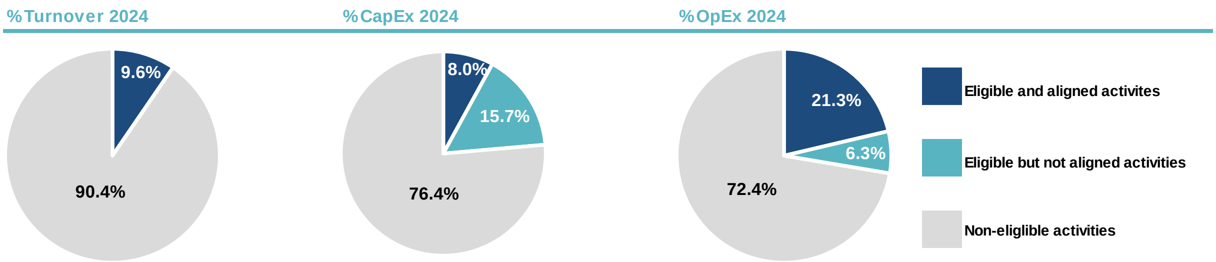
Phase 4 - Verification of minimum social safeguards: the formal commitments to sustainability that inform Italmobiliare's approach to due diligence are used as a reference (page B29) and are explicitly included in the governance documents adopted to support its sustainable strategy, in particular in the Code of Ethics and the Sustainability Policies, which extend and integrate its orientations. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

The volumes of turnover, capital expenditure and operating expenses that appear in the denominator of the indicators coincide with those reported in the 2024 Financial Report.

The values in the denominator correspond to net revenues for the turnover indicator, to increases in tangible and intangible assets considered before depreciation, depreciation and any revaluation for the capital expenditure indicator, and to non-capitalised direct costs related to research and development, building renovations, short-term rentals, maintenance and repairs of property, plant and machinery, and other direct expenses necessary for the continuous and effective operation of the assets for the operating expenses indicator.

The volume of sales relating to the aligned and eligible activity “Production of electricity using photovoltaic solar technology” includes the revenues deriving from this activity carried out by the Italgen group, i.e. the total net revenues of the subsidiaries Solar Rooftop S.r.l. and Solar Derthona S.r.l., approximately 34% of the net revenues of Rovale S.r.l., and a portion attributable to the photovoltaic production of Italgen itself, equal to approximately 1% of its net revenues.

The volume of sales relating to the aligned and eligible activity “Production of electricity from hydroelectric energy” includes the revenues deriving from this activity carried out by the Italgen group, comprising approximately 66% of the net revenues of Rovale S.r.l. (including the revenues of the subsidiary Idrolima S.r.l.), 100% of the net revenues of Idrodezzo S.r.l. and Idroenergy S.r.l. dedicated exclusively to hydroelectric production, and the portion of turnover attributable to the hydroelectric production of Italgen itself, equal to approximately 99% of its turnover. These figures were determined on the basis of the companies' management accounting records for 2024.



	Proportion Turnover/ Total turnover		Proportion CapEx/total CapEx		Proportion di OpEx/total OpEx	
	Aligned	Eligible	Aligned	Eligible	Aligned	Eligible
CCM	**9.6%**	**9.6%**	**8.0%**	**22.3%**	**21.3%**	**24.6%**
CCA				15.4%		6.3%
WTR						
CE				0.3%		0.0%
PPC						
BIO						

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Code**	**Turnover**	**Proportion of turnover, year 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguard guarantees**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2023**	**Category (enabling activity)**	**Category (transitional activity)**
		€	*%*	*Y; N; E/EL*	*Y; N; E/EL*	*Y; N; E/EL*	*Y; N; E/EL*	*Y; N; E/EL*	*Y; N; E/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	1,808,985.00 €	0.3%	Y	E/EL						Y			Y	Y	Y	0.1%		
Construction or operation of electricity generation facilities that produce electricity from hydropower	CCM 4.5	65,177,607.00 €	9.3%	Y	E/EL						Y	Y			Y	Y	8.3%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**66,986,592.00 €**	**9.6%**	**100%**	**0%**						**Y**	**Y**		**Y**	**Y**	**Y**	**8.4%**		
Of which enabling			0.0%														0.0%	**E**	
Of which transitional			0.0%														0.0%		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
																	%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.00 €**	**0.0%**														**0.0%**		
A. Total turnover of Taxonomy-eligible activities (A.1 + A.2)		**66,986,592.00 €**	**9.6%**														**8.4%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		634,383,408.00 €	90.4%																
TOTAL		**701,370,000.00 €**	**100.0%**																

Economic Activities	Code	CapEx	Proportion of CapEx, year 2024	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguard guarantees	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category (enabling activity)	Category (transitional activity)
		€	%	Y; N; E/EL	Y; N; E/EL	Y; N; E/EL	Y; N; E/EL	Y; N; E/EL	Y; N; E/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	2,740,000.00 €	2.7%	Yes	E/EL						Yes			Yes	Yes	Yes	3.4%		
Construction or operation of electricity generation facilities that produce electricity from hydropower	CCM 4.5	5,403,000.00 €	5.2%	Yes	E/EL						Yes	Yes			Yes	Yes	5.7%		
Storage of electricity	CCM 4.10	50,000.00 €	0.0%	Yes	E/EL												0%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**8,193,000.00 €**	**8.0%**	**100%**	**0%**						**Yes**	**Yes**		**Yes**	**Yes**	**Yes**	**9.1%**		
Of which enabling			0.0%														0.0%	**E**	
Of which transitional			0.0%														0.0%		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
																	%		
Electricity generation using solar photovoltaic technology	**CCM 4.1** CCA 4.1	0.00 €	0.0%														0.4%		
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** CCA 6.5	1,392,940.21 €	1.4%														0.8%		
Construction of new buildings	**CCM 7.1** CCA 7.1 CE 3.1	6,440,997.00 €	6.3%														3.7%		
Renovation of existing buildings	**CCM 7.2** CCA 7.2 CE 3.2	1,185,503.44 €	1.2%														1.8%		
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3** CCA 7.3	3,987,840.00 €	3.9%														0.5%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4** CCA 7.4	52,000.00 €	0.1%														0.03%		
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6** CCA 7.6	1,677,216.91 €	1.6%														0.8%		
Acquisition and ownership of buildings	**CCM 7.7** CCA 7.7	0.00 €	0.0%														5.8%		
Computer programming, consultancy and related activities	**CCA 8.2**	1,127,233.00 €	1.1%														0.7%		
Production of alternative water resources for purposes other than human consumption	**CE 2.2**	146,266.00 €	0.1%														0%		
Provision of IT/OT data-driven solutions	**CE 4.1**	112,000.00 €	0.1%														0%		
Repair, refurbishment and remanufacturing	**CE 5.1**	2,450.00 €	0.002%														0.005%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**16,124,446.56 €**	**15.7%**														**14.6%**		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**24,317,446.56 €**	**23.6%**														**23.7%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		78,653,553.44 €	76.4%																
TOTAL		**102,971,000.00 €**	**100.0%**																

Economic Activities	Code	OpEx	Proportion of OpEx, year 2024	Substantial contribution criteria: Climate change mitigation	Substantial contribution criteria: Climate change adaptation	Substantial contribution criteria: Water	Substantial contribution criteria: Pollution	Substantial contribution criteria: Circular economy	Substantial contribution criteria: Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation	DNSH criteria ('Does Not Significantly Harm'): Climate change adaptation	DNSH criteria ('Does Not Significantly Harm'): Water	DNSH criteria ('Does Not Significantly Harm'): Pollution	DNSH criteria ('Does Not Significantly Harm'): Circular economy	DNSH criteria ('Does Not Significantly Harm'): Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Minimum safeguard guarantees	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category (enabling activity)	Category (transitional activity)
		€	%	Y; N; E/EL	Y; N; E/EL	Y; N; E/EL	Y; N; E/EL	Y; N; E/EL	Y; N; E/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Construction or operation of electricity generation facilities that produce electricity from hydropower	CCM 4.5	6,157,000.00 €	21.3%	Yes	E/EL						Yes	Yes			Yes	Yes	25.6%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**6,157,000.00 €**	**21.3%**	**100%**	**0%**						**Yes**	**Yes**			**Yes**	**Yes**	**25.6%**		
Of which enabling			0.0%														0.0%	**E**	
Of which transitional			0.0%														0.0%		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
																	%		
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** CCA 6.5	619,278.44 €	2.1%														2.0%		
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3** CCA 7.3	162,918.07 €	0.6%														0.7%		
Data processing, hosting, and related activities	**CCM 8.1** CCA 8.1	171,809.50 €	0.6%														0.0%		
Programming, computer consulting and related activities	**CCA 8.2**	877,195.42 €	3.0%														3.7%		
Provision of IT/OT data-driven solutions	**CE 4.1**	0.00 €	0.0%														0.01%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,831,201.43 €**	**6.3%**														**6.5%**		
A. OpEx delle attività ammissibili alla tassonomia (A.1 + A.2)		**7,988,201.43 €**	**27.6%**														**32.1%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		20,903,798.57 €	72.4%																
TOTAL		**28,892,000.00 €**	**100.0%**																

Climate change

ESRS E1

GOVERNANCE

INCENTIVE SCHEMES

E1.GOV-3

At least for the CEO, the General Manager, the Key Management Personnel, and all other functional Managers, the short-term (MBO) and long-term (LTI) incentive systems include evaluation elements linked to the climate strategy.

Integration of the climate strategy into incentive systems *

MBO 2024 **	**Climate strategy ~5%** (total ESG targets 20%) *SBTi: Oversight of the adherence process and target setting for Portfolio Companies* *SBTi: Oversight of the adherence process and target setting for Clessidra and its eligible investments* *SBTi: Oversight of the alignment process for other eligible investments* *Carbon footprint reduction: Oversight of the alignment process for Portfolio Companies* *CO_2 shadow price: Oversight of the alignment process for Portfolio Companies*
LTI - Phantom Stock Grant 2023-25	**CDP Rating ~7%** (total ESG targets 20%) *Achievement of a CDP rating at level "B"*

* The listed items are explicitly and directly connected to the climate strategy. Numerous other elements included in the short- and long-term incentive systems contribute indirectly to the same objective.
** It represents the weighted average of the MBOs set for the management of all Portfolio Companies.

STRATEGY

CLIMATE TRANSITION PLAN

E1-1

In March 2023, the Board of Directors approved Italmobiliare's membership of the Science Based Target initiative (SBTi). Following the commitment made and after discussion in the Sustainability and Social Responsibility Committee and approval by the Board of Directors, in October 2023 Italmobiliare submitted its near-term targets to the technical validation of SBTi, completed in July 2024. The near-term validated targets, described in detail on page B57, and the already formalized commitment to define long-term targets to achieve Net-Zero emissions by 2050, inform Italmobiliare's decarbonisation plan, in line with the +1.5°C scenario set by the Paris Agreement. In the chosen base year (2023), the plan targets covered 76% of NAV and substantially 100% of the Group's carbon footprint. The identified actions are included in the investment/divestment strategy, strategic planning and annual budgets. The plan objectives are published on the Italmobiliare website, in the sustainability section. Further details in the table below.

Decarbonisation plan: Operational Modalities and Key Actions

Parent Company * **Subsidiaries **** All Portfolio Companies *	Scope 1 Scope 2 (MB) Scope 3 (1-14)	Direct actions integrated into strategic and budget planning: • Progressive replacement of thermal systems with heat generators powered by renewable electricity • Increase in self-production of renewable electricity • Maintenance of exclusive use of renewable electricity • Low-carbon design of products and services • Supplier engagement and contracts tied to decarbonisation targets
Associated Companies *** All Portfolio Companies with a stake >25% and presence on the Board of Directors	Scope 3 (15)	• Indirect actions through companies' adherence to SBTi, investment contract clauses / shareholders' agreements, continuous engagement of Boards of Directors, and operational support. • Investment / divestment strategy based on SBTi commitment.
Listed Companies All	Scope 3 (15)	Investment / divestment strategy based on SBTi commitment.
Companies in Clessidra's Portfolios All listed companies All companies with a stake >25% and presence on the Board of Directors	Scope 3 (15)	• Actions by the subsidiary Clessidra, direct or indirect, including companies' adherence to SBTi, clauses in investment agreements/shareholder agreements, continuous Board engagement, and operational support. • Clessidra's investment / divestment strategy based on SBTi commitment.

* Includes subsidiaries Italmobiliare Servizi, FV, FT2, FT3, and Sirap Gema, which share its carbon footprint.
** All Portfolio Companies are included, except for Credit Mobilier de Monaco, Société d'Études de Participations et de Courtages (SEPAC), and Punta Ala, which are office-based or intangible activities with an almost negligible carbon footprint. Together, they represent less than 0.4% of NAV.
*** Among associates, Farmagorà and SES are excluded (no presence on the Board of Directors). Together, they represent less than 1.5% of NAV..

The long-term evolution of the plan foresees the intensification of the actions described above, with the use of offsets not exceeding 10% of the overall carbon footprint by 2050.

Decarbonisation of the portfolio is an objective fully integrated into the value creation strategy of the Group Capex and Opex linked to direct action by the Parent Company and controlled portfolio companies, the main examples of which are described in the table, aim to reduce the carbon footprint, but also to consolidate the supply chain, making production processes more efficient, improving products and services in line with global challenges and the expectations of the markets served by the Group. It is therefore impossible to categorise them exclusively. In any case, these actions help to align the Group's turnover, Capex and Opex with the European Taxonomy for Sustainable Finance.

The same consideration applies to the actions that the significant influenced portfolio companies and eligible companies in the portfolio of the funds managed by Clessidra include in their strategic plans and annual budgets. The presence of Italmobiliare and Clessidra on their respective Boards of Directors guarantees continued commitment to SBTi objectives.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

E1.SBM-3

All of the Group's activities are responsible for greenhouse gas emissions. In line with the commitment to decarbonisation, the impact is always considered material regardless of the size of the carbon footprint. At the same time all of the Group's activities are committed to creating a positive impact for the benefit of the environment and stakeholders, pro-actively improving the resilience of the business model thanks to a decarbonisation strategy that is aligned with the objectives of the Paris Agreement.

Italmobiliare systematically assesses the Group's exposure to climate risks and the strategic and operational resilience of its business model and of its direct and indirect assets. To this end, Italmobiliare uses as a point of reference the risk definitions proposed by the Guidelines of the Task Force on Climate Related Financial Disclosures (TCFD). Over the years, the evaluation process has been refined, assisting and involving the Portfolio Companies in identifying risks and opportunities related to the scenarios adopted or performing outside-in evaluations on the other entities of the Group. The aim is to assess the ability of the Group and its entities to adapt to climate change and to seize climate-related opportunities, including the ability to respond and adapt to transition and physical risks.

The analysis is supported by the use of scenarios, extended over short, medium and long-term time horizons. Physical risks are identified with respect to the “Current Policies” scenario (+3°C), defined by the Network for Greening the Financial System (NGFS). Transition risks are identified with respect to the scenario chosen as a strategic reference, i.e. "Net Zero 2050” (+1.5 °C) of the NGFS. In particular, the choice of the strategic scenario “Net Zero 2050” is consistent with the SBTi commitment, in line with the Paris Agreement. Furthermore, Italmobiliare has adopted the shadow price curve (see page B61) as an effective point of reference for quantifying in financial terms the evolution of political pressure, market preferences, available technologies and abatement costs.

The time horizon (short, medium and long term) substantially does not change the assessments. In general, we show a negative outlook for physical risks and a positive outlook for transition risks.

Opportunities arise primarily from the pro-active and timely implementation of transition plans.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken. The table below presents the valuation of assets exposed to climate risk. The relevant financial metrics are:

- The value of the portion of Net Asset Value represented by the companies for which climate risks have been assessed as material for the Group (pages B38-B40), i.e., estimated to potentially cause a reduction in NAV of at least 1.5%, which is the reference threshold used for specific financial materiality;
- The value of the consolidated revenues associated with the same companies.

Portion of NAV and consolidated revenues related to companies identified as exposed to material climate risk (see pages B38-B40)	NAV (M€)	%	Revenues (M€)	%
Physical Risks	880.2	39.7 %	402.2	57.3 %
Acute Physical Risks	880.2	39.7 %	402.2	57.3 %
Chronic Physical Risks	880.2	39.7 %	402.2	57.3 %
Transition Risks	551.5	25.0 %	334.5	47.7 %

NB • 100% of assets exposed to material physical risk are subject to climate change adaptation actions.
• 100% of assets exposed to material transition risk are subject to climate change mitigation actions.
• No revenues have been recorded from customers operating in coal, oil, or gas-related activities.

There are no assets directly exposed to physical risk. The physical risks assessed as material originate from the value chain of activities identified as exposed to physical risk. This potential risk impacts the financial performance of the affected companies, all of which are based in Italy.

None of the companies consolidated within the Group fall under the scope of regulated emissions trading systems. However, the Group is able to monetize its carbon footprint by applying the shadow price mechanism described on page B61. This value represents an estimate of the virtual liability associated with the Group's carbon footprint, providing useful information for decarbonization planning, progress tracking, and assessing the value created through climate change adaptation and mitigation actions.

Carbon Footprint Monetisation		2022	2023	2024
Carbon footprint	€M	91.1	137.2	109.3
Scope 1	€M	0.3	0.5	0.7
Scope 2	€M	0.0	0.0	0.0
Scope 3	€M	90.8	136.7	108.6

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

E1.IRO-1

With reference to the general methodology described on page B41, the following criteria were used for the assessment of material climate-related impacts, risks and opportunities:

Negative impacts	All of the Group's activities are responsible for greenhouse gas emissions. In line with the commitment made to decarbonisation, the impact is always considered material regardless of the size of the carbon footprint.
Positive impacts	Following the same approach, all of the Group's activities are committed to creating a positive impact on the environment, progressively reducing the carbon footprint, and stakeholders have undertaken to pro-actively improve the resilience of their assets.
Risks	Climate, physical and transition risks are assessed according to the definitions in the TCFD Recommendations .Physical risks are identified based on the NGFS "Current Policies" scenario (+3°C), while transition risks are identified based on the NGFS "Net Zero 2050" scenario (+1.5°C).
Opportunities	Opportunities arise from the pro-active and timely implementation of transition plans.

The assessment of climate risks is systematically included in the annual risk assessment carried out by the Holding and all the Portfolio Companies with the coordination of the Internal Audit Department, which is entrusted with risk management, and the support of the Sustainability Department. The assessment extends to the entire value chain with a time horizon of at least 10 years. The assessment adopts a precautionary approach, preferring to overestimate the risks triggering improvement processes that go well beyond mitigation. Results are submitted to the Control and Risk Committee and approved by the Board of Directors.

The impact of physical risks ("physical risk rating") on direct and indirect assets is assessed on the basis of geographical exposure and specific characteristics of activities and operating sites, such as resilience to events, backup possibilities, supply chain diversification and the presence of insurance. To define its materiality, the financial dimension of the risk, estimated starting from the physical risk rating and the probability of occurrence, is compared with the financial dimension of each entity being assessed, i.e. EBITDA, revenues or NAV depending on the specific representativeness and according to defined thresholds.

Exposure to transition risks ("transition risk rating") depends on the ability to see and govern a complex set of critical factors along the entire value chain, including increasing transparency requirements on climate strategies and performance, the progressive entry into force of regulations directly or indirectly oriented towards the net-zero scenario, competition on business and consumer markets, technological developments in sectors and the adoption of decarbonisation strategies aligned with the Paris Agreement, such as those based on SBTi. To define its materiality, the financial dimension of the risk, i.e. the distance from the "Net Zero 2050" scenario, estimated by combining carbon footprint, transition risk rating and shadow price in the short, medium and long term, is compared with the financial dimension of each entity being assessed, i.e. EBITDA, revenues or NAV depending on the specific representativeness and according to defined thresholds.

POLICIES
E1-2

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote environmental policies and actions at all Group companies, adapting them to sector-specific characteristics. These efforts aim to contribute to the fight against climate change through decarbonisation initiatives aligned to the Science Based Targets initiative and to principles of climate justice.
- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to pursue the reduction of greenhouse gas emissions across the entire value chain, setting science-based targets in line with the Paris Agreement and climate justice principles. The "Energy and Climate" Policy provides further implementation details for ambitious climate action, through science-based emission reduction targets, steering the Group towards a net-zero economy and fostering its sustainable growth.
- The Responsible Investment Policy, in addition to excluding the most critical activities and sectors from investments (negative screening), explicitly highlights the contribution to SDG 13 "Climate Action" as one of the value creation objectives. It requires all eligible investments to commit to the Science Based Targets initiative and to implement decarbonisation strategies.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to contribute to the fight against climate change through decarbonisation initiatives aligned with the Science Based Targets initiative and climate justice principles.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES
E1-3

The action levers identified to support the decarbonization plan are described on page B54, with details based on the targets differentiated for the various components of the portfolio. The same considerations expressed in relation to any connected Capex and Opex apply, also tracked through the Taxonomy.

METRICS AND TARGETS

TARGETS
E1-4

The commitment to the **Science Based Targets initiative (SBTi)** represents the primary strategic reference. Below is a detailed overview of the near-term objectives and their progress status. Furthermore, Italmobiliare has already formalised the commitment to achieve **Net-Zero emissions by 2050**, but to validate the objective it has to wait for publication of the SBTi Guidelines for Financial Institutions.

Validated SBTi objectives (near term)		Target	Year	2024
Scope 1+2	Reduction of Scope 1 and Scope 2 emissions compared to 2023	-42%	2030	+10%
	Maintenance of annual renewable electricity supply from 2023.	100%	2030	100%
Scope 3 - Cat. 1-14 *value chain* • Cat. 1 - Purchase of goods and services • Cat. 2 - Capital goods • Cat. 4 - Upstream logistics	Total spending for categories 1, 2, 3 and 4 with suppliers having validated Science Based Targets.	50%	2028	9%*
Scope 3 - Cat. 15 Investments: • Directly or indirectly owned companies with total share > 25% • Participations in listed companies	Eligible Net Asset Value represented by companies with validated Science Based Targets.	50%	2027	7%**
	Eligible Net Asset Value represented by companies with validated Science Based Targets.	100%	2030	

* A further 32% of spending has already formalised the SBTi commitment and is entering the process of validating the objectives.
** 20% if expressed as CO2 equivalent. A further 59% of NAV has already formalised the SBTi commitment and is entering the process of validating the objectives.

In support of Italmobiliare's commitment and in continuity with the initiatives already activated over the years, all controlled portfolio companies have formalised their decarbonisation process with SBTi. For the significant influenced portfolio companies, the listed companies and, through Clessidra, the companies in the portfolios of the funds managed by Clessidra Private Equity and Clessidra Capital Credit, joining SBTi is the goal in itself.

Science Based Targets initiative	Commitment	Submitted targets	Validated targets
Italmobiliare	✓	✓	✓
Subsidiaries			
Italgen	✓	✓	✓
Clessidra		✓	✓
Caffè Borbone	✓	✓	✓
Capitelli	✓	✓	✓
Officina Profumo-Farmaceutica di Santa Maria Novella	✓	✓	✓
CDS-Casa della Salute	✓	✓	
Callmewine	✓	✓	
SIDI Sport	✓		
Associates			
Tecnica Group	✓		
Iseo			
Listed companies			
Ariston	✓	✓	✓
Cairo Communication			
Piaggio			
Heidelberg Materials	✓	✓	✓
Vontobel			
Companies in Clessidra's portfolios			
Nexi	✓	✓	✓
Argea	✓		
Viabizzuno			
Impresoft			
Everton	✓		
Sisma			
Italtel			
OMA			
Iscom			

ENERGY CONSUMPTION AND MIX

E1-5

Production processes, heating, sanitary uses and company fleets require thermal and electrical energy. Excluding initiatives to raise plant or operational efficiency, the Italmobiliare Group's companies favour fuels and combustibles with a low environmental footprint and use only renewable electricity. Italgen plays a fundamental role in the Group's energy transition, producing and supplying exclusively renewable hydroelectric energy, which is also sold to numerous Group companies. In addition, Caffè Borbone, Capitelli and Officina Profumo-Farmaceutica di Santa Maria Novella have photovoltaic systems that produce renewable energy used directly or fed into the grid. The following table provides a breakdown of all energy sources used.

		Total Group			High Climate Impact Sectors *		
		2022	2023	2024	2022	2023	2024
Thermal energy consumption from fossil fuels	MWh	**30,661**	**35,605**	**40,659**	**29,861**	**34,392**	**39,481**
Natural gas	MWh	29,112	28,631	34,899	28,994	28,486	34,774
Diesel and LPG, for process	MWh	36	4,738	3,323	36	4,738	3,323
Automotive fuels	MWh	1,513	2,236	2,437	831	1,169	1,384
Thermal energy consumption from renewable sources	MWh	0	0	15	0	0	15
Biodiesel	MWh	0	0	15	0	0	15
Energy consumption from renewable sources	MWh	**21,308**	**25,844**	**31,985**	**18,369**	**22,132**	**27,165**
Hydroelectric	MWh	20,768	23,761	29,741	18,047	20,269	25,498
Solar	MWh	322	833	1,192	322	833	869
Wind	MWh	0	0	0	0	0	0
Other/Mix	MWh	218	1,250	1,053	0	1,029	798
Consumption of purchased renewable electricity	MWh	13,387	15,653	18,718	10,448	11,942	13,898
Consumption of self-produced renewable electricity	MWh	8,154	10,410	13,267	8,154	10,410	13,267
Total energy consumption	MWh	**51,969**	**61,449**	**72,659**	**48,229**	**56,524**	**66,661**
% of fossil fuels on total energy consumption	MWh	59%	58%	56%	62%	61%	59%
% of renewable sources on total energy consumption	MWh	41%	42%	44%	38%	39%	41%
Energy intensity	**MWh / M€ Revenue**	**107**	**105**	**104**	**123**	**120**	**124**
Electricity self-produced from renewable sources	MWh	**180,290**	**268,002**	**387,865**	**180,290**	**268,002**	**387,865**
Hydroelectric	MWh	179,780	258,984	369,669	180,218	259,984	370,694
Solar	MWh	510	9,018	18,197	188	8,185	17,340
Renewable electricity self-produced and fed into the grid	MWh	**172,136**	**257,592**	**374,598**	**172,021**	**257,426**	**374,429**

* Defined based on NACE codes, including Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, Italgen, SIDI Sport, Capitelli and Callmewine.

GREENHOUSE GAS EMISSIONS

E1-6

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the tables below. For consolidation purposes, Italmobiliare uses the "financial control" approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), in particular:

- GHG Protocol Corporate Accounting and Reporting Standard – revised edition;
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The carbon footprint of the Parent Company and the subsidiaries, none of which are within the scope of the EU Emission Trading Scheme (ETS) or other similar instruments, is consolidated in the Scope 1, Scope 2, and Scope 3 emissions, Categories 1 to 14. Scope 1 and Scope 2 are measured based on primary activity data and the emission factors specific to the fuels used and the specific purchases of electricity. Scope 3 is measured using, for each category from 1 to 14, primary activity data and a combination of primary and secondary emission factors. At least 24% of Scope 3, Categories 1 to 14, is measured using primary factors. The main conversion and emission factors used are reported on page B105.

The carbon footprint of associates, other unlisted and listed companies, and the companies in Clessidra's portfolio is consolidated pro-rata in Scope 3, Category 15 emissions, using the following approach.

Associates	• For the Portfolio Companies (Tecnica Group and Iseo), Scope 1 and 2 are based on primary activity data and the emission factors of the fuels used and specific electricity purchases. Scope 3 is calculated using valid sectoral proxies. • For other companies, valid proxies or sector studies are used.
Other unlisted and listed companies	• For the unlisted company (Bene Assicurazioni), Scope 1 and 2 are based on primary activity data and the emission factors of the fuels used and specific electricity purchases. Scope 3 is calculated using a valid sectoral proxy. • For listed companies, the most recent data available online through published sustainability reports are used (verified and with extensive use of primary factors)..
Clessidra's portfolio companies	• For the listed company Nexi, the most recent data available online (verified sustainability reports) are used. • For the other companies, the data calculated by Clessidra are used with the same analytical detail used by Italmobiliare with its subsidiaries.

Carbon footprint	Unit	2022	2023	2024
Market Based	t CO2e	1,980,245	2,177,783	1,419,349
Location based		1,984,676	2,182,933	1,427,270
Carbon intensity - Market based	t CO2e / M€ Revenue	4,095	3,718	2,021
Carbon intensity - Location based		4,104	3,727	2,033
Scope 1		13	13	12
Scope 2 - Location Based		9	9	11
Scope 2 - Market Based		0	0	0
Scope 3		4,082	3,705	2,009

Avoided emissions (location based)	Unit	2022	2023	2024
Avoided emissions	t CO2e	**59,752**	**82,255**	**161,503**
From hydroelectric production fed into the grid		59,714	80,603	154,027
From photovoltaic production fed into the grid		38	1,652	7,476

Carbon footprint Details	Unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	**1,980,245**	**2,177,783**	**1,419,349**	
Scope 3 - Upstream	t CO2e	**251,653**	**275,380**	**348,162**	24.6%
1 Purchased products and services *		204,753	209,519	293,764	20.7%
of which FLAG *		134,228	151,800	238,859	16.8%
2 Capital goods		1,530	11,186	15,884	1.1%
3 Fuel-and energy-related activities		20,862	29,554	10,422	0.7%
4 Upstream transportation and distribution		23,374	22,152	24,646	1.7%
5 Waste generated by the sites		327	206	85	0.0%
6 Business travel		235	1,239	1,650	0.1%
7 Employee commuting		574	1,513	1,693	0.1%
8 Upstream leased assets		--	9	18	0.0%
Scope 1		**6,337**	**7,841**	**8,620**	0.6%
Scope 2 - Market Based		**0**	**0**	**0**	0.0%
Scope 2 - Location Based		4,431	5,150	7,922	
Scope 3 - Downstream		**1,722,254**	**1,894,562**	**1,060,795**	74.8%
9 Downstream transportation and distribution		6,397	5,855	3,916	0.3%
10 Processing of sold products **		--	125	121	0.0%
11 Product use		49,622	52,222	69,667	4.9%
Direct use		1,968	1,227	2,680	0.2%
Indirect use		47,654	50,995	66,988	4.7%
12 End-of-life treatment of sold products		1,743	2,068	2,010	0.1%
13 Downstream leased assets		--	--	--	
14 Franchises		--	93	132	0.0%
15 Investments ***		1,664,493	1,834,199	986,721	69.5%
Associated companies		446,859	455,393	90,179	6.4%
Listed companies		288,033	346,860	203,631	14.3%
Companies in the Clessidra funds		929,602	1,031,947	692,910	48.8%

* The carbon footprints for 2022 and 2023 have been refined during validation of the decarbonisation targets by SBTi.
** The significant increase recorded in 2024 includes at least 80 kt of CO2 due to forward purchases of green coffee, well above the annual requirement, aimed at mitigating the price/availability risk.
*** The significant reduction in 2024 was due to the exit of AGN Energia and L&S respectively from the portfolios of Italmobiliare and Clessidra.

Scope 2 - Market Based	Unit	2022	2023	2024
Self-consumption from renewable self-production (does not contribute to Scope 2)	% MWh	38.27%	40.28%	41.48%
Purchase of guaranteed renewable electricity		10.75%	56.82%	54.10%
Purchase of origin guarantees		52.07%	3.74%	4.70%
AIB - GO (Italy and France)		52.07%	1.38%	1.80%
Green-e RECs (USA)		--	0.19%	1.00%
REGO (United Kingdom)		--	0.04%	0.04%
E-REO (Romania)		--	2.13%	1.70%
J RECs (Japan)		--	--	0.10%

GREENHOUSE GAS REMOVALS AND CARBON CREDITS

E1-7

In 2024, the Group did not directly develop or participate in projects for the removal or absorption of greenhouse gases from within its direct activities or along the value chain.

Since 2023, anticipating its SBTi commitment, Callmewine is a carbon neutral company, having purchased carbon credits for a total of 3,000 tons of CO_2 equivalent (corresponding to 39,000 euros), to offset the entire carbon footprint up to the end of 2025. The credits derive from a project developed in Ethiopia by the Italian NGO COOPI in collaboration with Carbonsink. The project involves the construction of solar energy systems for the supply of safe drinking water for domestic use, with positive effects on hygienic, social, economic and environmental conditions. These are Verified Emissions Reduction (VER) credits of the Carbon Action Credit (CAC) type, certified by Gold Standard.

The purchase of carbon credits and the public declaration of carbon neutrality, come after numerous decarbonisation initiatives already implemented, are accompanied by Callmewine's adhesion to the Science Based Targets initiative and the sending of short-term reduction targets (2030) and net-zero (2050) to the SBTi team of experts for evaluation.

Carbon credits		Unit	2022	2023	2024
Callmewine	Purchased	t CO2e	--	3,000	--
	Cancelled		--	940	763
	Available		--	2,060	1,297

INTERNAL CARBON PRICING

ESRS E1-8

The Italmobiliare Group applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones, making it possible to express the evolution of political pressure, market preferences, available technologies and CO_2 emission reduction costs in monetary terms. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Shown below are the figures used for the years of operation and for the short, medium and long-term reference periods. They apply to all Scope 1, Scope 2 and Scope 3 emissions.

Shadow price			€ / t CO2e
Operations		2022	46
		2023	63
		2024	77
Risk assessment Budget, and Strategic Planning	Short term	2025 (1 year)	92
	Medium term	2029 (up to 5 years)	108
	Long term	2034 (up to 10 years)	134

Pollution

ESRS E2

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

E2.IRO-1

With reference to the general methodology outlined on page B41, the following considerations were used to assess the impacts, risks and opportunities related to pollution.

Air	The production sites of Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, and Sidi (Italy and Romania) have atmospheric emissions from operations related to production. In all other cases, it only involves limited emissions of combustion gases from thermal plants. Emissions are 10 to more than 150 times lower than the E-PRTR annual thresholds.
Water	The only production site of Capitelli has water discharges that treat waste water from operations related to production, with annual flows 100 to over 2000 times lower than the E-PRTR annual thresholds. In all other cases it only involves civil water.
Soil	None of the Group's activities involve discharges into the soil.
Living Organisms and Food Resources	None of the Group's activities generate emissions that could have negative effects on living organisms and food resources.
Substances of concern and substances of very high concern	The Group's activities do not use substances classified as being of very high concern. There are limited uses of substances classified as substances of concern. The use is professional, for laboratory or maintenance/cleaning activities, and occurs with full application of precautions for the health of workers and protection of the environment. In some specific cases, they are used in manufacturing: • Officina Profumo-Farmaceutica di Santa Maria Novella uses it in a controlled manner in the formulation of some of its products. • SIDI Sport uses it to a minimal extent and in a controlled manner in the assembly of its products.
Microplastics	None of the Group's activities uses raw materials containing primary microplastics. Some of the Group's activities generate plastic waste during production or at the end-of-life of the products sold or of their primary or secondary packaging. Only the portion not sent for controlled reuse, recovery or disposal options is a potential source of secondary microplastics.

In light of what is reported above, there are no significant emissions into the air, water or soil, nor that could have negative effects on living organisms and food resources. In any case, although significantly lower than the commonly used materiality thresholds, Italmobiliare considers emissions of volatile organic compounds into the air as material in cases where they are regulated by specific authorisations.

In light of the above, there is no significant use of substances that fall within the definition of a substance of concern. In any case, although the quantities are small, Italmobiliare considers all uses in manufacturing as material.

No significant aspects are highlighted regarding the generation of microplastics, when actual or potential.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

POLICIES

E2-1

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote environmental policies and actions at all Group companies, adapting them to sector-specific characteristics. These efforts aim to minimize, mitigate, and offset the environmental footprint generated by activities on the environment and living species. It also focuses on preventing potential harm to the environment through risk prevention programs and continuous improvement of the technologies used and management and control practices, even beyond the requirements and standards set by current regulations. Furthermore, it encourages the adoption of the highest environmental performance standards in production processes or services, with an innovative approach aimed at sustainable solutions and responsible lifestyles and consumption.

- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to pursue the protection of the environment and living species, responsibly benefiting from natural resources and respecting the sentient nature of animals. They also aim to ensure the continuous improvement of the environmental and social quality and value of processes, products, applications, and services, promoting research and innovation. The "Environment and Resources" Policy provides further implementation and prevention details, such as the commitment to ensuring that plants and equipment are designed, built, used, and maintained to reduce the environmental footprint, adopting the best available techniques in new plants or in the case of modernisation or replacement of existing plants.
- The Responsible Investment Policy explicitly highlights the contribution to SDG 12 "Responsible Consumption and Production" as one of the value creation objectives.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to contribute to the to contribute to the protection of the environment.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES

E2-2

Control and monitoring of atmospheric emissions associated with production processes requires proper maintenance of ducted extraction systems and abatement systems. Moreover, the companies involved use accredited laboratories to carry out sampling at the emission points and subsequent analyses. They are ongoing activities.

The controlled use of so-called "substances of concern" is an integral part of the production activities of the companies involved, which adopt all the necessary precautions to ensure alignment with sector regulations. Key actions are the qualification of suppliers and the selection of raw materials and ingredients, which allow the continuous updating of bills of materials.

No significant CapEx and Opex are expected.

METRICS AND TARGETS

TARGETS

E2-3

Emissions into the air and water are limited and well within the limits set by the authorisations, which reflect the evolution of progressively applicable control technologies. It is not considered necessary to set specific reduction targets. The companies involved adopt monitoring and control plans. They also monitor available technologies with a view to continuous improvement of abatement systems.

The use of substances of concern is limited and occurs with full application of all precautions for the health of workers and protection of the environment, in any case defined by legislation and sector regulations applicable in Italy and in all countries in which the products are marketed or distributed. The progressive elimination or replacement of such substances is part of the continuous improvement policy of the companies involved, through the continuous upgrade of formulations and bills of materials, also depending on the availability on the market of alternative substances that are validated and functional.

EMISSIONS TO ATMOSPHERE

E2-4

The production sites of Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella and SIDI Sport have channelled emissions covered by the Integrated Environmental Authorisation.

Emissions of volatile organic substances are characteristic and specific to their respective production processes. The annual emission figures are calculated from sampling at emission points carried out by accredited laboratories.

Emissions of Volatile Organic Compounds (VOCs)	Unit	2022	2023	2024
Total	t	5.9	9.0	1.5
Caffè Borbone, Caivano (NA) plant		5.9	3.1	1.1
Officina Profumo-Farmaceutica di Santa Maria Novella, Florence plant		0.004	*	0.003
SIDI Sport, Maser (TV) plant		--	5.2	0.1
SIDI Sport, Popești-Leordeni (Romania) plant		--	0.8	0.3

* Unmeasured emissions, i.e., below the detection limit: < 0.008 tons emitted.
** Sampling not conducted. Inspections are biennial.

The emissions of Caffè Borbone are definitively low considering the quantity of coffee processed each year and the volatile substances naturally present in coffee that can be released during roasting.

The emissions from the Officina Profumo-Farmaceutica di Santa Maria Novella production plant are always below the detection limit. Checks are carried out every two years.

The emissions from the SIDI Sport plant in Maser decreased significantly in 2024 thanks to the modernisation of the extraction and treatment system for effluents from the production line, which uses adhesives, solvents and other products with volatile components. At the Popești-Leordeni plant in Romania, activity was limited to only one industrial shed, with two of the four emission points deactivated.

SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

E2-5

In the formulation of some home fragrance products, Officina Profumo-Farmaceutica di Santa Maria Novella also uses ingredients that, in accordance with European legislation, have characteristics that fall within the generic definition of "substances of concern" according to a specification chart that includes both environmental and human sensitivity aspects. These are substances permitted by current regulations, perfectly suited to their specific function and currently used in the sector, which are managed by the company in a conscious and controlled manner.

In most cases, these are substances that would only pose a risk to aquatic environments if accidentally released into natural bodies of water. The indication is aimed above all at those who transport them and those who, like Officina Profumo-Farmaceutica di Santa Maria Novella, use them. This risk becomes irrelevant once the products leave the plant, where handling takes place with maximum care for operators and the environment, well beyond the legal requirements.

In any case, the marketing of products containing them is always accompanied by the necessary classifications, labelling and suggestions for the best way to use them.

During the production and assembly of its products, SIDI Sport uses some substances that have characteristics that fall within the generic definition of "substances of concern" according to specific regulations that include both environmental and human sensitivity aspects.

In the usage phase, primers, adhesives and hardeners for the assembly of sports footwear polymerise or otherwise change their properties, effectively losing their hazardous characteristics once integrated into the products. Thinners and solvents, on the other hand, are used in production for surface treatments or cleaning of semi-finished products along the assembly line and do not leave any residue in the products. All of these substances are used in environments and systems capable of aspirating the volatile fraction to treat it in an abatement system, which has an efficiency of at least 98%.

Substances of Concern *	Unit	2024
Used in the production phases	t	77.8
Leaving plants as part of product		67.4

* Substances identified by European standards according to a specific specification that includes both environmental and human sensitivity aspects. Only substances that the Group companies use in the production phases and that can leave the plants as emissions or product parts are reported. This occurs only for Officina Profumo-Farmaceutica di Santa Maria Novella and SIDI Sport.

Water and marine resources

ESRS ES3

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

E3.IRO-1

With reference to the general methodology outlined on page B41, the following considerations were used to assess the impacts, risks and opportunities related to water and marine resources.

Water	In the Group's direct activities, the use of water resources is limited, mainly for sanitary purposes. Officina Profumo-Farmaceutica di Santa Maria Novella uses limited quantities of water in the formulation of some of its products. The water used comes from the aqueduct and undergoes specific treatments to be brought to “cosmetic grade”. The case of Italgen is particular, as water represents its main "ecosystem service", being the company's primary source of energy. Italgen derives and puts through turbines in its hydroelectric power plants approximately 18 m^3 of water per kWh generated, which is all returned downstream to the same water basin. The upstream water intakes are protected by grids that separate any unwanted material (floating waste, residues, vegetation, etc.). The turbines do not make any physical or chemical changes to the water and the water coming from the cooling cycle of the oil used to lubricate the machinery is contained in closed coils and does not come into contact with the water in the turbines. The water therefore returns to the natural water system with the same quality. All of the Group's production sites have been screened with the Aqueduct - Water Risk Atlas. The production sites of Caffè Borbone in the province of Naples and of Officina Profumo-Farmaceutica di Santa Maria Novella in Florence are located in areas of water stress. Outside of direct activities, agri-food supply chains such as the coffee supply chain that supplies Caffè Borbone and the pig farms that supply Capitelli, use significant amounts of water, but in a responsible way.
Marine resources	None of the Group's activities, whether direct or in the value chain, use marine resources.

In light of what is reported in the table, there is no significant water consumption in the Group's direct operations. In any case, Italmobiliare considers the water consumption of plants located in water stress areas as material. No direct or indirect impact, risk, or opportunity is connected to marine resources.

POLICIES

E3-1

The formalised commitments to sustainability that inform Italmobiliare’s approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote environmental policies and actions at all Group companies, adapting them to sector-specific characteristics. These efforts aim at the responsible use of natural resources, water security, and the reduction of consumption.
- The “Guiding Principles” of the Sustainability Policies commit Italmobiliare to pursue the protection of the environment and living species, responsibly benefiting from natural resources and respecting the sentient nature of animals. The “Environment and Resources” Policy commits to preserving water security throughout its entire life cycle, safeguarding its collective availability, and adopting management practices aimed at reducing consumption, especially in areas with water stress.
- Italmobiliare does not wish to be involved in activities that could have negative effects on water safety, even if the activities are legal. Therefore, as per the Responsible Investment Policy, Italmobiliare does not invest in activities that contribute to the pollution or depletion of water or that have a negative impact on water resources. Where relevant, investments are aligned with global plans for the transition to a water-secure world or involve activities that contribute to water security, including water and sanitation services, water management and responsible use of water in agriculture.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES

E3-2

Regardless of their location in water stress areas, all Group companies adopt initiatives aimed at reducing any possible waste of the resource, such as attention to withdrawals, maintenance of water networks and related equipment and analyses on the quality of the water returned to the environment.

No significant CapEx and Opex are expected.

METRICS

TARGETS

E3-3

Water consumption at the Group's sites, including those in water-stressed areas, is limited. It is not considered necessary to set specific reduction targets.

WATER CONSUMPTION

E3-4

The water balance is mainly reported on the basis of water bills. In the limited cases of consortium supplies that are not billed, estimates are made based on the number of users and type of use. Where there are no direct measurements of the volumes discharged or accounting records for the water used in the production process, the quantity withdrawn is considered equal to the quantity discharged.

The operating sites of the Group's companies have an extremely limited water requirement, mainly for sanitary uses, and do not require water storage.

Water balance	Unit	2022	2023	2024
Water withdrawal	m³	**43,372**	**44,124**	**51,309**
Surface water		0	0	0
Groundwater		18,890	21,291	19,609
Aqueduct		24,482	22,833	31,700
of which in water stressed areas		**16,755**	**16,268**	**21,487**
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		16,755	16,268	21,487
Water discharge		**34,154**	**36,321**	**44,064**
Surface water		25,942	26,586	30,759
Groundwater		0	0	0
Aqueduct		8,212	9,735	13,305
of which in water stressed areas		**12,586**	**13,299**	**18,413**
Surface water		12,544	13,216	18,356
Groundwater		0	0	0
Aqueduct		42	83	57
Water consumption		**9,217**	**7,803**	**7,244**
of which in water stressed areas		**4,169**	**2,969**	**3,074**
Intensity	**m³ / M€ Revenues**	**19**	**13**	**10**

Biodiversity and ecosystems

ESRS E4

STRATEGY

TRANSITION PLAN

E4-1

The Italmobiliare Group has not developed a specific transition and biodiversity plan, having assessed that maintaining the good practices currently implemented is more than enough to ensure the resilience of the business models involved.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

E4.SBM-3

The Group's direct operating sites include the Caffè Borbone plant in Caivano (NA), the Officina Profumo-Farmaceutica plant in Santa Maria Novella in Florence, the Italgen hydroelectric power plants in Lombardy, Piedmont, Tuscany and Veneto, the Italgen photovoltaic plants in Modugno (BA), the Capitelli plant in Borgonovo Val Tidone (PC) and the SIDI Sport plants in Maser (TV) and Popești-Leordeni (Romania).

Given the number of areas of interest present in Italy and Romania, within 50 kilometres of all the sites there are protected areas, key areas for biodiversity and potential presence of species in the Red List of the IUCN (International Union for Conservation of Nature). No activity specifically affects threatened species. Given the activities carried on at the sites, only hydroelectric power plants are material, regardless of their location, for possible impacts on aquatic ecosystems. Some hydroelectric power plants are located in protected areas.

Italgen power plants within or near Protected Areas

Vaprio d'Adda	It is located within the Adda Nord Regional Park and is subject to the conservation regulations of Protected Natural Areas.
Cassiglio **Dezzo / Povo** **Ponte dell'Acqua** **Ponte Piazzolo**	They are located within the Orobie Bergamasche Regional Park, with the obligation to comply with the rules of the Park Plan.
Ponte Nembro	It is located within the Serio Nord Park, with a requirement to comply with the rules of the Park Plan.
Palazzolo	It is located within the Oglio Nord Regional Park, with a requirement to comply with the rules of the Park Plan.

Regardless of location, Italgen guarantees that its hydroelectric plants do not alter the balance of the ecosystem in which they are located, particularly by not hindering the movements and migrations of fish, the only potential impact on biodiversity. Furthermore, the only ground-based photovoltaic system is built on reclaimed former industrial land with a positive impact on biodiversity and ecosystems.

Italgen also shows a considerable intrinsic dependence on the ecosystem service of water, as it is needed to fuel the generation of hydroelectric power. No material risks in addition to those already mentioned as climate risks have been assessed.

Caffè Borbone's indirect dependence on the willingness and ability of traders to supply coffee from deforestation-free origins and crops is significant. Even without having direct activities with potential negative impacts on biodiversity and ecosystems, Caffè Borbone promotes anti-deforestation practices among its coffee suppliers in all countries of origin, ahead of industry regulations. Also in the case of Caffè Borbone, no material risks in addition to those already mentioned as climate risks have been assessed.

However, impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

E4.IRO-1

With reference to the general methodology outlined on page B41, the following considerations were used to assess the impacts, risks and opportunities related to biodiversity and ecosystems.

Biodiversity	All of the Group's operating sites have been screened with IBAT, a tool that maps protected areas or areas with a high biodiversity value. Most of the Group's operating sites are located in Italy, a country that has a high number of protected areas or areas of high biodiversity value. However, the only activities that could have an impact on biodiversity, with exclusive reference to fish, are Italgen's hydroelectric power plants and their intake structures. Some of the derivations and hydroelectric plants are located within protected areas. Outside of direct activities, the coffee supply chain that supplies Caffè Borbone presents sensitive aspects, interconnected with climate risks, related to the issue of deforestation, also in relation to specific European regulations on the matter.
Ecosystems	Water represents Italgen's primary "ecosystem service," being its main source for renewable energy production. Outside of direct activities, the coffee supply chain that supplies Caffè Borbone has aspects of ecosystem dependence connected to the countries and areas where coffee is grown. Both ecosystem dependencies are interconnected with climate risks.

In light of what is reported in the table, biodiversity and ecosystems are material topics only for Italgen's activities. They do not have any specific material biodiversity issues. In any case, no additional mitigation actions are necessary beyond those already undertaken, thanks to which there are no impacts on local communities. The concerns of the communities are also represented by the institutions that manage the protected areas affected by the hydroelectric plants, with which Italgen maintains an ongoing dialogue.

The issue of deforestation in the coffee value chain and the ecosystem dependencies of Italgen and Caffè Borbone have already been assessed as material climate risks.

No material negative impacts on land degradation, desertification or soil sealing have been identified.

POLICIES

E4-2

The formalised commitments to sustainability that inform Italmobiliare's approach to due diligence (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote environmental policies and actions at all Group companies, adapting them to sector-specific characteristics. These efforts aim to halt deforestation and conserve biodiversity and non-renewable resources.
- The “Guiding Principles” of the Sustainability Policies commit Italmobiliare to pursue the protection of the environment and living species, responsibly benefiting from natural resources and respecting the sentient nature of animals. The “Environment and Resources” Policy commits to protecting ecosystems and biodiversity throughout their entire lifecycle, even outside of protected areas, and to halting all forms of deforestation.
- Italmobiliare does not wish to be involved in activities that could have negative effects on water safety, even if the activities are legal. Therefore, as per the Responsible Investment Policy, Italmobiliare does not invest in activities that contribute to the pollution or depletion of water or that have a negative impact on water resources. Where relevant, investments are aligned with global plans for the transition to a water-secure world or involve activities that contribute to water security, including water and sanitation services, water management and responsible use of water in agriculture.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES
E4-3

Italgen's primary source of energy is water, taken from watercourses thanks to intake and capture works, basins and forced conduits or by simple direct flow; the water reaches the hydroelectric power plants where it passes through turbines connected to alternators that generate electricity. The total amount of turbine water is extremely significant, but it is released immediately downstream of the plant, without being consumed or modified in its chemical and physical characteristics. The cooling circuits of the machinery lubrication oil do not come into contact with the water flowing through the turbines.

Italgen has always been committed to ensuring that the operation of its power plants does not alter the balance of the ecosystem in which they are located, in particular by not hindering the movements and migrations of fish, the only potential impact on biodiversity.

The release of a quantity of water called Minimum Vital Flow (DMV) near the intake structures guarantees that the fauna maintains the characteristics suitable for its growth and for the preservation of the watercourses. The construction of fish ladders allows fish to move freely along the riverbed. Furthermore, Italgen carries out interventions to repopulate fish species in the waterways where the power plants are located.

Italgen also manages 6 photovoltaic plants. Of these, 4 are built on the roofs of third-party industrial warehouses, without any land consumption or impact on biodiversity and ecosystems. 2 are on the ground on a reclaimed former industrial site. The construction of the latter was born from the collaboration between Italgen and the Municipality of Modugno (BA) and is part of the redevelopment project of the industrial area of Modugno, home to the former limestone quarry next to the Italcementi cement plant, already reclaimed previously. Italgen, owner of the area, built the photovoltaic park on the area of approximately 6 hectares once occupied by industrial plants, without any new land consumption, ceding to the Municipality an area of over 20 hectares for the creation of a naturalistic area for public use, which increases the green surface of Modugno by 5 times. As part of the project, Italgen 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 ex-quarry. These too have been given to the Municipality.

With reference to the raw coffee supply chain and, in particular, to the sensitive aspects connected to the risk of deforestation, Caffè Borbone continues its activity of progressively increasing supply of batches certified according to the specifications adopted by traders (target of 80% by 2026) and early alignment with the requirements of the EUDR Regulation.

No significant CapEx and Opex are expected.

METRICS

TARGETS
E4-4

The actions currently underway are more than sufficient to mitigate the impacts, transforming them into positive ones. It is not considered necessary to set specific objectives. Monitoring the situation is part and parcel of the companies' day-to-day operations.

IMPACT METRICS
E4-5

As explained previously, 8 Italgen hydroelectric power plants are located within or near protected areas.

Generally, the land occupied by Italgen's hydroelectric activities is fairly small. The power plants occupy a limited amount of land, on average around 500 m^2 between intake structures, supply channels, loading basins, penstocks, main building and return channel. Overall, it is estimated to be around 15,000 m^2, to which has to be added approximately 60,000 m^2 for the artificial lakes formed by the two dams that are managed directly by Italgen.

Resources use and circular economy

ESRS E5

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

E5.IRO-1

With reference to the general methodology outlined on page B41, the following considerations were used to assess the impacts, risks and opportunities related to resource use and the circular economy.

Resource Use	All Group companies use resources directly or indirectly, such as raw materials for production, for packaging, as consumables or for other uses. Access to resources is particularly significant for manufacturing activities with physical products, such as Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella and SIDI Sport or for service activities such as Callmewine, where packaging design plays a significant role.
Circular Economy	All Group companies, with different methods and to different extents, have the opportunity to use recycled materials and to adopt a product or service design that favours virtuous options for the end-of-life of products, packaging, materials and waste generated.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

POLICIES

E5-1

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote the proactive transition to a regenerative economy and the responsible use of natural resources.
- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to pursue the protection of the environment and living species, responsibly benefiting from natural resources and respecting the sentient nature of animals. The 'Environment and Resources' Policy commits to promoting responsible access to natural resources throughout their entire lifecycle and adopting management practices aimed at reducing the consumption of raw materials, especially non-renewable ones.
- The Responsible Investment Policy explicitly highlights the contribution to SDG 12 "Responsible Consumption and Production" as one of the value creation objectives.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES

E5-2

All Group companies carefully monitor the flows of incoming raw materials and outgoing waste. Incoming raw material flows are necessary for both the production process and for packaging. The choice of raw materials depends on product design and requires an accurate process of qualification and selection of suppliers.

Some companies, such as Caffè Borbone and Capitelli, can count on raw materials that are intrinsically of renewable biological origin. In any case, all companies, compatibly with the product and service specifications that they have to comply with, aim to maximise the portion of raw materials, either for production or for packaging, of renewable biological origin, coming from recycling or containing recycled fractions.

The companies also try to maximise their use of raw materials from sustainable supply chains. Since 2022, Caffè Borbone has been buying more and more batches of certified coffee according to specifications shared with the main traders who, through third-party audits, guarantee compliance with good practices in terms of human and labour rights, environmental management and business integrity. In addition, all companies use FSC certified supply chains for paper and cardboard packaging. Formalisation of the Capitelli Supply Chain, which is already operational in practice, will make it possible to add other portions.

No significant CapEx and Opex are expected.

METRICS AND TARGETS

TARGETS

E5-3

Increasing over time and maintaining significant use of renewable materials supports the transition to a regenerative economy. For this reason, Italmobiliare has long established targets relating to the responsible use of resources at Group level. Some companies have also set specific targets for their particular business.

Medium-term objectives		Target	Year	2022	2023	2024
Group	To reach and maintain more than 80% of raw materials procured for production processes that are renewable or recycled out of the total used.	**> 80%**	**2025 +**	90%	91%	**96%**
	To reach and maintain more than 60% of raw materials procured for packaging, renewable or recycled out of the total used	**> 60%**	**2025 +**	58%	80%	**80%**
Caffè Borbone	To increase the percentage of coffee coming from certified supply chains.	**80%**	**2026**	10%	30%	**~45% ***

* The analytical data is diluted by forward purchases of raw coffee, well beyond the annual requirement, aimed at mitigating the price/availability risk. On the total of actual purchases in 2024, the percentage is 25%.

RESOURCE INFLOWS

E5-4

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. Below are the relevant data, aggregated from the management accounting of the companies.

Main Resource Inflows

Type	Biological origin	Unit	2022	2023	2024
Process materials	Green coffee	t	29,299	29,773	44,437
	Pork meat		1,951	2,017	1,999
	Natural ingredients for cosmetics		445	388	395
Packaging materials	Paper and cardboard *	t	6,786	7,638	7,378
	Wood		3,596	3,844	4,058
	Polylaminate (paper prevalence)		2,242	2,219	1,393

* May contain fractions originating from by-products or waste streams.

Type	Extractive or fossil origin	Unit	2022	2023	2024
Process materials	Plastic for production	t	2,568	2,647	894
	Aluminium and other metals		5	186	482
	Synthetic fabrics		0	171	248
Packaging materials	Plastic and polylaminate materials (plastic prevalence)	t	1,996	2,151	2,226
	Aluminium and other metals		214	56	1,366
	Glass *		326	261	244

* May contain fractions originating from by-products or waste streams.

Resource Inflows	2022 t	2022 %	2023 t	2023 %	2024 t	2024 %
Production materials	**30,530**		**35,962**		**49,542**	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	30,450	100%	32,826	91%	47,453	96%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	80	0%	3,136	9%	2,089	4%
of which recycled	0	0%	0	0%	0	0%
Packaging materials	**15,319**		**16,255**		**16,708**	
of which recycled	7,193	47%	9,053	56%	10,423	62%
Renewable or organic	10,411	68%	13,042	80%	12,405	74%
of which recycled	7,123	68%	9,018	69%	9,487	76%
Non-renewable or technical	4,908	32%	3,214	20%	4,303	26%
of which recycled	70	1%	35	1%	936	22%
Semifinished materials	**0**		**0**		**0**	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	0	0%	0	0%	0	0%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	0	0%	0	0%	0	0%
of which recycled	0	0%	0	0%	0	0%
Associated process materials	**3,520**		**0**		**1**	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	343	10%	0	0%	0	0%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	93	3%	0	0%	1	100%
of which recycled	-	0%	0	0%	0	0%
Total materials	**49,369**		**52,217**		**66,251**	
of which recycled	7,193	15%	9,053	17%	10,423	16%
Renewable or organic	41,203	83%	45,868	88%	59,858	90%
of which recycled	7,123	17%	9,018	20%	9,487	16%
of which sourced from a sustainable supply chain	9,696	24%	16,806	37%	20,814	35%
Non-renewable or technical	8,165	17%	6,349	12%	6,393	10%
of which recycled	70	1%	35	1%	936	15%

RESOURCE OUTFLOWS

E5-5

Only SIDI Sport produces durable consumer goods, namely sports footwear for bicycles and motorbikes. “Create to last” is one of the values that inspire the Code of Ethics. The design of many products in the range, particularly for motorbikes, includes interchangeable parts and the footwear is made with materials and construction methods that are designed to last. Even without formal measurements, market assessments historically place SIDI Sport's products among the best in the sector, also in terms of durability.

Furthermore, motocross and track boots are resoleable, with replaceable metal parts and - a unique feature - parts subject to wear and abrasion that can easily be replaced, even by the users themselves. Cycling shoes are inherently less repairable, but the locking rotors are replaceable.

Even though Officina Profumo-Farmaceutica di Santa Maria Novella sells almost exclusively consumer goods, it currently has a limited, but growing, number of refill systems in its catalogue, such as for room fragrances and shampoos. The aim is to increase the useful life of the primary packaging used and reduce material consumption.

The entire production of Caffè Borbone is potentially recyclable at the end of its life as compost, particularly the single-serve coffee in pods or compostable capsules. Also the footwear produced by SIDI Sport is made almost exclusively of materials that can be recycled at the end of their life, with problems only for carbon fibre.

All of the packaging used by the Group's production companies is recyclable at the end of its life.

None of the Group companies' activities produce radioactive waste or waste containing critical raw materials, rare earths or other minerals. Considering how diversified the Group's activities are, the waste produced contains a wide range of materials, including biomass, metals, plastics, paper, textiles and others. Data and information relating to the generation, classification and destination of the waste generated are obtained from the official accounting system adopted in line with current legislation.

Waste that is "not recycled" according to the definition adopted is sent for other forms of recovery and valorisation, as shown in the table on the following page.

	2022		2023		2024	
Resource Outflows	t	%	t	%	t	%
Total waste	**2,524**	**100.0%**		**100.0%**	**3,120**	**100.0%**
Recycled	--	--	87	2.6%	-	0.0%
Non-recycled	--	--	3,277	97.4%	3,120	100.0%
Non-hazardous waste	**2,411**	**95.5%**	**3,296**	**98.0%**	**3,023**	**96.9%**
Recycled	--	--	87	2.6%	-	0.0%
Non-recycled	--	--	3,208	97.4%	3,023	100.0%
Hazardous waste	**113**	**4.5%**	**68**	**2.0%**	**97**	**3.1%**
Recycled	--	--	-	0.0%	-	0.0%
Non-recycled	--	--	68	100.0%	97	100.0%

Resource Outflows	Unit	2022	2023	2024
Non-hazardous	t	**--**	**3,300**	**3,023**
Material recovery		**--**	**3,163**	**2,900**
Recycling (R3; R4; R5)		--	87	0
of which composting (R3)		--	83	0
of which other forms of recycling (R4; R5)		--	5	0
Preparation for re-use (R2; R6; R9)		--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	2,988	2,900
Disposal		**--**	**221**	**122**
Landfill (D1)		--	0	0
Incineration (D10; D11)		--	4	9
Other disposal operations (D2-D9; D12-D15)		--	217	114
Hazardous		**--**	**68**	**97**
Material recovery		**--**	**47**	**64**
Recycling (R3; R4 ;R5)		--	0	0
of which composting (R3)		--	0	0
of which other forms of recycling (R4; R5)		--	0	0
Preparation for re-use (R2; R6; R9)		--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	47	64
Disposal		**--**	**22**	**33**
Landfill (D1)		--	0	0
Incineration (D10; D11)		--	0	0
Other disposal operations (D2-D9; D12-D15)		--	22	33

SOCIAL INFORMATION

Own workforce

ESRS S1

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

S1.SBM-3

The assessment cannot ignore the level of expectations and ambitions defined and progressively reinforced through formalisation of the sustainable commitments made by the Group, which affect everyone in the workforce. This includes both employees and non-employees, such as agency workers, self-employed workers or project-based workers, interns, and agents, as outlined on page B79. Additionally, in some production sites, workers from third-party companies carry out specific tasks, such as logistics operations. No particularly vulnerable worker categories have been identified.

The Group's direct activities do not concern countries at significant risk for forced or compulsory labour or child labour.

Impacts, risks, and opportunities assessed as material are presented on pages B88 to B40, along with the mitigation measures and supporting initiatives undertaken and have taken into account the Group's specific dependencies on aspects such as health and safety and human capital.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES

S1-1

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- In line with the Code of Ethics, Italmobiliare believes in people as a fundamental element for corporate success. For this reason, it promotes in all Group companies a work environment free from any form of discrimination or abuse, in which respect, collaboration and mutual support can fully develop the potential of human capital.

  Italmobiliare considers plurality and diversity as sources of enrichment and resources for the development of humanity. It respects and values the unique contribution of each individual to the company's activity, creating an inclusive work environment that respects the dignity of each individual, taking into account each person's contribution and recognising that there is strength in diversity.

  Moreover, Italmobiliare believes in continuous training as a tool for the enrichment of people, the diffusion of ethical values, organisational integration and the promotion of change and innovation. The Code of Ethics details these principles and commitments in a comprehensive and binding manner for all users.

  Lastly, Italmobiliare promotes a healthy and safe working environment. Furthermore, way beyond legislative compliance, it supports the development of a health and safety culture built on managerial leadership and a solid management system in all Group activities and companies, with the aim of guaranteeing and protecting the psychological and physical integrity of staff members and all those who work, access or spend time in the companies' premises.

- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to support and respect internationally proclaimed human rights, which are universal and belong equally to everyone, and to implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value. The "Diversity and Inclusion" Policy and the "Rights and Society" Policy further detail these commitments, starting with the example of the Board of Directors which is explicitly asked to demonstrate this approach. The "Health and Safety" Policy is the foundation of the corporate culture in this area, a way of life aimed at achieving Zero Accidents.

- The Responsible Investment Policy explicitly highlights the contribution to SDG 5 "Gender Equality" and SDG "Decent Work and Economic Growth" as one of the value creation objectives.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments in the field of human rights, labour rights, health, and safety.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES

S1-2

Stakeholders' interests and opinions play a significant role in refining the Group's strategy and business model, and employees are considered important stakeholders. The Human Resources Department, supported by the Sustainability Department and the corresponding functions at the Portfolio Companies, submit specific online questionnaires to a representative portion of the informed company population at least every three years, the results of which are integrated into the materiality analysis. The contents of the questionnaires are periodically updated.

The effectiveness of the engagement process is assessed on the basis of the relevance of the answers received. Based on previous exercises, this approach is considered effective, providing the interviewees have gone through the right training and this has been maintained over time.

In 2024, Italmobiliare and all of the controlled portfolio companies, with the operational coordination of the respective functions dedicated to sustainability, updated the collection of opinions of employees. Their involvement occurs through questionnaires sent to portions of the company population.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

S1-3

The whistleblowing system adopted by Italmobiliare and all Portfolio Companies is the channel available to employees and any other person who in any capacity comes into contact with the companies to report illicit activities and violations. The use of dedicated communication platforms and the supervision of the Supervisory Body guarantee the protection of the identity of the whistleblower and of the persons involved and/or mentioned in the report, as well as the confidentiality of its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports.

In addition to regulatory non-compliance, any violation of the Code of Ethics, Model 231 and internal company regulations may be subject to whistleblowing.

The Supervisory Body receives and manages any reports that arrive, updating the whistleblower on the progress being made on the case according to set methods and times.

TAKING ACTION ON MATERIAL IMPACTS AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

S1-4

The Group considers the management and development of human capital a clear responsibility of all managers, aimed at respecting and protecting skills and diversity, above all their development to bring out their full value, with the aim of creating a working environment that is attractive, motivating and remunerative. This is particularly relevant if we consider that many of the Group's companies are facing the path of growth and business development with organisational structures that are still going through a phase of consolidation and stabilisation.

Indeed, the Group's growth also depends significantly on the ability to attract and retain people with different, complementary skills and leaders capable of guiding the evolution of the companies in their respective business segments. This awareness, supported by appropriate metrics, fuels the process through which the Group companies:

- ensure that their practices do not cause or contribute to material adverse impacts on their workforce;
- identify the actions needed to promote positive impacts, mitigate risks and seize opportunities:
- monitor and evaluate the effectiveness of the actions and initiatives undertaken.

The most important actions include: strengthening the first and second line of management, continuous and differentiated training for the various professional figures, improving internal processes, better definition and communication of roles and responsibilities, the progressive adoption of incentive plans, the introduction of corporate welfare systems and team building initiatives.

Moreover, the continuous promotion of a culture of safety, understood as a lifestyle, aims to achieve the highest levels of collective and individual awareness, encouraging a process of continuous improvement through the adoption of effective management systems and visible leadership as the key to success. This approach is the only one capable of reducing and eliminating accidents at work that can cause injuries and effectively demonstrating the duty of care towards employees, collaborators, visitors and any other person who accesses the sites or interacts with the Group's companies, with significant positive effects on other dimensions of the development of human capital.

Lastly, the same sustainable strategy adopted by the Group and all its components constitutes a further element of attraction, retention and motivation of the entire workforce.

All of the actions and initiatives described here are carried out without the need for dedicated budgets, but require visible and perceived leadership from management and making adequate time available. Strategically structured and oriented training remains an extremely important driver. In 2024, the Group invested over Euro 1.3 million (nearly Euro 800 per person) in the development of its human capital and their skills.

METRICS AND TARGETS

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

S1-5

Supported by its adherence to the Women Empowerment Principles, Italmobiliare aims to create conditions of inclusiveness and social culture that foster a path aimed at achieving gender equality, starting from management positions. Italmobiliare considers any accident at work to be unacceptable. To that end, it aims to create a solid safety culture, well above the legal obligations, recording progress and setbacks in a never-ending effort.

Medium-term objectives		Target	Year	2022	2023	2024
Group	Percentage of management positions (managers and middle managers) held by women.	**> 40%**	**2025 +**	31%	35%	38%
	Overall gender pay gap, expressed as the difference between the average pay of men and women compared with the average pay of men.	**Progressive improvement**		47%	63% *	47%
	To achieve and maintain a significant level of training hours per person.	**> 40**	**2025 +**	33	28	24
	Zero accidents with absence from work of at least 24 hours per million hours worked	**0**	**2025 +**	3.,3	4.8	5.4

* In 2023, variable compensation from the three-year Long-Term Incentive plan was paid to the Holding's management.

CHARACTERISTICS OF THE EMPLOYEES

S1-6

Headcount at 31 December *		Women	Men	2022 Total	Women	Men	2023 Total	Women	Men	2024 Total
GROUP	**TOTAL**	**463**	**542**	**1.005**	**823**	**648**	**1,471**	**996**	**735**	**1,731**
	Open-ended	387	498	885	722	616	1,338	909	707	1,616
	Fixed-term	76	44	120	101	32	133	87	28	115
	Full-time	255	514	769	537	625	1,162	622	715	1,337
	Part-time	208	28	236	286	23	309	374	20	394
Italy	**TOTAL**	**442**	**528**	**970**	**636**	**593**	**1,229**	**767**	**660**	**1,427**
	Open-ended	367	485	852	538	560	1,098	682	634	1,316
	Fixed-term	75	43	118	98	33	131	85	26	111
	Full-time	245	500	745	357	572	929	414	644	1,058
	Part-time	197	28	225	279	21	300	353	16	369
United Kingdom	**TOTAL**	**5**	**3**	**8**	**6**	**5**	**11**	**9**	**6**	**15**
	Open-ended	5	3	8	5	5	10	8	5	13
	Fixed-term	0	0	0	1	0	1	1	1	2
	Full-time	1	3	4	4	5	9	6	6	12
	Part-time	4	0	4	2	0	2	3	0	3
USA	**TOTAL**	**12**	**10**	**22**	**19**	**18**	**37**	**25**	**19**	**44**
	Open-ended	12	9	21	18	18	36	24	18	42
	Fixed-term	0	1	1	1	0	1	1	1	2
	Full-time	7	10	17	16	17	33	22	17	39
	Part-time	5	0	5	3	1	4	3	2	5
France	**TOTAL**	**4**	**1**	**5**	**6**	**2**	**8**	**3**	**5**	**8**
	Open-ended	3	1	4	6	2	8	3	5	8
	Fixed-term	1	0	1	0	0	0	0	0	0
	Full-time	2	1	3	5	2	7	3	5	8
	Part-time	2	0	2	1	0	1	0	0	0
Romania	**TOTAL**	**--**	**--**	**--**	**155**	**31**	**186**	**144**	**28**	**172**
	Open-ended	--	--	--	155	31	186	144	28	172
	Fixed-term	--	--	--	0	0	0	0	0	0
	Full-time	--	--	--	154	30	184	143	27	170
	Part-time	--	--	--	1	1	2	1	1	2
Japan	**TOTAL**	**--**	**--**	**--**	**--**	**--**	**--**	**44**	**14**	**58**
	Open-ended	--	--	--	--	--	--	44	14	58
	Fixed-term	--	--	--	--	--	--	0	0	0
	Full-time	--	--	--	--	--	--	32	13	45
	Part-time	--	--	--	--	--	--	12	1	13

* In no Group company are there employees working on variable hours.

Headcount variation	Women	Men	2022 Total	Women	Men	2023 Total	Women	Men	2024 Total
Turnover	**--**	**--**	**178**	**--**	**--**	**466**	**--**	**--**	**260**
+ Hirings	--	--	295	--	--	373	--	--	446
+ Acquisitions	--	--	39	--	--	282	--	--	85
- Voluntary exits	--	--	83	--	--	118	--	--	174
- Non-voluntary exits	--	--	73	--	--	69	--	--	93
- Divestments	--	--	0	--	--	2	--	--	4

					2022				2023				2024
		Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Group	**Entry**	**175**	**120**	**295**		**256**	**117**	**373**		**301**	**145**	**446**	
	rate%	38%	22%	29%		31%	18%	25%		30%	20%	26%	
	<30	69	34	103	53%	102	33	135	52%	113	39	152	50%
	30-50	89	77	166	26%	135	65	200	22%	157	89	246	23%
	>50	17	9	26	14%	19	19	38	13%	31	17	48	13%
	Exit	**81**	**75**	**156**		**120**	**69**	**189**		**189**	**82**	**271**	
	rate%	17%	14%	16%		15%	11%	13%		19%	11%	16%	
	<30	29	17	46	24%	34	12	46	18%	63	17	80	27%
	30-50	38	40	78	12%	64	39	103	11%	92	41	133	13%
	>50	14	18	32	17%	22	18	40	13%	34	24	58	15%
Managers	**Entry**	--	--	--		--	--	--		**8**	**7**	**15**	
	rate%	--	--	--		--	--	--		36%	11%	17%	
	<30	--	--	--	--	--	--	--	--	0	1	1	100%
	30-50	--	--	--	--	--	--	--	--	4	5	9	16%
	>50	--	--	--	--	--	--	--	--	4	1	5	16%
	Exit	--	--	--		--	--	--		**2**	**5**	**7**	
	rate%	--	--	--		--	--	--		9%	8%	8%	
	<30	--	--	--	--	--	--	--	--	0	0	0	0%
	30-50	--	--	--	--	--	--	--	--	0	2	2	4%
	>50	--	--	--	--	--	--	--	--	2	3	5	16%
Middle managers	**Entry**	--	--	--		--	--	--		**24**	**25**	**49**	
	rate%	--	--	--		--	--	--		30%	25%	27%	
	<30	--	--	--	--	--	--	--	--	1	1	2	33%
	30-50	--	--	--	--	--	--	--	--	20	19	39	33%
	>50	--	--	--	--	--	--	--	--	3	5	8	14%
	Exit	--	--	--		--	--	--		**13**	**11**	**24**	
	rate%	--	--	--		--	--	--		16%	11%	13%	
	<30	--	--	--	--	--	--	--	--	1	2	3	50%
	30-50	--	--	--	--	--	--	--	--	12	6	18	15%
	>50	--	--	--	--	--	--	--	--	0	3	3	5%
Office workers	**Entry**	--	--	--		--	--	--		**227**	**74**	**301**	
	rate%	--	--	--		--	--	--		34%	34%	34%	
	<30	--	--	--	--	--	--	--	--	97	24	121	53%
	30-50	--	--	--	--	--	--	--	--	114	44	158	30%
	>50	--	--	--	--	--	--	--	--	16	6	22	17%
	Exit	--	--	--		--	--	--		**133**	**27**	**160**	
	rate%	--	--	--		--	--	--		20%	12%	18%	
	<30	--	--	--	--	--	--	--	--	51	8	59	26%
	30-50	--	--	--	--	--	--	--	--	63	15	78	15%
	>50	--	--	--	--	--	--	--	--	19	4	23	18%
Production workers	**Entry**	--	--	--		--	--	--		**42**	**39**	**81**	
	rate%	--	--	--		--	--	--		18%	11%	14%	
	<30	--	--	--	--	--	--	--	--	15	13	28	42%
	30-50	--	--	--	--	--	--	--	--	19	21	40	12%
	>50	--	--	--	--	--	--	--	--	8	5	13	8%
	Exit	--	--	--		--	--	--		**41**	**39**	**80**	
	rate%	--	--	--		--	--	--		18%	11%	14%	
	<30	--	--	--	--	--	--	--	--	11	7	18	27%
	30-50	--	--	--	--	--	--	--	--	17	18	35	10%
	>50	--	--	--	--	--	--	--	--	13	14	27	16%

CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE COMPANY'S OWN WORKFORCE

S1-7

Headcount at 31 December		2022	2023	2024
GROUP	**TOTAL**	**860**	**959**	**1,142**
	Agency workers, self-employed workers, project-based workers	765	851	1,057
	Interns	16	14	11
	Agents	79	93	74
Italy	**TOTAL**	**852**	**954**	**1,099**
	Agency workers, self-employed workers, project-based workers	757	846	1,015
	Interns	16	15	10
	Agents	79	93	74
United Kingdom	**TOTAL**	**0**	**0**	**2**
	Agency workers, self-employed workers, project-based workers	0	0	2
	Interns	0	0	0
	Agents	0	0	0
USA	**TOTAL**	**8**	**5**	**1**
	Agency workers, self-employed workers, project-based workers	8	5	0
	Interns	0	0	1
	Agents	0	0	0
Francia	**TOTAL**	**0**	**0**	**4**
	Agency workers, self-employed workers, project-based workers	0	0	4
	Interns	0	0	0
	Agents	0	0	0
France	**TOTAL**	--	**0**	**0**
	Agency workers, self-employed workers, project-based workers	--	0	0
	Interns	--	0	0
	Agents	--	0	0
Japan	**TOTAL**	--	--	**36**
	Agency workers, self-employed workers, project-based workers	--	--	36
	Interns	--	--	0
	Agents	--	--	0

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

S1-8

Collective bargaining coverage	2022	2023	2024
% of workers covered by collective bargaining agreements	97%	84%	83%

	Collective bargaining coverage		Social dialogue
Coverage rate	**Employees – EEA ***	**Employees – non-EEA**	**Workplace representation – EEA only**
0-19 %			Romania
20-39 %			Italy
40-59 %			
60-79%			
80-100 %	Italy, Romania		

* European Economic Area

DIVERSITY

S1-9

Italmobiliare (% of Female Representation)	Italmobiliare (Parent Company) 2022	2023	2024	Controlled Portfolio Companies 2022	2023	2024
Board of Directors	42%	42%	42%	17%	23%	20%
Board of Statutory Auditors	33%	33%	33%	32%	37%	41%
Managerial Positions	40%	47%	46%	29%	33%	37%
Total personnel	49%	56%	55%	46%	56%	58%

	2022 no.	2022 %	2023 no.	2023 %	2024 no..	2024 %
Managers	**61**		**76**		**88**	
Women	**13**	**21%**	**16**	**21%**	**22**	**25%**
Under 30	0	0%	0	0%	0	0%
30-50	8	13%	10	13%	14	16%
Over 50	5	8%	6	8%	8	9%
Men	**48**	**79%**	**60**	**79%**	**66**	**75%**
Under 30	1	2%	1	1%	1	1%
30-50	30	49%	42	55%	41	47%
Over 50	17	28%	17	22%	24	27%
Middle managers	**101**		**135**		**181**	
Women	**37**	**37%**	**58**	**43%**	**80**	**44%**
Under 30	1	1%	3	2%	3	2%
30-50	23	23%	42	31%	50	28%
Over 50	13	13%	13	10%	27	15%
Men	**64**	**63%**	**77**	**57%**	**101**	**56%**
Under 30	4	4%	4	3%	3	2%
30-50	47	47%	55	41%	67	37%
Over 50	13	13%	18	13%	31	17%
Office workers	**497**		**694**		**883**	
Women	**374**	**75%**	**532**	**77%**	**665**	**75%**
Under 30	107	22%	155	22%	184	21%
30-50	213	43%	308	44%	393	45%
Over 50	54	11%	69	10%	88	10%
Men	**123**	**25%**	**162**	**23%**	**218**	**25%**
Under 30	21	4%	34	5%	43	5%
30-50	81	16%	101	15%	136	15%
Over 50	21	4%	27	4%	39	4%
Production workers	**346**		**566**		**579**	
Women	**39**	**11%**	**217**	**38%**	**229**	**40%**
Under 30	3	1%	7	1%	16	3%
30-50	24	7%	127	22%	122	21%
Over 50	12	3%	83	15%	91	16%
Men	**307**	**89%**	**349**	**62%**	**350**	**60%**
Under 30	56	16%	54	10%	51	9%
30-50	202	58%	224	40%	225	39%
Over 50	49	14%	71	13%	74	13%

ADEQUATE WAGES

S1-10

83% of employees are covered by national collective labour agreements, intrinsically structured according to national benchmarks. Workers not covered by collective agreements have wages in line with the geographical and sectoral context of reference. No worker in any country is paid below the applicable benchmark.

SOCIAL PROTECTION

S1-11

Regardless of coverage under national collective agreements, almost all employees are provided with social protection against income loss due to illness, unemployment, accidents at work, or acquired disabilities, maternity leave, and retirement. Details can be found in the table below. The limited exceptions refer to some workers at the Japanese branch of Officina Profumo-Farmaceutica di Santa Maria Novella. In fact, according to the national legislation, sickness insurance is not provided if working hours are less than 75% of the working hours of a full-time employee (7 workers). Social protection in the event of unemployment does not cover an employee who works less than 20 hours per week (4 workers).

Social protection in case of:	2022	2023	2024
Illness	--	--	99.5%
Unemployment	--	--	99.8%
Work-related injury and acquired disability	--	--	100.0%
Parental leave	--	--	100.0%
Retirement	--	--	100.0%

PERSONS WITH DISABILITIES

S1-12

		2022		2023		2024
Personnel with disabilities	n.	%	n.	%	n.	%
Total	--	--	--	--	**37**	**2%**
Women	--	--	--	--	10	1%
Men	--	--	--	--	27	4%

TRAINING AND SKILLS DEVELOPMENT

S1-13

Italmobiliare and the Portfolio Companies plan training initiatives starting from an analysis of requirements. The following tables represent the training efforts provided, with a breakdown of the topics covered.

			2022			2023			2024
Performance evaluation	Women	Men	Total	Women	Men	Total	Women	Men	Total
% with Annual Performance Evaluation	**64%**	**38%**	**50%**	**21%**	**31%**	**26%**	**13%**	**33%**	**22%**
Managers	100%	92%	93%	81%	87%	86%	82%	91%	89%
Middle managers	76%	84%	81%	53%	70%	63%	54%	73%	65%
Office workers	64%	60%	63%	24%	39%	27%	11%	38%	18%
Production workers	38%	11%	14%	2%	10%	7%	0%	7%	4%

Training									
Hours per Capita	**47.9**	**20.4**	**33.0**	**36.1**	**16.8**	**27.6**	**27.6**	**19.5**	**24.1**
Managers	28.2	19.1	21.0	27.0	17.2	19.2	23.5	23.0	23.2
Middle managers	20.6	20.8	20.7	23.0	24.2	23.7	19.2	25.5	22.7
Office workers	54.1	34.5	49.2	49.5	34.1	45.9	36.6	31.3	35.3
Production workers	20.9	14.8	15.5	7.3	7.0	7.1	4.7	9.7	7.8
% of Voluntary Training Hours	--	--	--	**85%**	**68%**	**81%**	**86%**	**61%**	**78%**
Managers	--	--	--	93%	92%	93%	76%	79%	78%
Middle managers	--	--	--	83%	82%	83%	80%	78%	79%
Office workers	--	--	--	88%	82%	87%	89%	72%	85%
Production workers	--	--	--	40%	18%	27%	42%	19%	25%
% with at Least One Training Session	--	--	--	**92%**	**88%**	**90%**	**59%**	**71%**	**64%**
Managers	--	--	--	88%	82%	83%	88%	89%	88%
Middle managers	--	--	--	90%	97%	94%	63%	85%	75%
Office workers	--	--	--	87%	91%	88%	69%	80%	72%
Production workers	--	--	--	106%	86%	94%	24%	59%	45%

Training Hours	Women	Men	2022 Total	Women	Men	2023 Total	Women	Men	2024 Total
Technical and Operational Skills	**17,676**	**5,535**	**23,211**	**23,470**	**5,623**	**29,094**	**21,759**	**7,063**	**28,822**
Managers	193	250	443	105	304	409	89	429	518
Middle managers	339	596	935	675	747	1,422	618	926	1,544
Office workers	16,693	2,803	19,496	22,211	4,198	26,409	20,662	4,385	25,047
Production workers	451	1,886	2,337	480	375	855	390	1,323	1,713
Health and Safety	**3,326**	**3,656**	**6,982**	**3,601**	**2,768**	**6,369**	**2,614**	**3,168**	**5,782**
Managers	32	191	223	112	231	343	85	208	293
Middle managers	158	270	428	254	420	674	186	306	492
Office workers	2,860	917	3,777	2,455	431	2,886	1,709	826	2,534
Production workers	276	2,279	2,555	781	1,686	2,467	635	1,830	2,464
Environment, Quality, and Sustainability	**--**	**--**	**--**	**--**	**--**	**--**	**282**	**285**	**566**
Managers	--	--	--	--	--	--	48	101	149
Middle managers	--	--	--	--	--	--	27	51	78
Office workers	--	--	--	--	--	--	187	49	236
Production workers	--	--	--	--	--	--	20	84	104
Integrity, Compliance, and Risk Management	**467**	**775**	**1,242**	**759**	**281**	**1,040**	**488**	**695**	**1,183**
Managers	26	103	129	30	29	58	49	127	176
Middle managers	55	116	171	60	60	119	95	213	308
Office workers	299	183	482	548	82	629	318	289	606
Production workers	87	373	460	122	111	233	27	67	94
Relational, Organisational, Language, and Digital Skills	**595**	**1,068**	**1,663**	**1,440**	**1,667**	**3,106**	**1,732**	**2,117**	**3,849**
Managers	116	370	486	154	360	514	232	557	789
Middle managers	209	349	558	314	519	833	549	810	1,358
Office workers	271	344	614	902	714	1,615	942	743	1,684
Production workers	0	4	4	71	74	145	10	8	18
Cybersecurity	**0**	**0**	**0**	**203**	**320**	**523**	**561**	**942**	**1,503**
Managers	0	0	0	31	87	119	15	84	99
Middle managers	0	0	0	30	102	132	59	247	306
Office workers	0	0	0	142	71	213	484	522	1,006
Production workers	0	0	0	0	59	59	3	89	92
Human Rights	**96**	**0**	**96**	**224**	**200**	**424**	**27**	**52**	**79**
Managers	0	0	0	0	20	20	0	17	17
Middle managers	0	0	0	0	18	18	0	25	25
Office workers	96	0	96	92	30	122	27	6	33
Production workers	0	0	0	132	132	264	0	4	4

Training Investments (€)	2023			2024
Total	**985,174**	**--**	**--**	**1,340,402**
Per FTE	627	--	--	718

HEALTH AND SAFETY

S1-14

2024 was a dramatic year for the Group, as in June it lost one of its expert collaborators in a fatal accident that occurred while working on the "Poirée" dam on the Adda River in Concesa di Trezzo d'Adda (MI).

As a result of this tragic event, everyone in the Group has made an even greater coordinated effort to promote the health, safety and well-being of all employees, also including businesses, suppliers, visitors, customers and the local community in this approach.

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.

27% of the Group's personnel are covered by occupational health and safety management systems certified according to the ISO 45001 standard. In any case, all personnel are covered by the management systems required by applicable standards or contracts. Also in 2024, no cases of occupational disease were reported throughout the consolidated perimeter.

			2022			2023			2024
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	**5**	**3**	**8**	**11**	**7**	**7**	**14**
Fatalities	--	--	0	0	0	0	0	1	1
Injuries	--	--	5	3	8	11	7	6	13
Lost days	--	--	419	30	359	389	158	146	304
Frequency rate	--	--	3.32	2.48	7.25	4.75	4.82	6.12	5.39
Severity rate	--	--	0.28	0.02	0.33	0.17	0.11	0.13	0.12
Non-Employees	--	--	**0**	**0**	**2**	**2**	**0**	**0**	**0**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	2	2	0	0	0
Lost days	--	--	0	0	27	27	0	0	0
Frequency rate	--	--	0.00	0.00	29.87	24.31	0.00	0.00	0.00

WORK-LIFE BALANCE

S1-15

In general, employees who are covered by collective bargaining agreements are entitled to family leave. In other cases the assessment is made on an individual, case-by-case basis. Where possible, part-time employment and the adoption of flexible hours provide an element of flexibility to meet individual work-life balance needs.

				2022			2023			2024
Family and Parental Leave		Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of employees that were entitled to parental leave		--	--	--	--	--	--	100%	100%	100%
Total number of employees that took parental leave	%	--	--	--	--	--	--	9%	8%	9%

COMPENSATION

S1-16

In addition to what is reported in the Remuneration Report regarding transparency and the balance of executive compensation, Italmobiliare monitors the ratio between the highest total compensation paid and the median total compensation within the Group, excluding the highest.

Pay ratio *	2022	2023	2024
Ratio between the highest total compensation paid and the median total compensation within the Group, excluding the highest.	59	318	103

* In 2023, variable compensation from the three-year Long Term Incentive plan for the Holding's management was paid.

Confirming their commitment to equal opportunities, Italmobiliare and all the Portfolio Companies have signed and promoted the Women Empowerment Principles (WEPs), explicitly referred to in the adopted Codes of Ethics. Thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing ender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

Fixed and variable remuneration *	2022	2023	2024
Gender pay gap *Difference between women's and men's average pay compared with men's average pay*	**47%**	**63%**	**47%**
Managers	28%	48%	35%
Middle managers	14%	19%	26%
Office workers	35%	35%	30%
Production workers	48%	54%	26%

* In 2023, variable compensation from the three-year Long Term Incentive plan for the Holding's management was paid.

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

S1-17

In 2024, there was only one report of an incident of discrimination/harassment at Group companies. The case was the subject of immediate investigations, both internally and by the authorities, which concluded that there were no corroborating elements that would justify further proceedings. The employee subsequently left the company and decided to sue the company anyway.

There have been no human rights issues or incidents, also with reference to the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises, nor have any fines, sanctions or compensation for damages been imposed in this regard.

Workers in the value chain

ESRS S2

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

S2.SBM-3

The assessment cannot ignore the level of expectations and ambitions defined and progressively reinforced through formalisation of the sustainable commitments made by Italmobiliare and the Portfolio Companies, which affect everyone in their respective value chains.

Group companies are characterised by global value chains, by origin of raw materials or market outlets. At the same time, Group companies are aware that potentially sensitive aspects in terms of human rights, labour rights and equal opportunities can be found not only in geographies recognised as being at risk, but also in Italy or in Europe, especially when extending the evaluation beyond the first tier. In light of the above, the attention of Group's companies, depending on the specific value chains, extends to numerous categories of workers, including at least the following:

- Workers present at the companies' operational sites but not part of the direct workforce. This category notably includes self-employed workers at Casa della Salute clinics or workers from logistics companies at the Caffè Borbone production site.
- Workers in the upstream value chain. Particular attention is required by the value chains of companies that use raw materials coming, directly or indirectly, from the agricultural or livestock world (Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, Capitelli, Callmewine) or that use materials and technology that originate from sensitive countries (Italgen, Casa della Salute, SIDI Sport).
- Workers in the downstream value chain, such as logistics operators, distributors, retailers, and franchises.

Where relevant, Group's companies pay particular attention to workers in the categories described above who are potentially particularly vulnerable, such as women or young workers, as seen in the coffee supply chain.

For all of the above, in the review conducted in 2024, the scope of the Code of Ethics, the Sustainability Policies and the Partnership Charter, documents adopted by all Group companies, explicitly includes all third parties, i.e. those who have commercial relationships with the companies, such as suppliers, distributors, partners, co-investors and beneficiaries of social initiatives, donations and sponsorships.

ESG-qualified supplier selection and the choice of reliable traders for potentially more critical supplies are effective mitigations. In the Group's approach, the impacts, risks and opportunities associated with the supply chain are addressed in a holistic manner, considering environmental, social and governance aspects.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES

S2-1

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter. The entire body of governance documents applies not only to the Corporate Bodies and the Group's Personnel, but also to Collaborators acting in the name and on behalf of the companies and to Third Parties such as suppliers of goods and services, contractors, distributors and any other business partner, co-investor or beneficiary, in their direct activities, in contractual relations with any sub-suppliers or subcontractors and, in general, in the creation and management of the respective value chains.

- According to the Code of Ethics, all business partners are expected to conduct their business following standards of conduct consistent with those set out in the Code of Ethics. Italmobiliare, to protect its operational effectiveness and safeguard its resources, including images and reputation, does not maintain relationships with parties who do not intend or who have demonstrated that they do not operate in compliance with current legislation and according to the values expressed in the Code of Ethics.
- The “Guiding Principles” of the Sustainability Policies commit Italmobiliare to support and respect internationally proclaimed human rights, which are universal and belong equally to everyone, and to implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value. The “Diversity and Inclusion” Policy and the “Rights and Society” Policy further detail these commitments.
- The Responsible Investment Policy explicitly highlights the contribution to SDG 5 “Gender Equality”, SDG 8 “Decent Work and Economic Growth” and SDG 17 “Partnership for the Goals” among the value creation objectives. The latter in particular refers to the importance of involving business partners.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments in the field of human rights and labour rights, in addition to those related to other aspects of sustainability. Further details on page B96.

Portfolio Companies support the parent company by adopting the same approach in their governance documents.

There have been no human rights issues or incidents, also with reference to the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises, nor have any fines, sanctions or compensation for damages been imposed in this regard.

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

S2-2

There are more than 1,000 temporary, self-employed or project workers, interns and agents working for the Group and Group companies establish ongoing relationships with them as part of their ongoing activities. This approach makes it possible to find out what they are particularly sensitive about, and these aspects are duly taken into consideration by management in the impact assessment.

Group companies do not have the levers to directly involve those working for suppliers of goods and services. This role is delegated to the management of the main suppliers, who are subject to the specifications established by the Partnership Charter and the commitments, including contractual commitments, that derive from it. However, suppliers are engaged in the impact assessment through specific questionnaires. In any case, the following paragraph applies to any worker in the value chain.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

S2-3

The whistleblowing system adopted by Italmobiliare and all Portfolio Companies is the channel available to anyone who in any capacity comes into contact with the companies of the Group to report illicit activities and violations. The use of dedicated communication platforms and the supervision of the Supervisory Body guarantee the protection of the identity of the whistleblower and of the persons involved and/or mentioned in the report, as well as the confidentiality of its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports. Further details on page B95.

Furthermore, as provided for by the Partnership Charter, Italmobiliare and all Portfolio Companies reserve the right to request the partners deemed most significant to make a legal commitment through the inclusion of specific clauses in the contracts regulating the relationship with the partner which provide for remedies in the event of non-fulfilment and, when deemed necessary, early termination of the contractual relationship.

TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTION

S2-4

Main interventions for countering potential negative impacts, promoting positive impacts, mitigating risks and enabling opportunities for workers in the value chain are directly linked to suppliers' management. Further details on page B96.

In addition, with reference to particularly vulnerable worker categories in the value chain, such as women and young people, please refer to page B90 for details on the Mwanyi project by Caffè Borbone. The project is primarily designed as a social empowerment initiative for the local coffee community in Uganda. Among the women and young workers who benefit are also workers from Caffè Borbone's supply chain.

METRICS AND TARGETS

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

S2-5

The objectives and metrics related to workers in the value chain are included in the management practices of suppliers, as detailed on page B97.

Affected communities

ESRS S3

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

S3.SBM-3

Italmobiliare aims to create a positive impact on the local area and community, creating shared value through the management of the companies in which it invests, supporting local initiatives that align with its values and creating channels for listening and involving all interested parties.

This approach extends to the entire value chain, also with the support of its business partners. All Group companies operate in this direction, but only for some of them is the positive impact significant.

Caffè Borbone is aware that some of the activities in its value chain can have significant impacts on rural communities in the countries of origin of the coffee. Promoting sustainability also means taking care of those at the origin of the supply chain, who are committed to improving the yield and quality of crops, supporting fair and inclusive ways of working and contributing to global challenges by adopting sustainable agricultural practices.

Italgen's hydroelectric power plants have a strong connection with the local area, which provides its primary energy source, as well as its communities, to which the company offers operational safety and development opportunities.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES

S3-1

The formal commitments to sustainability which underlie Italmobiliare's approach to the duty of care (see page B29) are explicitly included in the governance documents adopted to support its sustainable strategy, particularly in the Code of Ethics and the Sustainability Policies, which extend and integrate its guidelines. Together, they guide the Responsible Investment Policy and find application in the Partnership Charter.

- As expressed in the Code of Ethics, Italmobiliare considers the relationship with the local area and those who live there to be of the utmost importance. Beyond the creation of shared value through investment activities, it supports the initiatives of associations, foundations and non-profit organisations on the topics of culture, social issues, the environment, health, sports, entertainment and art. Financial support is only intended for events or entities that offer guarantees of seriousness and for which activities aimed at undermining compliance with the values and principles of conduct expressed in the Code of Ethics are excluded.
- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to invest time, skills and resources in supporting communities, promoting local development with the regular involvement of all interested parties. The "Rights and Society" Policy aims to create and promote, along the entire value chain, virtuous relationships with local communities and any indigenous populations by understanding their needs, promoting sustainable local projects that do not generate relationships of dependency, and regular engagement with stakeholders.

  Moreover, Italmobiliare is committed to promoting programmes of health protection and help for communities affected by natural and sanitary disasters; to support school education in all its forms, the growth of local skills and, where in line with their values, artistic, sporting, cultural and social activities; to support programmes for services of public utility or use, contributing to the development of adequate infrastructures and the improvement of the quality of life in the communities.
- The Responsible Investment Policy Investments includes community investments among the levers of value creation.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations or sponsorships are effectively and demonstrably aligned with the same commitments.

Portfolio Companies support the parent company by adopting the same approach in their governance documents.

PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES

S3-2

Italmobiliare and all the Group's companies aim at creating and maintaining long-lasting relationships with the community and all stakeholders, based on shared commitments, trust, transparency and active collaboration. For this reason, stakeholder relationships go beyond merely gathering opinions for the periodic update of materiality. 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
Personnel: employees and their representatives	Continuous manager/team dialogue, safety initiatives, thematic events, industrial relations	Work organization, corporate climate, health, safety and wellbeing, strategy and sustainability	All
Management: holding company and portfolio companies	Continuous management	Strategy and sustainability, investments	All
Financial community: investors, analysts, shareholders, capital providers, rating agencies	Dedicated meetings, roadshows, corporate and web documents. Transparency on ESG ratings.	Strategy and sustainability, governance, economic, environmental and social performance, risk management, investments	Italmobiliare Clessidra
Customers: B2B, B2C and end-users	Fairs, forums and sector events, direct individual contacts, customer satisfaction and quality	Customer services and logistics for products and solutions, also with reference to environmental and social performance	Caffè Borbone Officina Profumo-Farmaceutica di Santa Maria Novella Casa della Salute Capitelli SIDI Sport
Supply chain: suppliers of goods and services	Strategic partnerships, supply chain management, direct individual contacts, qualification audits	Pre-qualification and qualification requirements, contractual terms and conditions, supply chain disciplinary, audit feedback	Caffè Borbone Officina Profumo-Farmaceutica di Santa Maria Novella Capitelli Callmewine SIDI Sport
Communities, media and NGOs: local and global	Interviews, conferences, dialogue with the community, social initiatives	Transparent communication on strategy and sustainability, social and environmental performance, investments for the community	All
Associations: partnership and academia	Meetings, conferences, shared initiatives, partnerships, research	Strategy and sustainability, governance, individual and sectoral contribution	All
Authorities and institutions	Individual or collective interactions (e.g. meetings, conferences, events)	Governance, legal compliance, strategy and sustainability	All

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS

S3-3

The whistleblowing system adopted by Italmobiliare and all Portfolio Companies is the channel available to anyone who in any capacity comes into contact with the Group to report illicit activities and violations. The use of dedicated communication platforms and the supervision of the Supervisory Body guarantee the protection of the identity of the whistleblower and of the persons involved and/or mentioned in the report, as well as the confidentiality of its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports. Further details on page B95.

TAKING ACTION ON MATERIAL IMPACTS ON AFFECTED COMMUNITIES, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO AFFECTED COMMUNITIES, AND EFFECTIVENESS OF THOSE ACTIONS

S3-4

In 2022, Caffè Borbone set up a project in Uganda called Mwanyi (coffee in the local language) in partnership with the coffee trader Olam Food Ingredients (OFI). With a contribution of Euro 100,000 per year for five years, the project aims to increase the participation of young people and women in sustainable coffee production, increasing employment, providing better product quality, improving profitability for small producers and combating precariousness and rural exodus in selected areas of south-west Uganda. The main levers are training for young people and women aged between 23 and 59 on key topics such as financial and management skills, specific agronomic and nursery management techniques, soil erosion control and methods to improve its fertility, harvesting techniques and post-harvest soil processing, plant hygiene and sanitation, drying and storage methods.

Since 2023, 500 participants, 345 of them women, have been involved in 24 training courses where each person received between 15 and 20 hours of training. Another 500 will be added in 2025. To encourage maximum participation, the courses were held in the areas where the farmers operate, taking into consideration the seasonal agricultural cycle. Among the most innovative elements of the project is the “VSLA - Village Savings and Loan Associates” programme, which has encouraged the creation of 14 savings and loan associations managed directly by members of the local community, through which the farmers involved can access basic financial tools, including micro-credit, to invest in the quality of their products and increase the profitability of their farm.

Italgen is actively involved in the areas where its hydroelectric plants are located, contributing positively to local communities. Specifically, it is committed to enhancing and making accessible to the public the historic buildings that house the power plants and the surrounding areas, to promoting healthy and sustainable lifestyles and generating economic value for the community.

The plants are mainly located in rural or mountainous areas. For this reason, Italgen dedicates special attention to projects and initiatives aimed at protecting and passing on the local nature, history and culture, while transmitting an increasingly advanced sensitivity towards all-round sustainability. Furthermore, Italgen supports healthy, sustainable and nature-oriented lifestyles among both employees and citizens.

On the subject of safety, each site has its own emergency plan that details how employees are meant to behave and what preventive and operating steps they should take in the event of any impacts on the territory. Qualified and trained personnel constantly monitor the dams managed by the company.

METRICS AND TARGETS

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

S3-5

The actions underway are fully sufficient to mitigate the impacts, transforming them into positive ones. It is not considered necessary to set specific objectives.

However, it is relevant to monitor the effectiveness of the initiatives implemented with metrics defined for each individual project, as in the examples described. More generally, Italmobiliare monitors donations for community initiatives.

Community Initiatives (in millions of euro)	2022	2023	2024
Donations and grants	1,1	1,1	1,4

Consumers and end-users

ESRS S4

STRATEGY

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

S4.SBM-3

Product & service stewardship means understanding, controlling and communicating the technical performance of products and services, the effects on the environment, health and safety, on social variables throughout their life cycle, from design to production, from disposal or reuse at the end of their life, promoting their correct and responsible use by aware users, businesses or consumers.

Group companies offer customers, consumers and users safe products or services capable of promoting sustainable choices, encourage responsible lifestyles and ensure correct information, with full transparency also with regard to ESG characteristics. Furthermore, they adopt marketing practices that are understandable to all, respectful of diversity, and fair and inclusive.

This approach is particularly relevant for companies in the food sector, which have to ensure product safety.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken and have taken into account the Group's specific dependencies on natural resources, ecosystem services and relationship with the supply chain.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES

S4-1

All of these commitments which underlie Italmobiliare's approach to the duty of care (see page B29) are explicitly included in the governance documents adopted to support its sustainable strategy, particularly in the Code of Ethics and the Sustainability Policies, which extend and integrate its guidelines. Together, they guide the Responsible Investment Policy and find application in the Partnership Charter.

- As expressed in the Code of Ethics, 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.

  Commercial initiatives aimed at promoting the company and encouraging the purchase of products or services must be carried out in compliance with the legislation that protects 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.
- The “Guiding Principles” of the Sustainability Policies commit Italmobiliare to create and maintain relationships with shareholders, investors and the market based on partnerships, transparency, exchange of information and sharing of commitments. The “Quality and Responsibility” Policy commits Italmobiliare to gain and maintain the trust of its customers, building channels of involvement and listening and guaranteeing the technical, environmental and social quality of products, processes and services, fair economic conditions and qualified assistance; to make available and communicate responsibly to customers, retailers, end consumers and interested parties information relating to technical, environmental and social performance, including the potential effects on health and safety of the materials used and products marketed.
- The Responsible Investment Policy includes product or service responsibility among the levers of value creation.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations or sponsorships are effectively and demonstrably aligned with the same commitments.

Portfolio Companies support the parent company by adopting the same approach in their governance documents.

PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS

S4-2

Consumers and end-users are particularly significant stakeholders for businesses that sell physical products or have direct interaction with customers. In the impact assessment phase, a representative selection of the most significant among them, by market share or strategic importance, receives the questionnaires for the direct collection of their points of view.

In addition to the feedback received from customers through the methods described on page B36, the materiality update process also includes the monitoring and engagement activities detailed further below.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

S4-3

The whistleblowing system adopted by Italmobiliare and all Portfolio Companies is the channel available to anyone who in any capacity comes into contact with the companies to report illicit activities and violations, including consumers and end users of the products marketed or services provided by the Group companies. The use of dedicated communication platforms and the supervision of the Supervisory Body guarantee the protection of the identity of the whistleblower and of the persons involved and/or mentioned in the report, as well as the confidentiality of its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports.

Further details on the functioning of the whistleblowing system are provided on page B95. The following paragraph describes additional reporting methods specifically made available to customers and consumers.

TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

S4-4

Group companies undertake numerous actions and initiatives to provide products and services that permit sustainable choices by customers, consumers and users. Among these, the ESG pre-qualification and qualification of business partners, the selection of raw materials, eco-design applied to products, packaging and services, the adoption of certified process and product management systems and effective communication of sustainability commitments and performances are particularly relevant. These are all activities integrated into the companies' business model.

Of particular importance for companies in the food sector are the complete product traceability system, periodic analyses of raw materials and finished products aimed at food defence, the certification of management systems according to specific standards such as IFS and the progressive strengthening of the organisational structure, particularly in the field of R&D.

Caffè Borbone ensures quality and food safety throughout the entire production process with advanced and integrated management systems, which, thanks to their demonstrated and verified effectiveness over time, have obtained formal third-party certification according to ISO 9001 and IFS - International Food Standard. Furthermore, the products offered by Caffè Borbone have obtained "Kosher" and "Halal" certification, so they are suitable for consumption by Jewish and Islamic communities. Attention to customers and consumers includes the management of customer satisfaction and the protection of sensitive data, adopting and continuously improving its application of legislative and voluntary standards, with particular reference to digital sales channels.

In addition to ensuring the protection of sensitive customer data, especially e-commerce, Officina Profumo-Farmaceutica di Santa Maria Novella constantly gathers customer feedback, through customer care, digital channels and the distribution network, as a continuous stimulus for improvement.

Casa della Salute monitors customer satisfaction through questionnaires that allow customers and patients to evaluate the quality of the reception, logistics, service used and medical report. Furthermore, since 2021, a Mystery Client system has been operational, managed by a private company, which provides monthly monitoring of the quality of patient reception and management and the punctuality and courtesy of professionals.

SIDI Sport monitors customer satisfaction by comparing the daily percentage of on-time and late orders and on-time and late revenues compared with the previous year. The e-commerce channel is managed in the application of the legislative and voluntary standards applicable to the protection of sensitive data. The company monitors customer reports, including the many professional athletes who use its products. Furthermore, SIDI Sport works continuously to bring product communication to different channels to fully represent the company values, involving its workers, distributors and customers.

Capitelli aims for qualitative excellence, which is repeatedly appreciated by the market. Also in 2024, the "San Giovanni" cooked ham was confirmed with the awarding of five pins by the Guida ai 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 company was founded by Angelo Capitelli, starting with the rediscovery of traditional processing methods to pursue a progressive refinement of the individual phases. Capitelli adopts maximum 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 information, such as nutritional values, ingredients and origin of raw materials, any allergens, packaging materials, recommendations for use and storage methods.

Callmewine monitors customer satisfaction by periodically sending surveys and requests for reviews on Trustpilot.

A particular category of "customers" is made up of investors, who are relevant for the parent company Italmobiliare and its subsidiary Clessidra.

Since 2021, Italmobiliare has adopted the 'Policy for the management of dialogue with shareholders', aimed at regulating relations with all shareholders, including institutional investors, in order to ensure the systematic dissemination of comprehensive, transparent and timely information on its activities and the pursuit of its mission. Relations with shareholders and the financial community are maintained by the Chair, the Chief Executive Officer and the Investor Relator, who, for specific issues or particular events, make use of the support of other corporate functions, mainly the Sustainability Department, the Communications Department, the Corporate Affairs Department and the Investment Management Department. As part of these activities, in 2024 the Investor Relations function held approximately 105 meetings with Italian and foreign institutional investors, both in dedicated meetings and by taking part in conferences reserved for listed companies such as the Euronext STAR Conference, Italian Sustainability Week, Italian Investment Conference, Virgilio Equity Conference London, Virgilio Mid & Small Milan and Degroof Petercam Investment Company Conference; In addition, presentation roadshows were organised with 18 investors in London and New York.

The subsidiary Clessidra adopts similar methods. 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 disposals in progress.

METRICS AND TARGETS

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

S4-5

For the reasons described in the previous paragraph, it is not possible to set objectives at Group level.

The metrics are defined company by company, starting from the analysis of any complaints received, also through the whistleblowing channel, which help refine each company's approach towards customers and consumers in a continuous improvement logic.

GOVERNANCE INFORMATION

Business conduct

ESRS G1

GOVERNANCE

ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

G1. GOV-1

The role of the administrative, management and control bodies is described in detail on page B25.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

G1. IRO-1

The general methodology for assessing impacts, risks and opportunities is described on page B41.

Specifically, the **Internal Control and Risk Management System** (ICRMS) adopted by Italmobiliare has risk management bodies, systems and processes aligned with international best practices. These allow constant monitoring and effective management of risks of an economic-financial, social and environmental nature at Group level and conscious decision-making on the matter. It consists of rules, procedures and organisational structures to allow the identification, measurement, management and monitoring of the main risks to which the Company and its subsidiaries are exposed.

The Board of Directors, with the opinion of the **Control and Risk Committee**, defines the Guidelines and assesses their adequacy and effectiveness at least once a year. These Guidelines are sent to the subsidiaries so that they can take them into account when defining and maintaining their own ICRMS, without prejudice to each other's autonomy and independence.

Under the coordination of the **Internal Audit Department**, which is responsible for risk management, possibly with the support of other functions such as the Investment Management Department and the Sustainability Department and the direct involvement of the Portfolio Companies in dedicated workshops, actual and potential risks and the main opportunities have been identified and assessed.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

The at least half-yearly update of the risk assessment contributes to fuelling and refining the mitigation actions reflected in the budget or strategic planning and the annual ESG Plans of Holding and Portfolio Companies, transforming risks, often intrinsic to business segments, into opportunities and the creation of value.

The Group's sustainable approach is in itself a strategy of risk anticipation and mitigation. The strategic vision and global references inspire governance processes and integrate into them. Management systems built on internationally recognised schemes constitute valid operational references. The solidity and effectiveness of the governance adopted, and the performances achieved are recognised by management systems certifications and ESG ratings.

		Italmobiliare	Caffè Borbone	Officina SMN	Italgen	Casa della Salute	Capitelli	Callmewine	SIDI Sport	Clessidra
Engagement	UN Global Compact	✓	✓	✓	✓	✓	✓	✓	✓	✓
	UN Principles for Responsible Investment									✓
	Women's Empowerment Principles	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Science Based Targets initiative	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance	Code of Ethics	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability Policies	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Responsible Investment Policy	✓								✓
	Partnership Charter	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Organisation, Management and Control Model	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Whistleblowing	✓	✓	✓	✓	✓	✓	✓	✓	✓
Management systems	UNI/PdR 125 – gender equality					✓				
	ISO 9001 - quality		✓			✓				
	ISO 14001 - environment		✓		✓				✓	
	ISO 45001 – health and safety		✓		✓				✓	
	ISO 50001 - energy efficiency		✓							
	IFS / BRC - food safety		✓				✓			
Rating	AGCM - Legality Rating		✓		✓	✓				
	B Corp - benefit company					✓				
	S&P Global	✓								
	CDP	✓								
	Sustainalytics	✓								
	UN PRI Rating									✓
	Ecovadis		✓		✓					
	Others (e.g. Cribis)				✓					

Confirming the overall effectiveness of the integrity and compliance safeguards adopted by Italmobiliare and its subsidiaries, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socioeconomic and environmental regulations. The Supervisory Body has not received any reports of alleged illegal behaviour or conduct contrary to the Code of Ethics.

POLICIES

G1-1

The main points of references for the corporate culture are the Code of Ethics, the Sustainability Policies, the Responsible Investment Policy and the Partnership Charter, which Italmobiliare adopts and encourages all Portfolio Companies to adopt. In addition to the principles and guidelines already described in detail, all of the aforementioned documents include specific references to respect for all living species, also considering the sentient nature of animals. To this end, animal welfare is included, where relevant, in the supplier selection criteria described in the following paragraph. In particular, for Capitelli, animal welfare is one of the cornerstones of its supply chain regulations.

Italmobiliare has adopted an **Organisation, Management and Control Model**, regulated by law but voluntary. It is designed to limit the risk of committing specific relevant offenses. The categories of crimes and offences that are relevant to Italmobiliare are:

- Offences against the Public Administration
- Corporate offences
- Market abuse
- Murder and culpable injury in violation of accident prevention regulations
- Receiving stolen goods, money-laundering, using money of illegal origin and crimes relating to non-cash payment instruments
- Organised crime and transnational crimes
- Copyright infringement
- Crime
- Tax offences
- Crimes against the cultural heritage.

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. The specific periodic training extends to all corporate functions, not only those considered particularly at risk, such as those related to financial resource management, strategic decisions, procurement and contracts, external relations with regulatory bodies, or human resources management.

The Model adopted by the Parent Company acts as a point of reference for the systematic adoption of consistent approaches by the controlled portfolio companies and is supported by internal procedures detailing its application, also in relation to the methods of investigation into potential incidents, including cases of active and passive bribery.

Italmobiliare has adopted a whistleblowing procedure to help prevent offences and violations committed while working at Italmobiliare. Italmobiliare guarantees protection of the identity of the whistleblower and of the people involved in and/or mentioned in the report, as well as confidentiality regarding its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports. Anyone who comes into contact with the company in whatever may submit reports:

- employees, also during their trial period, self-employed workers, as well as collaborators, freelancers and consultants who work at the company;
- shareholders and those with administrative, management, control, supervisory or representative functions;
- trainees working for the company; workers or collaborators of the company's contractors, subcontractors and suppliers;
- former employees of the company;
- candidates for a job at the company, who have acquired information on the violations during the selection process or in other phases of the pre-contractual negotiation.

Matters that can be reported include behaviour, acts or omissions committed or which, based on concrete elements, could be committed within the working environment of Italmobiliare in violation of national or European Union regulatory provisions referred to in art. 2 of the Decree, as well as violations of the Code of Ethics, of the Organisation and Management Model pursuant to Legislative Decree 231/2001, employment contracts and internal regulations (rules, policies, procedures, operating instructions, etc.).

For whistleblowers to make reports, Italmobiliare has made available an online platform, ordinary mail or meeting directly with the Supervisory Body, always ensuring anonymity. The information published on the web is accessible to everyone and provides all the necessary training and explanatory details for the proper use of the platform.

The Supervisory Body receives and manages any reports that arrive, updating the whistleblower on the progress being made on the case within defined timelines:

- an acknowledgement of receipt is to be issued within 7 (seven) days of receiving the report;
- within 3 (three) months from the date of acknowledgement of receipt or, in the absence of such notice, within 3 (three) months from expiry of the seven-day period from submission of the report, feedback is provided on the follow-up already given on the matter and which the company intends to give in the future.

All Portfolio Companies have adopted similar whistleblowing processes.

MANAGEMENT OF RELATIONSHIP WITH SUPPLIERS
G1-2

With the Partnership Charter, adopted in 2024 as an evolution of the previously active Supplier Charter, Italmobiliare aims to establish business partnership based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations or sponsorships must be effectively and demonstrably aligned with the with defined principles concerning:

- human and labour rights,
- health and safety,

- environment,
- Integrity, compliance and transparency.

This requirement concerns not only the Partner itself and the activity carried out directly by the same, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and in general all aspects necessary to create relationships based on integrity and sustainability, 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. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

The prequalification questionnaires include both binding elements, the non-compliance of which excludes suppliers from the vendor list, and rewards, i.e. thanks to them the supplier is preferred for the same service and economic conditions. The General Conditions and ESG clauses make operational the aspects addressed in the questionnaires during the contractual execution phase. Field visits are intended to verify the application of good practices in ongoing operations.

Implementation requires additional steps to those already adopted on the basis of the previous supplier charter, and requires a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	Unit	2022	2023	2024
Number of active suppliers	#	4,168	5.197	5.210
Purchase of products and services	M€	385.2	481.5	490.6
national suppliers	M€	332.1	393.8	371.3
foreign suppliers	M€	53.1	87.8	119.3
Spending on local suppliers (headquarters on national territory)	**%**	**86%**	**82%**	**76%**

	2022		2023		2024	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the reference year according to environmental and social criteria	--	--	1,148	89%	122	62%

Group Companies are monitoring with interest the guidelines contained in the proposed EU Regulation on combating late payments in commercial transactions, with particular reference to SMEs, but have not yet defined a specific practice that is the same for all; however, this is not particularly necessary due to the payment methods and themes adopted as described on page B101, which are substantially in line with the requirements proposed by the Regulation. Full compliance with contractual terms is always guaranteed.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

G1-3

Italmobiliare adopts as an essential value of its activities compliance with the principle of legality and of legislation in force in Italy and in the international contexts in which it operates, including applicable technical standards.

To this end, the Company undertakes to ensure that everyone is aware of the requirements arising from the laws in force in the national or international contexts in which it operates and from internal governance rules. Everyone, in relation to their function, mandate or type of relationship with the Company, must know their responsibilities and understand the type of behaviour that they should adopt.

Italmobiliare excludes and condemns any phenomenon of corruption, extortion, undue inducement and influence peddling, both in the public and private sectors, and adopts prevention and control measures to avoid the commission of such crimes in the performance of its activities.

Italmobiliare operates in accordance with the principle of maximum transparency in commercial and financial transactions and provides the most appropriate tools to combat the phenomenon of money laundering and the reinvestment of illicit proceeds, at national and transnational level.

Italmobiliare condemns any form of criminal organisation of a national or transnational nature and adopts suitable measures to prevent the danger of its own involvement in relationships and activities maintained in any capacity and in any manner, even in the form of mere help and assistance, with such organisations. This means that the Company does not establish any working, collaborative or investment relationship with individuals or legal entities known or suspected to be involved in terrorism or criminal organisations, nor does it finance or facilitate any activity attributable to such organisations.

The adoption of the policies, management models described above and the underlying internal procedures inform the system of prevention and detection of active and passive corruption. The procedures include the methods of carrying out any investigations according to approaches that guarantee third-party nature.

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, including those connected to corruption and bribery.

The Board of Directors has defined and continuously updated the Internal Control and Risk Management System 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, 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.

Training on business integrity is ongoing. The table below provides details the hours of training provided, which are addressed to all company levels and functions of Group companies, not only those considered particularly at risk, such as those related to financial resource management, strategic decisions, procurement and contracts, external relations with regulatory bodies, or human resources management.

			2022			2023			2024
Business integrity	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Training hours	**467**	**775**	**1,242**	**759**	**281**	**1,040**	**488**	**695**	**1,183**
Managers	26	103	129	30	29	58	49	127	176
Middle managers	55	116	171	60	60	119	95	213	308
Office workers	299	183	482	548	82	629	318	289	606
Production workers	87	373	460	122	111	233	27	67	94

The training mainly concerns the adoption of Model 231 and subsequent amendments or additions, including the underlying procedures. Additionally, updates to the anti-corruption policies and procedures, starting from the Organisation, Management and Control Model (Modello 231), have been presented to the Boards of Directors of the Group's companies and made available to all, both internal and external parties, through publication on the websites.

METRICS AND TARGETS

CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

G1-4

Confirming the overall effectiveness of the integrity and compliance measures adopted by Italmobiliare and its subsidiaries, no cases of active or passive corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations occurred in 2024. The Supervisory Body has not received any reports, via email or through the whistleblowing platform, of alleged illicit behaviour or conduct contrary to the Code of Ethics.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

G1-5

The limits on the exercise of political influence and lobbying activity are clearly regulated by the Group's governance documents, under the responsibility and supervision of the Board of Directors, the Board of Statutory Auditors and, for specific aspects, the Supervisory Body.

No member of the Board of Directors or the Board of Statutory Auditors of Italmobiliare has held comparable positions in the public administration in the two years preceding their appointment. In CDS-Casa della Salute, a member of the Board of Directors was a Municipal Councillor before his appointment and a member of the Board of Statutory Auditors is currently a Mayor.

As stated in the Code of Ethics of Italmobiliare and the portfolio companies, staff participation in political organisations takes place outside working hours and without any connection with the person's function at the Company. Italmobiliare refrains from any direct or indirect pressure on politicians in order to obtain undue advantages. Any provision of direct or indirect contributions, in cash, in kind, or in any other form to political parties, movements, committees and other political and trade union organisations is paid within the limits and in compliance with the transparency required by law and registered in accordance with the internal accounting procedures. No material contributions were recorded.

Italmobiliare is legally required to be registered with the Chamber of Commerce. Italmobiliare is not directly registered in the EU Transparency Register. It is indirectly through Assonime, an association of Italian joint-stock companies that aims to improve the quality of Italian and European regulation by studying its impact on the economic system and the functioning of the markets. Assonime acts as a link between companies and institutions by submitting the needs of companies to the institutions and assisting companies in the best application of the law. The role of Assonime has changed over time to follow the evolution of law and face new economic challenges, consolidating its historical expertise in the tax and corporate fields, and strengthening its expertise in the capital market, competition law, digital transformation and other areas of law and economics that play a fundamental role in the life of Italian companies. On all these fronts, the European dimension of the Association's activity has increased, following developments in the legislation produced by the European institutions. In recent years, its traditional tasks have been joined by a commitment to sustainability and digital innovation, enhancing the spaces opened up by European legislation.

Italmobiliare considers active participation in industry or professional representative organisations, whether mandatory or voluntary, governmental or non-governmental, as an opportunity to promote, disseminate and consolidate its sustainable strategic approach. Recipients who represent the Company in these situations are called upon to behave, express positions and make any other active contribution in line with the principles and rules contained in the Code of Ethics and related documents, such as the Sustainability Policies and the Responsible Investment Policy.

Lastly, active participation in associations is also relevant, encouraging or supporting common initiatives and the adoption of responsible business practices. The table on the following page shows the details of affiliations and related fees.

Company	**2024 affiliations and membership fees**	**K€**
Group	**Total**	**468.3**
	Sustainability Platforms	*34.2*
	Trade Organisations	*278.9*
	Other	*155.2*
Italmobiliare	**Total**	**114.0**
	Sustainability Platforms	*7.0*
	Trade Organisations	*55.0*
	Other	*52.0*
Caffè Borbone	**Total**	**195.1**
	Sustainability Platforms	*-*
	Trade Organisations	*105.0*
	Other	*90.1*
Officina Profumo-Farmaceutica di Santa Maria Novella	**Total**	**41.1**
	Sustainability Platforms	*1.1*
	Trade Organisations	*36.1*
	Other	*3.9*
Casa della Salute	**Total**	**32.5**
	Sustainability Platforms	*0.8*
	Trade Organisations	*31.7*
	Other	*1.4*
Italgen	**Total**	**30.8**
	Sustainability Platforms	*14.9*
	Trade Organisations	*14.7*
	Other	*1.3*
SIDI Sport	**Total**	**5.8**
	Sustainability Platforms	*0.8*
	Trade Organisations	*-*
	Other	*5.0*
Capitelli	**Total**	**8.3**
	Sustainability Platforms	*0.5*
	Trade Organisations	*7.8*
	Other	*-*
Callmewine	**Total**	**0.5**
	Sustainability Platforms	*0.5*
	Trade Organisations	*-*
	Other	*-*
Clessidra	**Total**	**37.3**
	Sustainability Platforms	*8.8*
	Trade Organisations	*28.5*
	Other	*1.5*

The elements contained in the table above are not part of the requirements of the ESRS standards and are reported only for completeness of information.

PAYMENT PRACTICES

G1-6

The way invoices are stored makes it difficult to identify SMEs among suppliers of goods and services. In any case, the payment methods are tracked in detail and make it possible to evaluate the number of days needed to complete payments.

Given the extreme heterogeneity of suppliers, in terms of geographical origin, size and type of supply, the various Group companies adopt different payment methods.

At Group level, 72% of invoices are paid within 30 days. 88% in total within 60 days. The under 30 day category includes many supplies, including strategic ones, which are paid in advance or in real time. The following table shows the percentage distribution of average payment days for each company.

Payments are in line with the established payment terms and there are no active legal proceedings pending for delays.

Number of Invoices paid in 2024	Average days for payment	Distribution of payment days				Total
		< 30	30-60	60-90	> 90	
Italmobiliare	26	1,161	305	144	51	**1,661**
		70%	18%	9%	3%	
Caffè Borbone	31	7,739	3,771	2,363	523	**14,396**
		54%	26%	16%	4%	
Officina Profumo-Farmaceutica di Santa Maria Novella *	30	4,530	1,320	195	1	**6,046**
		75%	22%	3%	0%	
Casa della Salute	21	18,310	1,732	1,844	189	**22,075**
		83%	8%	8%	1%	
Italgen	45	997	1,448	491	331	**3,267**
		31%	44%	15%	10%	
SIDI Sport	31	2,740	791	641	478	**4,650**
		59%	17%	14%	10%	
Capitelli	26	1,408	1,013	201	26	**2,648**
		53%	38%	8%	1%	
Callmewine	0	9,740	29	4	1	**9,774**
		100%	0%	0%	0%	
Clessidra Group	26	1,733	572	166	174	**2,645**
		66%	22%	6%	7%	
GROUP **	26	49,784	11,258	6,146	1,814	**69,002**
		72%	16%	9%	3%	

* The figures do not include subsidiaries in the USA and Japan
** It includes all other subsidiaries: Italmobiliare Servizi, Gres Hub, Gres Art, FTV, FT2, FT3, ITM Bacco, Punta Ala, Sirap Gema, Credit Mobilier, Sepac.

Annex | CSRD

Supplementary Data

GHG Emissions / CO_2 (tons CO2e)	Retrospective			Milestones and target years			
	Base year 2023	2024	% N/N-1	2025	2030	2050	Annual % target / Base year
Scope 1 emissions							
Gross Scope 1 emissions	**7,841**	**8,620**	**110%**				
Percentage of Scope 1 emissions from regulated emission trading schemes (%)	0%	0%	0%				
Scope 2 emissions							
Scope 2 - Location Based	5,150.1	7,921.6	154%				
Scope 2 - Market Based	**0.0**	**0.0**	--				
Scope 3 emissions							
Total Scope 3 emissions	**2,169,942**	**1,410,729**	**65%**				
1 - Purchased goods and services	209,519	293,764	140%				
2 - Capital goods	11,186	15,884	142%				
3 - Fuel and energy-related activities	29,554	10,422	35%				
4 - Upstream transportation and distribution	22,152	24,646	111%	Italmobiliare's decarbonization targets have been validated by the Science Basd Target initiative (SBTi) team of experts. The SBTi targets, described in detail on page B36 together with the progress made, inform Italmobiliare's climate transition plan and ensure its alignment with the +1.5 °C scenario established by the Paris Agreement.			
5 - Waste generated in operations	206	85	41%				
6 - Business traveling	1,239	1,650	133%				
7 - Employee commuting	1,513	1,693	112%				
8 - Upstream leased assets	9	18	193%				
9 - Downstream transportationi	5,855	3,916	67%				
10 - Processing of sold products	125	121	96%				
11 - Use of sold products	52,222	69,667	133%				
12 - End-of-life treatment of sold products	2,068	2,010	97%				
13 - Downstream leased assets	--	--	--				
14 - Franchising	93	132	142%				
15 - Investments	1,834,199	986,721	54%				
Total emissions							
Location Based	2,182,933	1,427,270	65%				
Market Based	**2,177,783**	**1,419,349**	**65%**				

Principal conversion and emissions factors

Source		units	2022	2023	2024
UK Government - GHG Conversion Factors for Company Reporting 2020/2021/2022	**Electricity**	GJ/kWh	0.036	0.036	0.036
	Natural gas (methane)	GJ/t	45.195	45.522	45.627
		kg/mc	0.794	0.795	0.796
		GJ/mc	0.035885	0.036190	0.036319
	Gas oil	GJ/t	42.569	42.569	42.569
		l/t	1184.00	1187.00	1171.00
		GJ/l	0.035953547	0.035862679	0.036352690
	Diesel	GJ/t	42.602	42.730	42.719
		l/t	1185.78	1200.72	1199.73
		GJ/l	0.036	0.036	0.036
	Petrol	GJ/t	43.616	43.184	43.037
		l/t	1342.86	1338.07	1332.93
		GJ/l	0.032479931	0.032273301	0.032287469
	LPG	GJ/t	45.944	45.956	45.944
		l/t	1887.84	1882.89	1887.69
		GJ/l	0.024336770	0.024407122	0.024338807
	Biodiesel	GJ/t	--	--	44.000
		l/t	--	--	1282.05
		GJ/l	--	--	0.034320008

Source		units	2022	2023	2024
UK Government - GHG Conversion Factors for Company Reporting 2018/2019/2020	**Natural gas (methane)**	tCO_2e/m^3	0.00201574	0.00203839	0.00204542
	Gas oil for production processes and heating	tCO_2e/l	0.00275857	0.00275541	0.00275541
	Diesel		0.00269880	0.00251206	0.00266155
	Petrol		0.00216185	0.00209747	0.00208440
			0.00016751	0.00016751	0.00016751
	LPG		0.00155709	0.00155713	0.00155713
European Regulation on F-gases 517/2014	**R-407C**	GWP	1,774	1,624	1,624
	HFC R134		1,430	1,430	1430
	R-22		1,810	1,810	1,760
	R-404A		3,922	3,943	3,943
AIB, Association of Issuing Bodies	**Italy**	tCO2e/kWh Location Based	0.000331	0.000331	0.000431
	Romania		0.000272	0.000272	0.000208
	France		0.000107	0.000107	0.000034
	UK		0.000188	0.000188	0.000314
CaDi, GHG Emissions Factors for International Grid Electricity	**USA**		0.000407	0.000407	0.000375
	Japan		0.000462	0.000462	0.000458
AIB, Association of Issuing Bodies	**Italy**	tCO2e/kWh Market Based	0.000457	0.000457	0.000501
	Romania		0.000276	0.000276	0.000213
	France		0.000125	0.000125	0.000041
	UK		0.000365	0.000365	0.000388
CaDi, GHG Emissions Factors for International Grid Electricity	**USA**		0.000407	0.000407	0.000375
	Japan		0.000462	0.000462	0.000458

Annex | CSRD

Certification pursuant to art. 154-bis para. 5-ter CLF

ITALMOBILIARE
INVESTMENT HOLDING

Certification pursuant to art. 154-bis paragraph 5-ter of the Italian Consolidated Law on Finance (CLF) regarding the Sustainability Reporting pursuant to art. 81-ter, paragraph 1, of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions

The undersigned Carlo Pesenti, Chief Executive Officer, and Mauro Torri, Manager in charge of financial reporting of Italmobiliare S.p.A., hereby certify, pursuant to art. 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of February 24, 1998, that the Sustainability Statements included in the Directors' Report were drawn up:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and of Legislative Decree no. 125 of 6 September, 2024;

b) with the specifications adopted pursuant to article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Milan, 6 March 2025

Chief Executive Officer	Manager in charge of financial reporting
Carlo Pesenti	Mauro Torri

Annex | CSRD

Report of the Independent Auditors

Deloitte & Touche S.p.A.
Via Santa Sofia, 28
20122 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

**INDEPENDENT AUDITOR'S
REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT
PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010**

**To the Shareholders of
Italmobiliare S.p.A.**

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the Italmobiliare Group (hereinafter also the "Group") for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Italmobiliare Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");

- the information included in the paragraph "Taxonomy"of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement. Our responsibilities pursuant to that standard are further described in the paragraph ***Auditor's** responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Deloitte.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information for the year ended on December 31, 2023 presented in the consolidated sustainability statement has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Italmobiliare S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with **the ESRS (hereinafter the "double materiality assessment process") a**nd for disclosing this **process in "Identification and assessment of impacts, risks and opportunities"** of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS
- compliance of the **information included in the paragraph "Taxonomy" with art. 8 of the** Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

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.

Deloitte.

Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain, as indicated in the paragraph **"Basis for preparation –Specific Circumstances".**

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;

- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;

- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

Deloitte.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the existence of estimates and to the complexity of the calculation methods, as well as quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte specialists, with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature;
- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, included the information related to the materiality assessment process;

Deloitte.

5

- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Massimiliano Semprini
Partner

Milan, Italy
March 24, 2025

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.*

Section 4

ITALMOBILIARE S.p.A.

Italmobiliare S.p.A.

Highlights

ITALMOBILIARE S.P.A. INVESTMENT HOLDING	ITALMOBILIARE GROUP CONSOLIDATED FIGURES	PORTFOLIO COMPANIES AGGREGATE VALUE (*)
REVENUE 140.1 mn€ (123.1 mn € in 2023)	CONSOLIDATED REVENUE 701.4 mn € (585.8 mn € in 2023)	REVENUE 1,607.1 mn € (1,476.5 mn € in 2023)
EBITDA 105.1 mn€ (67.7 mn € in 2023)	CONSOLIDATED EBITDA 157.2 mn € (99.2 mn € in 2023)	EBITDA 226.7 mn € (216.1 mn € in 2023)
PROFIT 104.8 mn€ (51.6 mn € in 2023)	CONSOLIDATED PROFIT 107.3 mn € (84.7 mn € in 2023)	PEOPLE 6,607 (6,462 in 2023)

(*) The Portfolio Companies Aggregate Value includes 100% of the Portfolio Companies figures (notwithstanding the percentage owned by Italmobiliare).

Financial information

KEY FIGURES

(in millions of euro)	2024	2023 (*)	Change %
Revenue and income	**140.1**	**123.1**	***13.8***
Gross operating profit (EBITDA)	**105.1**	**67.7**	***55.3***
% of revenue	*75.0*	*55.0*	
Amortisation and depreciation	(0.9)	(0.8)	
Operating profit (EBIT)	**104.2**	**66.9**	***55.8***
% of revenue	*74.3*	*54.3*	
Net finance costs	(0.1)	-	-
Impairment losses on financial assets	(5.8)	(19.2)	*(69.6)*
Profit/(loss) before tax	**98.2**	**47.7**	***>100***
% of revenue	*70.1*	*38.7*	
Income tax	6.5	4.0	*>100*
Profit/(loss) for the period	**104.8**	**51.6**	***>100***

(*) The 2023 figures have been restated for better comparability, as the management incentive previously accounted for as a reduction of the capital gain has been reclassified under "Personnel expenses". For further details, please refer to the section 'Measurement Criteria' in the separate financial statements.

(in millions of euro)	December 31, 2024	December 31, 2023
Equity	1,335.5	1,343.4
Net financial position	273.8	204.3
Employees (headcount) at the end of the year	44	45

Revenue and income for the year amounted to 140.1 million euro (123.1 million euro in 2023), and consisted of dividends from equity investments (52.2 million euro), gains and fair value gains on equity investments, funds and securities (39.7 million euro), other finance income (47.3 million euro) and revenue from services provided (1.0 million euro).

RESULTS IN ACCORDANCE WITH THE FINANCIAL MODEL

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

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

(in millions of euro)	2024	2023	Change %
Net gains (losses) on equity investments	86.0	74.5	*15.6*
Net gains on investments of cash and cash equivalents	41.0	10.3	*>100*
Total finance income/costs	**127.0**	**84.8**	***49.9***
Other expenses	(28.8)	(37.1)	*(22.5)*
Income tax	6.5	4.0	*63.2*
Profit/(loss) for the year	**104.8**	**51.6**	***>100***

Net income and charges from equity investments are positive for 86.0 million euro, up by 11.5 million euro compared with 74.5 million euro at December 31, 2023. This change is mainly due to the increase in dividends received, amounting to 6.0 million euro, compared to the previous year, and lower write-downs made in 2024 (+13.4 million euro), partially offset by lower capital gains on disposals (-7.9 million euro).

Net income and expenses from the investment of liquid assets, on the other hand, increased by 30.7 million euro, mainly due to the positive performance of the investment and private equity funds.

Other income and expenses are negative for 28.8 million euro, improving compared to the previous year, which was impacted by higher operating expenses of 6.4 million euro relating to the LTI disbursement for the previous three-year period and management incentives amounting to 2.6 million euro.

Taxes are positive for 6.5 million euro as they were positive for 4.0 million euro in 2023.

Equity of 1,335.5 million euro decreased by 7.9 million euro compared with the previous year, mainly due to the effect of dividends distributed to shareholders (126.9 million euro) and the negative change in the FVTOCI reserve for 1.1 million euro, partially offset by the profit for the year of 104.8 million euro and FVTOCI disposals during the year for 15.4 million euro.

The Company has invested in a portfolio of selected Italian and international Private Equity funds with a view to diversifying sectors and geographical areas, including several Clessidra funds (CCP3, CCP4, Restructuring, Private Debt, and CRF Parallel), BDT Capital Partners Funds II and III, Isomer Capital I, II and III, Isomer Capital Opportunities, Connect Ventures 3 and 4, Iconiq IV and V; Lindsay Goldberg Fund V and IV, Lindsay Aspire, Lauxera Growth I, 8-Bit Capital I, Expedition Growth Capital Fund I, Famiglia Fonds III GmbH (liquidated during the period), JAB Consumer, Visionaries Club Seed Fund II GmbH & Co. KG, Visionaries Club Growth Fund II GmbH & Co. KG, FOF Impact Investing, and Lakestar Growth II and IV. At December 31, 2024, the Private Equity funds showed an overall increase in value of 19.0 million euro, of which 19.8 million euro for the positive change in fair value and 24.3 million euro of new investments, and 6.0 million euro of positive exchange rate changes, partially offset by 31.1 million euro repaid on disinvestment.

NET FINANCIAL POSITION

(in millions of euro)	December 31, 2024	December 31, 2023
Current financial assets	**232.0**	**191.2**
Current financial liabilities	(2.3)	(4.7)
Current net financial position	**229.6**	**186.5**
Non-current financial assets	44.7	18.2
Non-current financial liabilities	(0.6)	(0.4)
Non-current net financial position	**44.1**	**17.8**
Net financial position	**273.8**	**204.3**

At December 31, 2024 the positive net financial position of Italmobiliare S.p.A. is showing an increase of 69.5 million euro, going from 204.3 million at December 31, 2023 to 273.8 million euro at December 31, 2024, allocated 33.9% to the Vontobel Fund, a multi-asset portfolio with a conservative risk profile in line with the Company's investment policies. Among the main outflows are: the net flow between payment of the ordinary dividend and dividends received (-75.6 million euro) and investments in portfolio companies, net of capital repayments (-19.1 million euro). These outflows were more than offset by the sales of AGN Energia (+100 million euro) and KKR Teemo Co-Invest (+20.9 million euro); the sale of Heidelberg Materials AG shares (+18.4 million euro); repayments, net of investments, from the private equity funds (3.1 million euro); tax refunds, net of overheads, taxes and incentive plans (5.1 million euro). Lastly, cash management was positive, generating 12.2 million euro.

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

SIGNIFICANT EVENTS OF THE PERIOD

On February 28, 2024, the sale of AGN Energia was completed, a company in which Italmobiliare held 32.02%. As a result of the sale, Italmobiliare received 100 million euro, with a capital gain of 40 million euro and a money-on-money return of 1.8x.

On August 16, 2024, the sale of KKR Teemo Co-Invest, co-investor vehicle in the FiberCop project, was completed. As a result of the sale, Italmobiliare received 21 million euro, with a money-on-money return of 2.0x.

RISKS AND UNCERTAINTIES

As in previous years, an integrated analysis of the main risk factors and related mitigation measures was again carried out in 2024. A number of analyses were performed, specifically:

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

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

Holding Company risks

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

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

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

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

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

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

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

Financing risks

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

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

Risks of fluctuation in interest and exchange rates

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

Legal and tax risks

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

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 B279, to which you are referred.

OUTLOOK

The business outlook for Italmobiliare S.p.A. is explained in the relevant section on page B282, to which you are referred.

Social information

The data and information reported below, relating to the Company and used for the preparation of the Sustainability Report, are not part of it and are therefore not subject to limited assurance. These data and information are included solely for informational purposes. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the Group's sustainability reporting. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

HUMAN CAPITAL DEVELOPMENT

ESRS S1 – Own Workforce

At the end of 2024, Italmobiliare has a team of 44 motivated and specialised people, all covered by a collective bargaining agreement. 46% 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 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. A renewal of the *performance appraisal* system is underway, integrating the already-existing MBO system for management functions and formalizing the interactions between the Human Resources Director and the other functional managers and between the managers and their collaborators.

Middle managers and office workers can join the Fondo Fonte supplementary pension plan, while the managers the Fondo Previp. In both cases, the participation of the Company becomes mandatory as the employees register. In 2023, the contribution paid by Italmobiliare was 2.2% for members of the Fondo Fonte and 4% for members of the Fondo Previp.

			2022			2023			2024
	Women	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Personnel	**23**	**24**	**47**	**25**	**20**	**45**	**24**	**20**	**44**
Managers	6	14	20	7	13	20	7	13	20
Middle managers	6	4	10	7	3	10	6	2	8
Office workers	11	6	17	11	4	15	11	5	16
Turnover	--	--	**4**	--	--	**-2**	--	--	**-1**
+ Hirings		--	4	--	--	2	--	--	3
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	0	--	--	1	--	--	2
- Non-voluntary exits	--	--	0	--	--	1	--	--	0
- Divestments	--	--	0	--	--	2	--	--	2
% contract: *permanent*	100%	96%	98%	100%	100%	100%	96%	95%	95%
% contract: *full time*	96%	96%	96%	96%	100%	98%	96%	95%	95%
Training									
Hours per capita	28	24	26	30	34	32	27	32	29
Managers	42	21	27	46	30	36	40	32	35
Middle managers	29	40	33	46	81	57	44	66	50
Office workers	21	22	21	9	11	10	10	18	12
% hours of voluntary training	--	--	--	97%	100%	98%	93%	93%	93%
Managers	--	--	--	100%	100%	100%	94%	92%	93%
Middle managers	--	--	--	93%	100%	96%	92%	98%	94%
Office workers	--	--	--	100%	100%	100%	96%	92%	94%

% with at least one training session	--	--	--	100%	88%	94%	96%	95%	96%
Managers	--	--	--	100%	86%	90%	100%	100%	100%
Middle managers	--	--	--	100%	75%	91%	88%	100%	91%
Office workers	--	--	--	100%	100%	100%	100%	80%	94%
% with performance appraisal	**30%**	**58%**	**45%**	**28%**	**75%**	**49%**	**38%**	**80%**	**57%**
Managers	100%	86%	90%	100%	100%	100%	100%	100%	100%
Middle managers	17%	50%	30%	0%	67%	20%	33%	100%	50%
Office workers	0%	0%	0%	0%	0%	0%	0%	20%	6%

Thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which are progressively being included in development plans.

	2022	2023	2024[1]
Gender pay gap *Difference between men's and women's average pay compared with men's average pay*	**65%**	**85%**	**74%**
*Managers**	57%	80%	63%
Middle managers	-37%	-30%	-14%
Office workers	-17%	-17%	-8%
Workers	--	--	--

* In 2023, the variable compensation of the three-year Long Term Incentive plan was paid.

HEALTH, SAFETY AND WELLBEING

ESRS S1 - Own Workforce

Italmobiliare promotes the health, safety and wellbeing of all employees, creating and maintaining safe offices and other workplaces as an essential condition for the professional growth and enhancement of its resources.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. A dedicated professional contact, the presence of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

			2022			2023			2024
Injuries	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Employees	--	--	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The psychological and physical wellbeing of people is promoted through the offer of health and social security benefits. For middle managers, office workers and intermediate staff, the Company provides a health plan for medical examinations and specialist tests, which covers all or part of the expense. As for management staff, a free annual check-up is provided at accredited facilities. Furthermore, Italmobiliare has activated for all its employees and their families a virtual primary care service accessible at any time of the week.

Furthermore, Italmobiliare offers its employees: remote working and flexibility of working hours, a portal dedicated to corporate welfare offering the possibility of purchasing goods and services for themselves and their families, such as health care, leisure, tuition and book reimbursement; the company restaurant, entirely free for all employees, designed as a people-friendly space that offers healthy food, respects the environment and inspires collaboration.

ITALMOBILIARE
INVESTMENT HOLDING

Section 5

PORTFOLIO COMPANIES

The data and information reported below, relating to individual companies and used for the preparation of the Sustainability Report, are not part of it and are therefore not subject to limited assurance. These data and information are included solely for informational purposes regarding the individual companies.

Caffè Borbone

(60% INTEREST)

Highlights

REVENUE
334.5 mn €
(300.4 mn € in 2023)

334
PEOPLE

GOLD MEDAL
ECOVADIS

EBITDA
67.5 mn €
(79.7 mn € in 2023)

2.6 billion
NUMBER OF PIECES/YEAR OF SINGLE-SERVE COFFEE

97% process
75% packaging
RENEWABLE ORIGIN

PROFIT
36.9 mn €
(48.0 mn € in 2023)

1°
LEADER IN ITALY IN SINGLE-SERVE COFFEE PODS

~6,800
TRAINING HOURS
(+43% vs 2023)

Strategic Objectives

- To consolidate its leadership in Italy in the single-serve coffee sector.
- To bring the excellence, taste and quality of Neapolitan coffee to the rest of the world.
- To make the single-serve coffee experience fully sustainable.

Profile

THE COMPANY

Founded in 1999 as a small roastery inspired by the centuries-old tradition of Neapolitan coffee, Caffè Borbone quickly became one of the leading Italian producers of single-serve coffee. The company's growth was fuelled by the quality of a product that was in constant evolution, one that was able to attract and retain different types of consumers looking for an authentic flavour. Over the years, Caffè Borbone has created a brand that is much loved and easily recognised, progressively expanding thanks to a widespread presence in all of the main distribution channels. Today, the company is market leader in Italy in the compostable pod sector and second in the compatible capsule segment. It has also begun a process of internationalisation, initially in Europe and then in the United States.

The company's headquarters are located in Caivano, in the province of Naples, where the original production plant is also located. It extends over an area of more than 50,000 square metres, employs more than 300 people and is powered by 100% renewable energy. Every year, over 30,000 tons of coffee are processed here, combining tradition with the search for new flavours to satisfy changing consumer habits. The result is a range of high-quality products and formats to suit every taste and use, compatible with all of the major dispensing systems on the market.

For Caffè Borbone, adding sustainable value to a product of recognised quality is a strategic choice: excellent coffee, produced while pursuing global and local social responsibility objectives, through initiatives to monitor the coffee's supply chain and thanks to a wide range of compostable or recyclable products and packaging. The company is also strongly committed to promoting Italy and Italian cultural and artistic values through important partnerships, such as those with the Teatro alla Scala in Milan, the Teatro San Carlo in Naples and the Teatro del Maggio Musicale Fiorentino in Florence.

RECENT DEVELOPMENTS

Italmobiliare Group acquired a majority stake in Caffè Borbone in 2018, with the aim of helping it to develop its full potential. This led to a more intense use of all sales channels available on the Italian market, the start of internationalisation and development of the product range, further consolidating the strength of the brand. Turnover has more than tripled, from 93 million in 2017 to 300 million in 2023, and the personnel has increased significantly, to over 300 employees.

A crucial element in the company's growth was the plan to reinforce the management team. Over the years, many experienced professionals have joined the team, integrating and completing the first managerial lines. The strong growth in results was achieved thanks to development of the large-scale retail trade and online sales channels, while at the same time strengthening the organisation dedicated to the professional channel (coffee specialist). Caffè Borbone acquired its American distributor, establishing the newco Caffè Borbone America Corp, which has been operating directly on the US market since 2023. The company also activated distribution channels in a number of select European markets, rapidly building up foreign sales.

Since the entry of Italmobiliare, more than 70 million euro has been invested, most of it destined to increase production capacity, efficiency, sustainability and safety of the plant. In Caivano, the existing structures have been expanded and new warehouses for green coffee beans and the finished product have been built, as well as new silos for the automatic selection and unloading of coffee, new cutting-edge sorters capable of identifying and discarding non-compliant beans and two photovoltaic systems with 1.5 MW of installed capacity, capable of producing around 10% of the plant's electricity needs and since 2022 it has only been using renewable electricity.

Numerous product innovations have been developed over the years, with the aims of expanding the range and adding sustainable value to a product of renowned quality. Caffè Borbone was the first player in the sector to introduce the compostable pod to the market, which can be disposed of in organic waste and with a wrapping that is recyclable in the paper collection. Today, it is the company's flagship product. The product range has also been expanded with the launch of aluminium capsules that are compatible with the Nespresso system, others that are compatible with Bialetti and Caffitaly, new blends, an innovative line of soluble products and coffee creamers.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	**334.5**	**300.4**	***11.4***
Gross operating profit (EBITDA)	**67.5**	**79.7**	***(15.3)***
% of revenue	*20.2*	*26.5*	
Amortisation and depreciation	(12.2)	(11.5)	
Operating profit (EBIT)	**55.3**	**68.2**	***(18.9)***
% of revenue	*16.5*	*22.7*	
Net finance income (costs)	(1.5)	(1.4)	*n.s.*
Profit/(loss) before tax	**53.8**	**66.8**	***(19.4)***
% of revenue	*16.1*	*22.2*	
Income tax	(16.9)	(18.8)	*(10.0)*
Profit/(loss) for the period	**36.9**	**48.0**	***(23.1)***

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

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023 (*)
Cash flows from investing activities	13.1	9.7
Free Cash Flow	(36.0)	69.2
Net financial position	(68.9)	17.1
Total equity	374.2	387.2
Employees (headcount) at the end of the year	334	304

(*) The 2023 figures have been restated to allow their comparability.

In 2024, Caffè Borbone gave a further boost to its development path, taking various steps to prepare for future growth and consolidating its market position in a context made extremely challenging by the continuous increase in the cost of its raw material, namely coffee. In particular, during the year:

- The new 2025-2028 strategic plan was defined with a view to further consolidation of the company's leadership in the single-serve coffee segment in Italy and growth in international markets, particularly in Europe and the United States.
- The organisational structure was further strengthened, reinforcing the Research and Development and Trade Marketing Divisions and appointing a Business Development Manager.
- Caffè Borbone continued its ESG journey by joining the Science Based Targets initiative (SBTi) and obtaining the Gold Medal in the EcoVadis Sustainability Rating. For further details, please refer to the section on “General and Governance Information”.
- Marketing activities to support brand growth continues. Specifically, Caffè Borbone is the second most spontaneously recognised brand in Italy and won three awards at the Branded Content & Entertainment Awards 2024 for the communication campaign developed as part of the *Stasera C'è Cattelan* programme on Rai 2. The company also won two awards at the Brands Award 2024, recognitions dedicated to the best brands in consumer goods.
- The company completed construction work on the new logistics hub, which became operational in the second half of 2024.

Caffè Borbone ended 2024 with revenue up to 334.5 million euro, an increase of 11.4% compared with the previous year. Looking at volumes, single-serve coffee, the company's key product, turned in growth of 6%. There was a good performance on the part of coffee beans, which grew by 25% during the year, driven by foreign markets.

In terms of channels, the large-scale retail trade posted a 32% increase and led the company's growth, which also recorded good performances in the digital channel - which includes direct e-commerce, Amazon and specialist portals - and on foreign markets.

During the year, the company's income statement was penalised by the high cost of coffee at source. In particular, the increase in the price of Robusta coffee, which again reached all-time highs, rising to 6 dollars per kilo, resulting in an increase in the cost of coffee on the income statement of 44.8 million euro compared with the previous year. In this challenging context, the company has proven itself capable of maintaining a good margin, which stands at 20.2% of revenue, with a gross operating profit (EBITDA) of 67.5 million euro.

Net of amortisation and depreciation, which are up slightly, the operating profit comes to 55.3 million euro. Income tax for the year amounts to 16.9 million euro (compared with 18.8 million euro at 31 December 2023), net of which the profit for 2024 comes to 36.9 million euro.

Capital investment amounts to 13.1 million euro, mainly for the new logistics hub.

The net financial position at December 31, 2024 is negative for 68.9 million euro, already net of the distribution of dividends for 50.0 million euro made during the period. If we eliminate the payment of dividends, cash generation[1] during the year was negative for 36.0 million euro, which is more than justified by the absorption of 53.7 million euro of working capital mainly caused by the growth in value of green coffee stocks. This is partly due to an increase in volumes and days of coverage to counteract the growing complexity of the market, partly due to longer procurement times and partly due to the increasing unit cost of the raw material itself.

LITIGATION AND DISPUTES PENDING

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

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The scenario continues to suffer a high level of uncertainty due to the cost of coffee. In terms of margins, a further increase in the price of Robusta coffee was posted in early 2025, reaching a new all-time high. Management will continue to monitor this evolution in the cost of raw materials in general and of coffee in particular, reserving the right to increase prices if this proves necessary.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2024 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

General and governance information

REPORTING

ESRS 2 - General information - Basis for preparation

The reporting includes performance, data and information on the holding company Caffè Borbone and its subsidiary in the USA, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance
ESRS G1 - Business Conduct

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.

Position	Name and Surname	Gender
Chairman	Massimo Renda	M
Deputy Chairman	Carlo Pesenti	M
CEO / General Manager	Marco Schiavon	M
Director	Sara Ciavorella	F
Director	Giuliano Palermo	M
Director	Antonio Sala	M

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company 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 deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Caffè Borbone has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world’s largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women’s Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company’s approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Caffè Borbone in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Caffè Borbone adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

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 for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management systems** adopted and certified (ISO 9001 for quality, ISO 14001 for environmental management, ISO 45001 for health and safety, ISO 50001 for energy management, IFS for food safety) - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Moreover, in 2024 Caffè Borbone received a Gold Medal from Ecovadis, one of the most important international sustainability rating platforms.

The quality of the sustainable governance system has also been recognised by obtaining the Legality Rating issued by the Competition and Market Authority (AGCM in Italian), a synthetic indicator of compliance with high standards of legality by companies.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 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 illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

With the Partnership Charter, an evolution of the previous Supplier Charter, Caffè Borbone aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency. This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	785	868	622
Purchase of products and services	M€	228.6	302.3	281.9
national suppliers	M€	180.4	221.5	178.7
foreign suppliers	M€	48.2	80.8	103.2
Spending on local suppliers (headquarters on national territory)	**%**	**79%**	**73%**	**63%**

	2022		2023		2024	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	608	100%	72	100%

The main areas in the supply chain are the procurement of green coffee, packaging materials and logistics and distribution services, which together account for over 60% of the total spending.

In 2024, the main countries of origin of the coffee used were Uganda, Vietnam, Brazil, and India. Coffee supplies require particular attention to the risks associated with respect for human and labour rights, as well as for environmental aspects such as deforestation and those of *business integrity*. To this end, Caffè Borbone creates partnerships with coffee suppliers, relying on selected international intermediaries committed to sustainability, who offer ample guarantees to align with international standards and to actively promote a sustainable coffee supply chain. Caffè Borbone aims at combining quality with responsibility and integrity in the supply chain to favour agricultural practices in balance with ecosystems, resilient to climate change and attentive to social needs, women, indigenous peoples, and farmers' families.

Caffè Borbone has continued sourcing **certified supply lots** from third-party verified traceability and integrity systems, which in 2024 accounted for approximately 45% of the coffee used. 80% of certified coffee purchased by 2026 remains the leading objective. Furthermore, in-depth sessions have been scheduled throughout the year with the most relevant coffee suppliers in order to share sustainability plans and actions, most importantly covering the fight against deforestation and climate change, in accordance with the ambitious decarbonisation goals of Caffè Borbone.

This engagement activity is also extended to the main suppliers of production and packaging materials.

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Caffè Borbone’s sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	**75%**	**2027**	--	--	**--**
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	**2025**	--	--	**✓ ***
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	**0**	**2025**	4.4	8.0	**1.8**
Gender and human capital development	Training hours per employee	**30**	**2027**	12	14	**20**

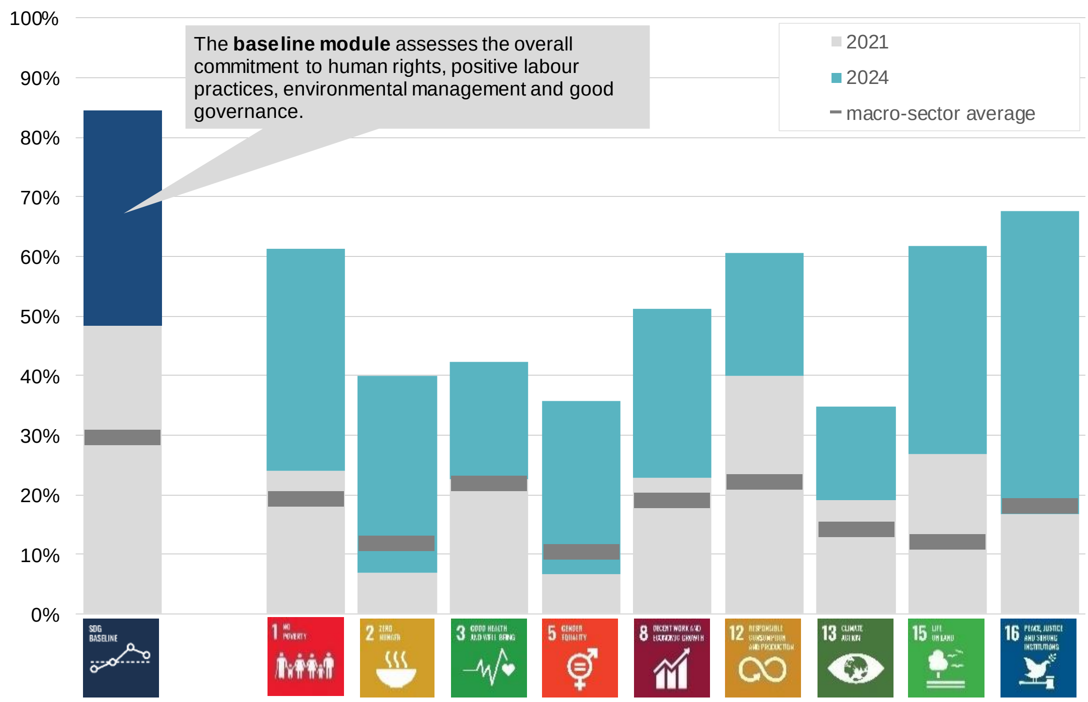
* Targets validated by SBTi on March 2025. Details can be found in the “Low-Carbon Transition” section.

Furthermore, Caffè Borbone integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Caffè Borbone: Commitment to the SDGs

Environment	12	Ensure sustainable production and consumption models.
	13	Promote actions at all levels to combat climate change.
	15	Protect, restore and promote sustainable use of the earth's ecosystem.
Society	1	End all forms of poverty worldwide.
	2	End hunger, achieve food security, improve nutrition, and promote sustainable agriculture.
	3	Ensure health and well-being for all at all ages.
	5	Achieve gender equality and empower all women and girls.
	8	Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance	16	Peace, justice, and strong institutions.
	17	Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



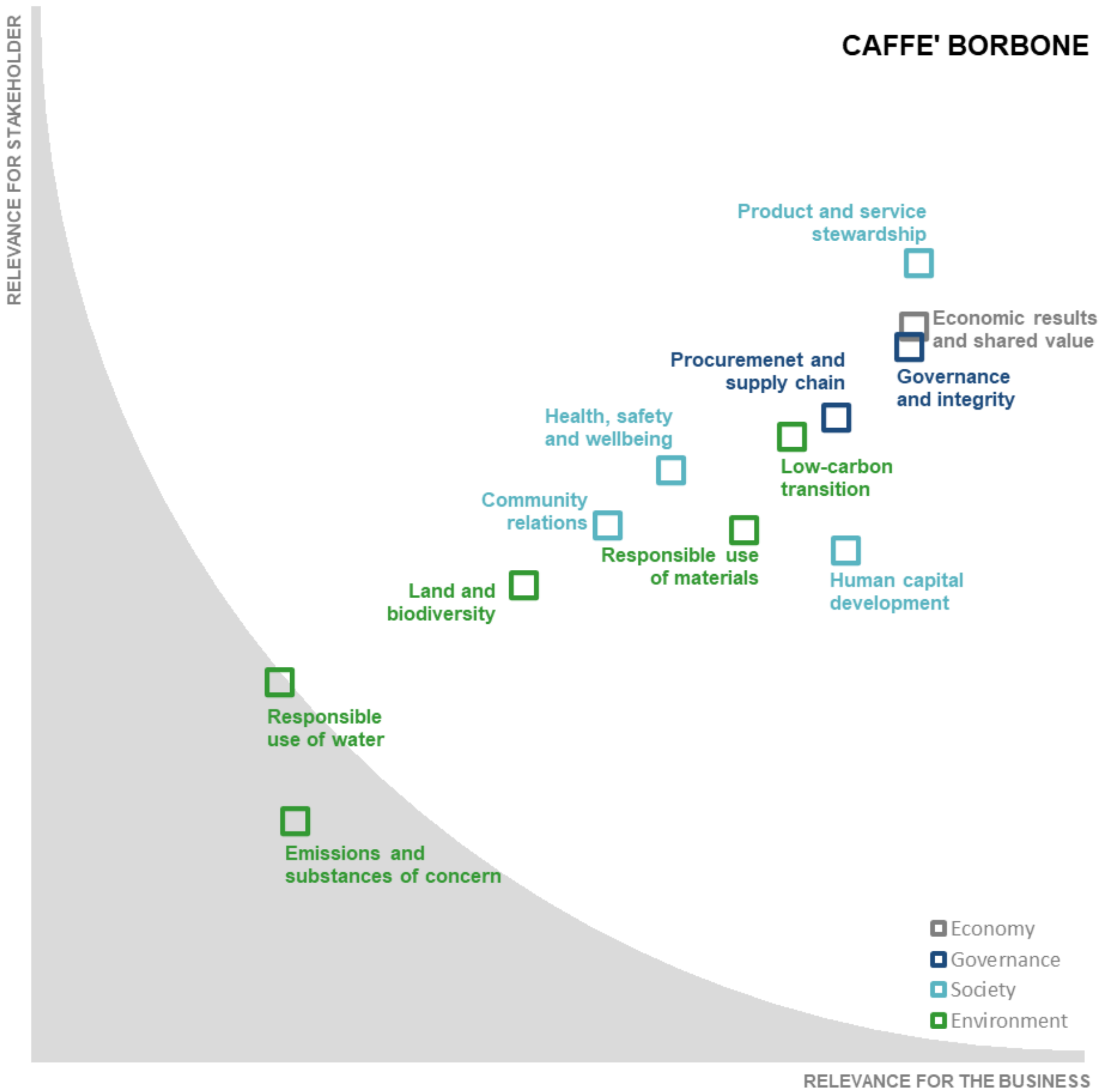
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and positive ▲ Impacts		Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance & integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-respect for human rights, labour rights and equal opportunities along the raw material supply chain especially in coffee producing countries.	M	• Activation of a protected system of whistleblowing that is open to all stakeholders. • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners. • A progressive increase in the purchase of certified coffee lots. • Progressive modernisation of production machinery.
	▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities. ▲ Develop R&D partnerships and projects based on innovation and sustainability.	S	
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S	• Continuous and differentiated training for the various professional roles • Gradual adoption of incentive plans • Corporate welfare
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S	• Continuous promotion of a safety culture. • Safety Audit.
	▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S	
Community relations	▲ Projects along the value chain aimed at developing skills and promoting entrepreneurial initiatives of women and young people.	S	• Continuation of the Mwanyi project and development of a new edition with updated objectives.
Product and service stewardship	▲ Safe products that can support sustainable choices for customers, consumers and users. ▲ Product communication aimed at promoting equal opportunities and practices for the correct management of the product's "end of life".	S	• Alignment with food standards of the various markets served and a progressive improvement in packaging. • IFS certification. • New system for handling incoming coffee and feeding it to roasters using an optical sorting system. • Communication initiatives for the correct recovery of pods and flow packs.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets. • New photovoltaic system for a total installed capacity of over 1.5 MW. • Sourcing coffee lots with decarbonisation specifications.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	S	
Emissions and substances of concern	▲ Particular attention to the control and monitoring of atmospheric emissions connected to the production process (roasting)	S	• Monitoring and control plan, improvement of abatement systems
Responsible use of water	▲ Particular attention to the use of water as the company is well aware that it operates in an area subject to water stress.	S	• Attention and modernisation of the water treatment plant.
Land and biodiversity	▲ Promotion of practices aimed at a better use of land to avoid resorting to deforestation to guarantee the production required by the market	M	• Direct involvement of coffee traders for an increase in certified lots and early commitment to EUDR (European Anti-Deforestation Regulation).
Responsible use of materials	▲ Product and packaging design with responsible selection and use of materials and waste minimisation, promoting correct end-of-life and reduction of environmental footprint.	S	• ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of products and packaging. • A progressive increase in the range of products with single-material or compostable packaging.

S = Short term **M** = Medium term **L = Long term**

	Risks ▼ and Opportunities ▲	Mitigations and initiatives adopted
Economic results and shared value	▼ Possible difficulties in entering foreign markets. Entering foreign markets is an opportunity; however, the dynamics involved in new and different markets can create critical aspects with respect to the development plan. ▲ Possibility of a growth trajectory on foreign markets	• Projects and staff dedicated to new markets. • Brand strengthening. • International development in Europe and the USA.
	▼ Variability of the cost of coffee* and the related possibility of implementing the necessary pricing policies even in a highly competitive context.	• Flexibility of green coffee stocks • Systematic contacts with strategic suppliers and diversification of supply sources/areas. • Evaluation of hedging strategies. • Widespread coverage of sales channels by strengthening both the sales network and the central structures. • Continuous monitoring of margins and pricing policies.
Governance and integrity	▼ Partial implementation of the ESG strategy, also because of dependence on third parties.	• Investment in human resources and in-house training. • Request to share objectives for strategic suppliers by supporting and stimulating activities. • Adhesion to SBTi (2024), target validation (2025) and ESG plans.
Procurement and supply chain	▼ Risk** of increases in the cost of coffee, packaging material and logistics for a value chain that is considerably exposed to industry regulations, including: • Anti-deforestation (EUDR). • Supply Chain Due Diligence (CSDDD). • Packaging Requirements Regulation (PPWR). • ETS and fuel regulations (Green Mobility - FuelEU Maritime Regulation). ▲ Strengthening the sustainable supply chain.	• ESG qualification of suppliers • Purchase of certified coffee (target 80% by 2026), EUDR-compliant and connected to decarbonisation projects, also to retain trader loyalty. • Purchase of packaging and packaging materials tied to decarbonisation projects, also to retain supplier loyalty • Logistics optimisation • R&D for product evolution
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	• Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company. • Safety Audit.
Product and service stewardship	▼ Risk of product quality and safety levels not fully in line with company standards. ▲ Development of new sustainable products and expansion of the product portfolio/range.	• Complete product traceability system, from production to distribution, which makes it possible to isolate any critical issues. • Periodic analyses of raw materials and finished products, aimed at food defence. • Certification of management systems according to IFS and ISO45001. • Optical sorting system at raw coffee feed-in silos. • Strengthening of the organisational structure and introduction of further controls, particularly in the R&D area.
Low-carbon transition	▼ Reduction in demand (single-serve) due to the growing sensitivity of distributors and consumers to product sustainability with particular attention to the carbon footprint, which depends on: • Origin of the coffee from sustainable and low-carbon footprint crops. • Use of primary packaging that is compostable and/or with a lower plastic content. • Use of secondary packaging from low-carbon supply chains. • Mix of beans/ground coffee/single-serve. ▼ Increase in the purchase cost of machinery and packaging in the long term, due to the evolution of technologies adopted by suppliers to address decarbonisation (e.g. electric coffee roasters) ▲ Evolution of primary and secondary packaging ahead of regulations (e.g. the Packaging Regulation) and market trends through consolidation of the pod market, a progressive increase in compostable capsules, a reduction in the use of plastic and other aspects. ▲ Growing sensitivity of sales channels (large-scale retail trade) to product sustainability with possible effects on volumes sold	• SBTi implementation: coffee supply contracts tied to decarbonisation projects • SBTi implementation: supply contracts for packaging and packaging materials linked to decarbonisation projects • Increase in single-serve compostable products • Communication of the intrinsic sustainability of the main product (pods) • Elimination of non-recyclable plastics and reduction of plastic packaging. • Effective communication of the decarbonisation strategy and SBTi commitments • Monitoring of the biogas/biomethane market and carbon credits from biogas/biomethane (in relation to SBTi) • Active role towards roasting machine suppliers to stimulate the introduction of low carbon technologies • Active role towards suppliers of packaging materials and machines to stimulate the introduction of low carbon technologies

* Also physical climate risk, due to extreme weather events at the plantations.
** Also climate transition risk.

= positive outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Caffè Borbone joined the Science Based Targets initiative (SBTi). The targets that have been identified have been validated by the SBTi team of experts. Caffè Borbone has taken a commitment to mitigate the climate-altering effects of its activity along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging. Furthermore, from 2022 Caffè Borbone has been using only renewable electricity, partly self-produced.

The following table shows details of the decarbonisation objectives validated by SBTi.

Objectives validated by SBTi

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by **42%** before the end of **2030** and by **90%** before the end of **2050** compared with the base year 2022.	+32%
	To continue buying **100%** renewable electricity every year until **2030**	100%
Scope 3 Forest, Land and Agriculture (FLAG) emissions	Reduce absolute FLAG emissions by **30.3%** before the end of **2030** and by **72%** by the end of **2050** compared with the base year 2022.	+56%*
Scope 3 non-FLAG emissions	To reach **50% of spending** (purchasing of goods, services, energy and upstream logistics) with validated SBTi objectives by the end of **2029**.	13%**
Scope 3	To reduce absolute Scope 3 emissions by **90%** before the end of **2050** compared with the base year 2022.	+42%
Scope 1+2+3	To reach **Net Zero** emissions along the entire value chain by the end of **2050**.	+41% *

* Results influenced by forward purchases of green coffee, well beyond annual requirements, aimed at mitigating price/availability risk. Without the purchased surplus, the values would essentially be in line with the base year.
** An additional 11% of spending has already formalised its SBTi commitment and is entering the target validation process.

The energy consumption and energy mix of Caffè Borbone are reported in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels	MWh	**26,091**	**28,772**	**34,017**
Natural gas		25,666	24,522	30,954
Diesel and LPG, for process		0	3,713	2,364
Automotive fuels		425	537	699
Thermal energy consumption from renewable sources	MWh	0	0	15
Biodiesel		0	0	15
Energy consumption from renewable sources		**8,244**	**9,115**	**10,642**
Hydroelectric		8,244	8,529	9,745
Solar		0	536	629
Wind		0	0	0
Other/Mix		0	49	268
Consumption of purchased renewable electricity		8,244	8,578	10,013
Consumption of self-produced renewable electricity		0	536	629
Total energy consumption	**MWh**	**34,335**	**37,887**	**44,674**
% of fossil fuels on total energy consumption		76%	76%	76%
% of renewable sources on total energy consumption		24%	24%	24%
Energy intensity	**MWh/M€ Revenue**	**131**	**126**	**134**
Electricity self-produced from renewable sources	MWh	**113**	**701**	**796**
Solar		113	701	796
Renewable electricity self-produced and fed into the grid		**113**	**164**	**168**

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiaries, Caffè Borbone adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based	t CO2e	**259,309**	**259,117**	**375,631**
Location based		262,038	261,960	379,933
Carbon Intensity – Market based	t CO2e / M€ Revenue	**987**	**863**	**1,123**
Carbon Intensity – Location based		997	872	1,136
Scope 1		20	20	21
Scope 2 – Location Based		10	9	13
Scope 2 – Market Based		0	0	0
Scope 3		967	843	1,102

Avoided emissions (location based)	unit	2022	2023	2024
Avoided emissions	t CO2e	**37**	**54**	**72**
From photovoltaic production fed into the grid		37	54	72

Carbon footprint Details *	unit	2022	2023	2024	2024
Carbon footprint – Market based	t CO2e	**259,309**	**259,117**	**375,631**	
Scope 3 - Upstream	t CO2e	**204,072**	**200,358**	**298,731**	**79.5%**
1 Purchased products and services **		177,323	171,188	260,242	69.3%
of which FLAG		134,228	128,028	216,430	57.6%
2 Capital goods		1,530	5,898	12,653	3.4%
3 Fuel-and energy-related activities		1,056	1,110	1,325	0.4%
4 Upstream transportation and distribution		23,374	21,330	23,701	6.3%
5 Waste generated by the sites		148	73	31	0.0%
6 Business travel		67	132	196	0.1%
7 Employee commuting		574	627	580	0.2%
8 Upstream leased assets		--	--	--	
Scope 1		**5,304**	**5,961**	**7,004**	**1.9%**
Scope 2 – Market Based		**0**	**0**	**0**	**0.0%**
Scope 2 – Location Based		2,729	2,843	4,302	
Scope 3 - Downstream		**49,933**	**52,798**	**69,896**	**18.6%**
9 Downstream transportation and distribution		138	147	196	0.1%
10 Processing of sold products		--	--	--	
11 Use of sold products		48,121	50,931	67,998	18.1%
Direct use		1,867	1,142	2,600	0.7%
Indirect use		46,254	49,789	65,398	17.4%
12 End-of-life treatment of sold products		1,675	1,720	1,702	0.5%
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

** The significant increase recorded in 2024 includes at least 80 kt of CO2 due to forward purchases of green coffee, well above annual requirements, aimed at mitigating price/availability risk.

In line with the Italmobiliare Group, Caffè Borbone applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the Network for Greening the Financial System (NGFS).

EMISSIONS AND SUBSTANCES OF CONCERN

ESRS E2 - Pollution

The production plant in Caivano (NA) has channelled emissions covered by specific authorisations. The typical emission is that of volatile organic substances naturally present in coffee which can be released during roasting and other related operations.

The annual emission figures are calculated from sampling at emission points carried out by accredited laboratories.

Emissions of Volatile Organic Substances (VOCs)		2022	2023	2024
Caffè Borbone, Caivano plant (NA)	t	5.9	3.0	1.1

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

No material impacts, risks or opportunities have been highlighted in this area. Withdrawals and discharges from Caffè Borbone's activities do not affect marine resources in any way. Water withdrawal is mainly intended for sanitary uses. The resource is managed with particular attention as the Caivano (NA) plant is in an area at risk of water stress.

Water balance	Unit	2022	2023	2024
Withdrawals	m³	**12,544**	**13,216**	**18,411**
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		12,544	13,216	18,411
of which in water stressed areas		**12,544**	**13,216**	**18,356**
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		12,544	13,216	18,356
Water discharge		**12,544**	**13,216**	**18,411**
Surface water		12,544	13,216	18,356
Groundwater		0	0	0
Sewage		0	0	55
of which in water stressed areas		**12,544**	**13,216**	**18,356**
Surface water		12,544	13,216	18,356
Groundwater		0	0	0
Sewage		0	0	0
Water consumption		**0**	**0**	**0**
of which in water stressed areas		**0**	**0**	**0**
Intensity	**m³ / M€ Revenue**	**0**	**0**	**0**

LAND AND BIODIVERSITY

ESRS E4 - Biodiversity and ecosystems

Caffè Borbone does not have direct activities with potential negative impacts on biodiversity and ecosystems. In any case, Caffè Borbone promotes anti-deforestation practices among its coffee suppliers in all countries of origin, in advance of industry regulations.

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

The management of raw materials begins with the selection of suppliers, through a process that includes an ESG prequalification and the definition of purchasing criteria aligned with decarbonisation objectives and the eco-design of formulations and packaging.

Raw materials and energy are sourced responsibly, with the aim of minimising waste. Already during the roasting process, the silverskins, the film that surrounds the coffee bean, and the under-sieve powders are recovered and sent for composting or other types of re-use. Computerised management of the entire process 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 at the Caivano (NA) plant is certified according to the ISO 14001 standard.

Main Resource Inflows

Biological origin		unit	2022	2023	2024
Process materials	Green coffee	t	29,299	29,773	44,437
	Compostable paper for pods		341	510	600
	Compostable plastic for capsules		2	10	4
Packaging materials	Paper and cardboard *	t	6,072	6,996	6,917
	Polylaminate (paper prevalence)		2,242	2,219	1,393
	EPAL (European Pallet Association) wooden pallets		1,666	1,791	1,697
	Non-EPAL (European Pallet Association) wooden pallets		1,866	1,959	2,284

Extractive or fossil origin		unit	2022	2023	2024
Process materials	Plastic for capsules	t	2,568	2,561	728
	Aluminium for capsules		5	177	462
Packaging materials	Aluminium	t	189	30	1.336
	Polylaminate (plastic prevalence)		1.657	1.771	1.786
	Plastic		284	338	398

* May contain fractions originating from by-products or waste streams.

Resource Inflows	2022		2023		2024	
	t	%	t	%	t	%
Production materials, semifinished goods and ancillaries	**31,573**		**33,152**		**46,234**	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	28,489	90%	30,404	92%	45,040	97%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	3,084	10%	2,748	8%	1,194	3%
of which recycled	0	0%	0	0%	0	0%
Packaging materials	**13,975**		**15,110**		**15,814**	
of which recycled	6,910	49%	8,807	58%	10,136	64%
Renewable or organic	9,603	69%	12,304	81%	11,868	75%
of which recycled	6,858	71%	8,787	71%	9,201	78%
Non-renewable or technical	4,372	31%	2,806	19%	3,946	25%
of which recycled	52	1%	21	1%	935	24%
Total materials	**45,548**		**48,262**		**62,047**	
of which recycled	6,910	15%	8,807	18%	10,136	16%
Renewable or organic	38,092	84%	42,708	88%	56,908	92%
of which recycled	6,858	18%	8,787	21%	9,201	16%
of which from sustainable supply chain	9,343	25%	16,438	38%	20,366	36%
Non-renewable or technical	7,456	16%	5,554	12%	5,140	8%
of which recycled	52	1%	21	0,4%	935	18%

	2022		2023		2024	
Resource Outflows	t	%	t	%	t	%
Total waste	**1,829**		**1,979**		**1,938**	
Recycled	--	--	4	0.2%	0	0.0%
Non-recycled	--	--	1,975	99.8%	1,938	100.0%
Non-hazardous waste	**1,829**	**100.0%**	**1,978**	**99.9%**	**1,922**	**99.2%**
Recycled	--	--	4	0.2%	0	0.0%
Non-recycled	--	--	1,974	99.8%	1,922	100.0%
Hazardous waste	**--**	**0.0%**	**1**	**0.1%**	**15**	**0.8%**
Recycled	--	--	0	0.0%	0	0.0%
Non-recycled	--	--	1	100.0%	15	100.0%

Resource Outflows	Unit	2022	2023	2024
Non-hazardous	t	**-**	**1,982**	**1,922**
Material recovery		**-**	**1,921**	**1,899**
Recycling (R3; R4; R5)		-	4	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4; R5)		-	4	0
Preparation for re-use (R2; R6; R9)		-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	1,913	1,899
Disposal		**-**	**61**	**24**
Landfill (D1)		-	0	0
Incineration (D10; D11)		-	0	0
Other disposal operations (D2-D9; D12-D15)		-	61	24
Hazardous	t	**-**	**1**	**15**
Material recovery		**-**	**0**	**2**
Recycling (R3; R4 ;R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4; R5)		-	0	0
Preparation for re-use (R2; R6; R9)		-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	0	2
Disposal		**-**	**1**	**13**
Landfill (D1)		-	0	0
Incineration (D10; D11)		-	0	0
Other disposal operations (D2-D9; D12-D15)		-	1	13

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Caffè Borbone benefits from the value of more than 300 specialised and motivated people. The new American branch is growing, counting 10 people at the end of 2024. Direct employees in Italy, by choice mainly of local origin, are all covered by collective bargaining agreements. 10% of managerial positions are held by women. 80 temporary workers, self-employed, project workers and agents add up to the total headcount.

			2022			2023			2024
	Women	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Personnel	**22**	**256**	**278**	**34**	**270**	**304**	**41**	**293**	**334**
Managers	1	7	8	2	12	14	1	14	15
Middle managers	2	7	9	4	13	17	3	21	24
Office workers	19	31	50	28	34	62	36	47	83
Production workers	0	211	211	0	211	211	1	211	212
Turnover	--	--	**44**	--	--	**62**	--	--	**64**
+ Hirings	--	--	31	--	--	43	--	--	47
+ Acquisitions	--	--	0	--	--	1	--	--	0
- Voluntary exits	--	--	11	--	--	8	--	--	9
- Non-voluntary exits	--	--	2	--	--	10	--	--	8
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	86%	93%	93%	85%	96%	94%	85%	97%	96%
% contract: full time	86%	97%	96%	88%	98%	97%	100%	100%	100%
Training									
Hours per capita	35	10	12	42	11	14	39	18	20
Managers	33	37	37	37	27	29	18	21	21
Middle managers	20	15	16	45	29	33	17	31	30
Office workers	36	19	25	41	30	35	42	45	44
Production workers	--	8	8	--	6	6	0	10	10
% hours of voluntary training	--	--	--	39%	37%	38%	42%	34%	36%
Managers	--	--	--	98%	93%	94%	90%	76%	77%
Middle managers	--	--	--	47%	69%	62%	60%	60%	60%
Office workers	--	--	--	34%	41%	37%	40%	46%	44%
Production workers	--	--	--	--	8%	8%	0%	9%	9%
% with at least one training session	--	--	--	86%	86%	86%	90%	71%	74%
Managers	--	--	--	100%	92%	93%	100%	93%	94%
Middle managers	--	--	--	75%	100%	94%	100%	100%	100%
Office workers	--	--	--	87%	92%	90%	90%	94%	92%
Production workers	--	--	--	--	83%	83%	0%	62%	62%
% with performance appraisal	**36%**	**13%**	**14%**	**91%**	**23%**	**30%**	**83%**	**26%**	**33%**
Managers	100%	100%	100%	100%	100%	100%	100%	86%	87%
Middle managers	100%	86%	89%	100%	85%	88%	100%	86%	88%
Office workers	26%	48%	40%	89%	79%	84%	83%	89%	87%
Production workers	--	2%	2%	--	5%	5%	0%	1%	1%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

Fixed and variable remuneration	2022	2023	2024
Gender pay gap *Difference between women's and men's average pay compared with men's average pay*	**-32%**	**-27%**	**-18%**
Managers	-53%	-21%	-4%
Middle managers	24%	-24%	14%
Office workers	12%	32%	7%
Production workers	--	--	24%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Caffè Borbone promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

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.

Since 2023, the safety management system implemented by Caffè Borbone has been rewarded with the ISO 45001 certification. 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.

			2022			2023			2024
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	**--**	**--**	**2**	**0**	**4**	**4**	**0**	**1**	**1**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	2	0	4	4	0	1	1
Lost days	--	--	314	0	304	304	0	5	5
Frequency rate	--	--	4.42	0.00	8.78	7.98	0.00	2.07	1.84
Severity rate	--	--	0.69	0.00	0.67	0.61	0.00	0.01	0.01
Non-Employees	**--**	**--**	**0**	**0**	**2**	**2**	**0**	**0**	**0**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	2	2	0	0	0
Lost days	--	--	0	0	27	27	0	0	0
Frequency rate	--	--	0.00	0.00	31.38	30.52	0.00	0.00	0.00

COMMUNITY RELATIONS

ESRS S3 - Affected communities

Caffè Borbone is aware that some activities in the value chain can have significant potential and actual negative impacts on local communities. Promoting sustainability also means taking care of those who, at the origin of the coffee supply chain, are committed to improving the yield and quality of crops, supporting fair and inclusive ways of working and contributing to global challenges by adopting sustainable agricultural practices.

In 2022 Caffè Borbone launched a project in Uganda in partnership with Olam Food Ingredients (OFI), called **Mwanyi** (coffee in the local language). Thanks to a contribution of €100k per year for five years, the project aims to increase the participation of young people and women in the sustainable production of coffee, increasing employment, providing better product quality, improving profitability for small producers and fighting precariousness and rural exodus in selected districts in south-western Uganda. The main levers are represented by training of young people and women aged between 23 and 59 years on key issues such as financial and management skills, agronomic and nursery management techniques, monitoring of soil erosion and methods to improve soil fertility, harvesting techniques and post-harvest soil processing, hygiene and sanitation of plants, methods of drying and storage.

Since 2023, 500 participants (of which 345 women) have been involved in 24 training courses during which each person received between 15 and 20 hours of training. An additional 500 participants will be added in 2025. In order to encourage maximum participation, the courses were held in the areas where farmers operate and taking into account the agricultural seasonal cycle. Among the most innovative elements of the project there is "VSLA - Village Savings and Loan Associates", a program which favoured the birth of 14 associations of saving and loan managed directly from the members of the local community and through which the farmers involved have the opportunity to access financial instruments to invest in the quality of their products and increase the profitability of their own farm.

In Italy Caffè Borbone supports with scholarships, donations, in-kind activities and the provision of people, non-profit organisations committed to the recovery of complicated quarters of five Italian cities selected according to commitment and need, to combat early school leaving. Moreover, Caffè Borbone chooses the most active universities in the field of research to start collaborations aimed at improving the circularity of its production, for example by enhancing the use of coffee as a raw material for the production of bioplastics and pallets.

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

Caffè Borbone creates, produces and markets coffee in capsules, pods, beans or ground coffee following specifications aimed to quality, customer service and mitigation of environmental footprint. Adding sustainable value to a recognised quality product is a clear line of strategy for Caffè Borbone. In addition to the responsible procurement of raw materials and the efficient management of the production site, particular attention is paid to the choice of materials used for production and packaging.

In 2024, 43% of single-serve coffee production volume consists of coffee in pods certified as compostable and distributed in packaging, easily recyclable as paper. In addition, the product range includes growing shares of coffee in compostable capsules or solutions that allow for easier post-consumer valorisation. Finally, the coffee sold as ground or in beans through e-commerce qualifies as "Climate Pledge Friendly" thanks to packaging with an efficient design for shipping. Further developments are under investigation.

The paper and cardboard used for packaging are FSC MIX certified, with at least 70% FSC certified or recycled materials.

Officina Profumo-Farmaceutica di Santa Maria Novella

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

Highlights

REVENUE
70.0 mn €
(56.2 ml € in 2023)

314
PEOPLE
(242 in 2023)

76% process
45% packaging
RENEWABLE ORIGIN

EBITDA
19.2 mn €
(15.7 mn € in 203)

+400
STORES

5,300+
TRAINING HOURS
(55% non-mandatory)

PROFIT
7.5 mn €
(6.5 mn € in 2023)

+30
COUNTRIES
GLOBAL DISTRIBUTION

100%
RENEWABLE
ELECTRICITY

Strategic Objectives

To enhance the company's unique heritage, elevating the brand to be an absolute point of reference for authenticity and Florentine craftsmanship in the world.

To bring the Officina's iconic products to the main international luxury markets through a dynamic presence in all distribution channels.

To continue the centuries-old tradition of products based on natural ingredients with a responsible approach along the entire value chain.

Profile

THE COMPANY

Founded in 1221 by Dominican friars, the Officina Profumo-Farmaceutica di Santa Maria Novella is considered the oldest pharmacy in the world. Located inside the monumental complex of Santa Maria Novella, the heart of the religious, artistic and cultural splendour that made Florence famous, it still operates today in the same places where the friars with great mastery used aromatic herbs and medicinal plants to prepare medicines, balms, ointments, soaps and perfumes. Thanks to the Officina, the secrets of these preparations have been preserved and enriched over time with new techniques and applications.

Its legacy in the art of the apothecary is deeply intertwined with the history, personalities and social fabric of Florence, creating an alchemy of stories that is continually renewed. The archives contain a sales receipt dating back to the 14th century, with an indication of one of the products that still make the Officina stand out around the world: Rose Water. About two centuries later, the Officina played a fundamental role in the spread of perfume in Europe, when Catherine de' Medici brought this discovery to the court of France for the first time, revolutionising the tastes and customs of the time.

The history and timeless charm of the Officina attract hundreds of thousands of visitors every year to the boutique-museum inside the monumental complex of Via della Scala in Florence. The city, guardian of the Officina's history and protagonist of the present day, still hosts the organisational and production headquarters, as well as research and development and the selection of raw materials.

Rooted in the past but constantly renewed and enriched, the product portfolio of the Officina Profumo-Farmaceutica di Santa Maria Novella includes personal items, such as perfumes and cosmetics, home fragrances, liqueurs and ancient preparations, as well as some iconic products, such as the terracotta pomegranate, the pot-pourri and the Acqua della Regina fragrance, known and appreciated throughout the world.

RECENT DEVELOPMENTS

In 2020, Officina Profumo-Farmaceutica di Santa Maria Novella became part of the Italmobiliare Group, which took up the challenge of preserving and enhancing the history of a unique and unparalleled Italian excellence.

The Officina has experienced a renewed creative impulse, continuing the age-old search for the delicate balance between tradition and innovation, and infusing new energy and a propensity for international growth. In particular, the business is focusing on the development of distribution partnerships and the direct sales network: on the one hand it has started to operate directly in some strategic international markets, on the other it has signed important distribution agreements in key countries for the sale of luxury products, such as China and the Middle East, and strengthened its presence in Korea and the United States. The online sales channel, which is strategic for growth, has also been developed.

The company has been the protagonist of a strong growth path, more than tripling its revenues to 70 million euro in 2024, the number of stores and the headcount. Today, Officina Profumo-Farmaceutica di Santa Maria Novella has a presence in more than 30 countries with a distribution network of around 400 points of sale. The direct sales channel is joined by the wholesale channel and the e-commerce website.

Product innovation, always 100% Made in Florence, is paying more and more attention to the selection of raw materials and expansion of the product line. In 2021, to celebrate the 800th anniversary of the Officina, eight historic fragrances were relaunched with the 1221 line. Subsequently, the Idralia cosmetics line was extended, the first *eaux de parfum* in the history of the Officina (*I Giardini Medicei* line) were presented and the famous *Acqua di Rose* was further refined.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	**70.0**	**56.2**	***24.6***
Gross operating profit (EBITDA)	**19.2**	**15.7**	***22.1***
% of revenue	*27.4*	*28.0*	
Amortisation and depreciation	(7.3)	(5.6)	
Operating profit (EBIT)	**11.9**	**10.1**	***17.2***
% of revenue	*17.1*	*18.0*	
Net finance income (costs)	(0.5)	(0.5)	*n.s.*
Profit/(loss) before tax	**11.4**	**9.6**	***18.9***
% of revenue	*16.3*	*17.1*	
Income tax	(3.9)	(3.1)	*25.0*
Profit/(loss) for the period	**7.5**	**6.5**	***15.9***

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

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	7.6	8.0
Free Cash Flow	5.6	(1.2)
Net financial position	(5.9)	(1.9)
Total equity	179.0	171.3
Employees (headcount) at the end of the year	314	242

2024 was a very positive year for Officina Profumo-Farmaceutica di Santa Maria Novella, both in terms of financial results and in the development of its main markets. Specifically, it should be noted that:

- In January, the acquisition of the distributor of Officina Profumo-Farmaceutica di Santa Maria Novella in Japan was completed. The company is now present on the Japanese market with a dedicated branch and a team focused on market development, particularly the retail channel.
- The development of the direct retail channel continues, with the opening of seven new sales outlets in strategic markets during the year: Europe (Venice, Paris and London), the United States (Boston and Los Angeles) and Japan (Tokyo and Kobe).
- During the year the company launched four new Eaux de Parfum from the "I Giardini Medicei" collection (Acqua, Quercia, Ambra and Incenso).

Officina Profumo-Farmaceutica di Santa Maria Novella had an excellent performance in 2024, with revenue up by 24.6% on the previous year. The result was positively affected by the company's entry into the Japanese market, particularly through direct-to-consumer sales. Overall, retail proved to be the best-performing channel, with 42.0% growth on the previous year, driven by expansion in Japan, the important contribution of the Florence area, and new store openings. The e-commerce channel performed excellently (+29.4% compared with 2023), growing in all markets thanks above all to more effective investment in performance marketing. The wholesale channel closed the year with a slight increase on the previous year.

On the product side, all categories turned in good performances during the year. Fragrances in particular are growing, also due to the launch of the four new Eaux de Parfum, as mentioned earlier, and products for the home and the environment, thanks to the excellent results of recently launched products, such as the Florence 1221 edition candles, and of Officina's traditional products, such as the Pot Pourri and the Scented Terracotta Pomegranate.

EBITDA comes to 19.2 million euro, up by 22.1%. The result was affected by non-recurring costs of 1.5 million euro incurred during the financial year, mainly to set up a provision for risks and charges, contributions to distributors for the opening of stores in APAC and severance pay. The recurring gross operating profit comes to 20.7 million euro, up compared with the previous year thanks to the increase in turnover and an improvement in industrial margins, due to the increase in volumes and a better product and channel mix. In line with the expectations of the brand development plan, both retail and commercial costs increased during the year, mainly due to investments in new stores, as well as personnel costs and overheads to strengthen the organisation and to enter the Japanese market.

Amortisation and depreciation was recorded for 7.3 million euro, with a rise of 31% compared with the previous year, mainly due to investments in new direct stores opened in Europe and the United States. Net of this item, the operating profit came to 11.9 million euro. The 2024 profit increased to 7.5 million euro, net of taxes of 3.9 million euro.

Investments during the period amounted to 7.6 million euro and mainly refer to investments for the renovation and setting up of stores.

At December 31, 2024, the net financial position showed borrowings of 5.9 million euro, negatively influenced by 26.4 million euro of lease liabilities for the rent of direct stores, accounted for in accordance with IFRS 16. Neutralising the effects of the acquisition in Japan made at the beginning of the year, cash generation for the period was positive for 5.6 million euro.

LITIGATION AND DISPUTES PENDING

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

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section."

OUTLOOK

In the first half of the current year, Officina Profumo-Farmaceutica di Santa Maria Novella will launch a process aimed at further elevating the brand positioning and enhancing the company's unique heritage, with impacts on the long-term strategy. On the commercial front, the company will work on further developing the performance of the directly operated stores and the e-commerce site, on the one hand; and on the other, it will continue to strengthen relationships with distributors and partners around the world. The company's organisational structure continues to be reinforced and during the year it plans to further strengthen the management team with the entry of new skills.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In January, the Chief Executive Officer and General Manager, Giovanna Paoloni, left the Group. Giampiero Pesenti was appointed as General Manager.

General and governance information

REPORTING

ESRS 2 - General information - Basis for preparation

The reporting includes performance, data and information on the holding company Officina Profumo-Farmaceutica di Santa Maria Novella and all of its subsidiaries in Italy, France, the United Kingdom, the USA and Japan, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance
ESRS G1 - Business conduct

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.

Position (*)	Name and Surname	Gender
Chairman	Carlo Pesenti	M
Director / General Manager*	Giampiero Pesenti	M
Director	Allegra Antinori	F
Director	David Manuel De Giglio	M
Director	Mirko Massignan	M
Director	Leonardo Senni	M
Director	Laura Zanetti	F

* Effective January 17, 2025, Giovanna Paoloni stepped down from her role, and Giampiero Pesenti assumed the position of General Manager.

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company 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 deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Officina Profumo-Farmaceutica di Santa Maria Novella has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability

Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Officina Profumo-Farmaceutica di Santa Maria Novella in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the “Guiding Principles” are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Officina Profumo-Farmaceutica di Santa Maria Novella adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

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 for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management systems** adopted - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the Company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 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 illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business Conduct

With the Partnership Charter, an evolution of the previous Supplier Charter, Officina Profumo-Farmaceutica di Santa Maria Novella aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	156	788	647
Purchase of products and services	M€	14.1	24.2	25.4
national suppliers	M€	13.5	23.1	22.8
foreign suppliers	M€	0.5	1.1	2.6
Spending on local suppliers (headquarters on national territory)	**%**	**96%**	**96%**	**90%**

	2022		2023		2024	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	173	100%	-	0%

OBJECTIVES

ESRS 2 - General Information - Strategy

The table below outlines the key pillars of Officina Profumo-Farmaceutica di Santa Maria Novella's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	**75%**	**2027**	--	--	**--**
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	**2025**	--	--	**✓ ***
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	**0**	**2025**	3.4	11.1	**8.0**
Gender and human capital development	Training hours per employee	**40**	**2027**	31	24	**17**

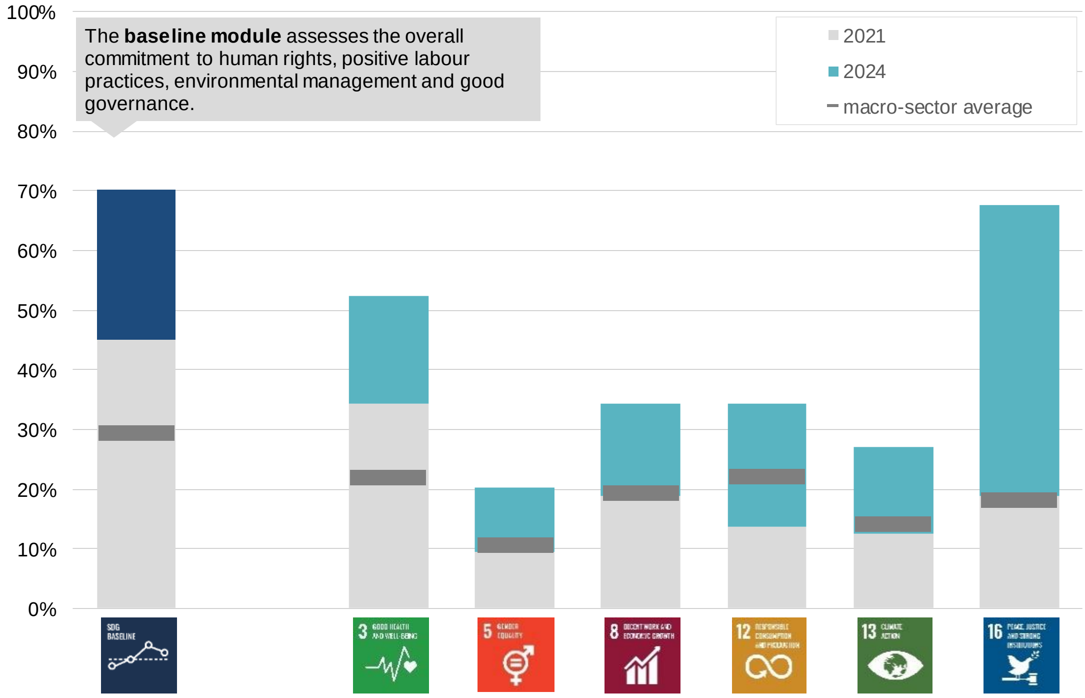
* Objectives validated by SBTi on February 2025. Details can be found in the "Low-Carbon Transition" section.

Furthermore, Officina Profumo-Farmaceutica di Santa Maria Novella integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Officina Profumo-Farmaceutica di Santa Maria Novella: Commitment to the SDGs

Environment	Ensure sustainable production and consumption models.
	Promote actions at all levels to combat climate change
Society	Ensure health and well-being for all at all ages.
	Achieve gender equality and empower all women and girls.
	Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance	Peace, justice, and strong institutions.
	Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



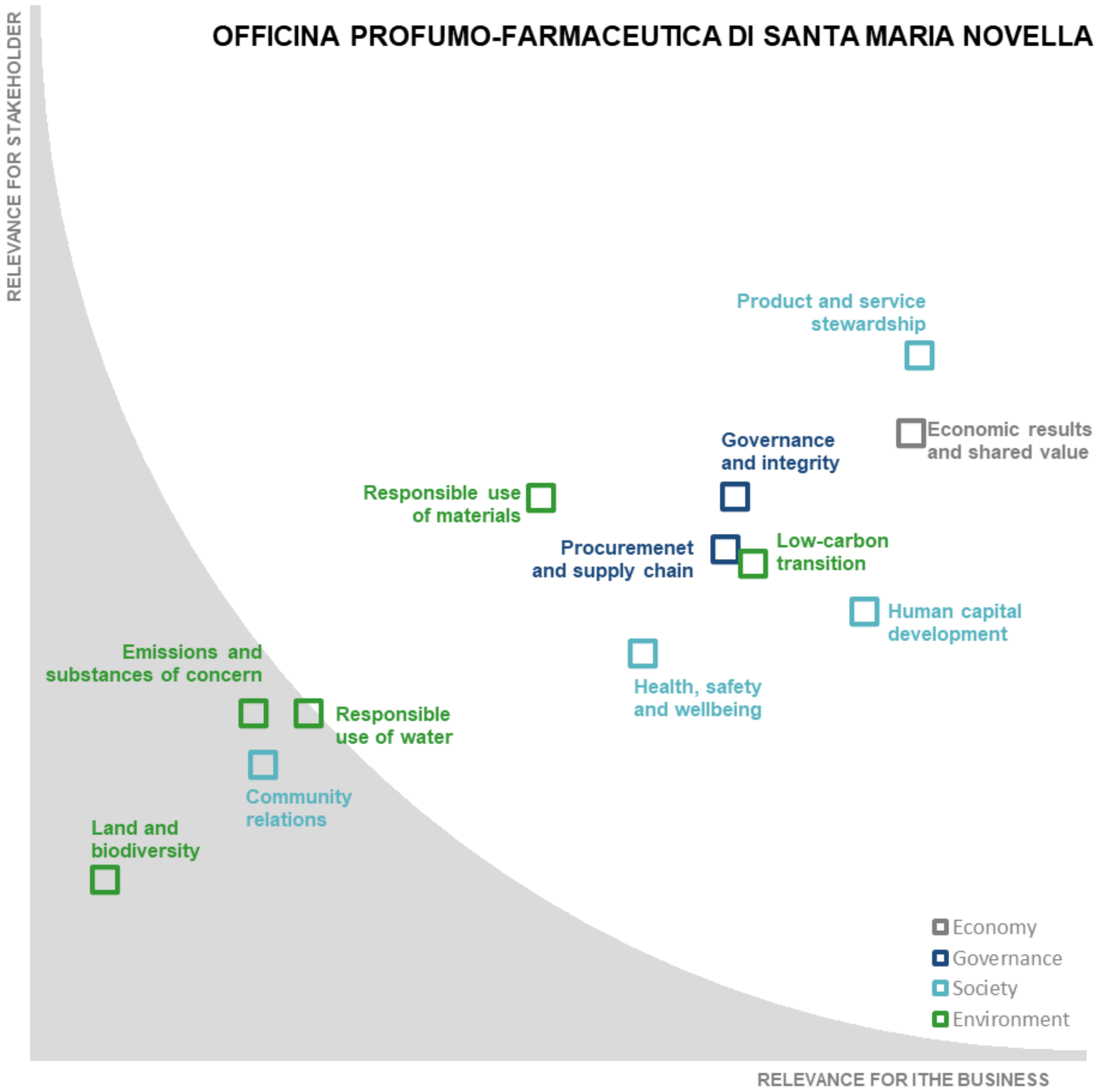
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and positive ▲ Impacts		Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	ML	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance & integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	S	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, particularly for those originating outside Europe.	M	• Activation of a protected system of whistleblowing that is open to all stakeholders. • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners.
	▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities.	M	
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	SM	• Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety and well-being	▲ Duty of care towards employees, collaborators, visitors and any other person who accesses production sites and shops.	S	• Continuous promotion of a safety culture. • Safety Audit.
	▼ Possibility of accidents at work that could cause injury.	S	
Product and service stewardship	▲ Safe products that can support sustainable choices for customers, consumers and users.	SM	• Adoption of the most restrictive regulatory requirements among those currently in force in the various geographical markets served. • Progressive upgrade of formulations and packaging, with innovative and ESG criteria.
Low-carbon transition	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	ML	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets.
	▼ Greenhouse gas emissions along the entire value chain.	ML	
Emissions and substances of concern	▲ Controlled use of "substances of concern", beyond mere compliance with industry regulations.	SM	• Progressive phase-out in new formulations or reformulations
Responsible use of water	▲ Attention to consumption and correct management of water balance, especially in areas with water stress	S	• Accurate monitoring of withdrawals, uses and discharges.
Responsible use of materials	▲ Product and packaging design with responsible selection and use of materials, waste minimisation and facilitation of disassembly and reuse of individual components.	ML	• ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of products and packaging.

S = Short term **M** = Medium term **L** = Long term

	Risks ▼ and Opportunities ▲	Mitigations and initiatives adopted
Economic results and shared value	▼ Failure to achieve expected business objectives in a context of evolution. ▲ Development of the brand's potential, leading to growth across various channels and markets.	• Updating plans and closely monitoring initiatives. • Reinforcement and consolidation of the management team with additional specialist skills. • Further strengthening in the channels and markets already active.
	▼ Risks of cyber-attacks with potential damage to retail processes and e-commerce services.	• Strengthening the organisation by bringing in new resources and skills in the field of cyber-security. • Adoption and implementation of a security governance framework according to the Italmobiliare Group guidelines. • Activation of various projects aimed at replacing and/or improving the software currently in use (e.g. IT tools for use in shops).
Governance and integrity	▼ Partial implementation of the ESG strategy, also because of dependence on third parties.	• Investment in human resources and in-house training. • Request to share objectives for strategic suppliers by supporting and stimulating activities. • Adhesion to SBTi (2024), target validation (2025) and ESG plans.
Human capital development	▼ Slowdown in the execution of transformational projects due to changes in corporate leadership and organisational structure.	• Strengthening internal processes and better definition and communication of roles and responsibilities. • Office redesign to improve common spaces. • Human resources initiatives for the development, attraction and retention of resources. • An appraisal and feedback project at all levels is currently underway. • Consolidation of the second line.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	• Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company.
Product and service stewardship	▲ Increased competitiveness thanks to more sustainable products in terms of formulation and packaging.	• Selection of certified suppliers. • Development of new formulations and reformulations of existing products, which reduce and/or eliminate the presence of raw materials subject to supply restrictions. • Continuous improvement of formulations to increase natural ingredients and the traceability of raw materials. • Continuous optimisation of packaging to reduce volume and increase the use of recycled and recyclable materials. • More refill options.
Low-carbon transition	▲ Progressive reduction in air shipments in favour of more sustainable and economical options.	• Better planning for the replenishment of ongoing products and new launches in directly managed overseas markets (USA and Japan). • Better coordination with non-European partners in managing order supply.

= positive / **negative** Outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Officina Profumo-Farmaceutica di Santa Maria Novella also joined the Science Based Targets initiative (SBTi) and received validation of its objectives - both identified and proposed - from the SBTi team of experts.

Officina Profumo-Farmaceutica di Santa Maria Novella has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging, continuous R&D activities and optimisation of logistics. Moreover, since 2021, Officina Profumo-Farmaceutica di Santa Maria Novella only uses renewable electricity, part of it self-produced.

The following table shows details of the decarbonisation objectives, pending validation by SBTi.

Objectives validated by SBTi

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	+1%
	To continue buying **100%** renewable electricity every year until **2030**	100%
Scope 3 Value chain	To reduce absolute Scope 3 emissions by **42**% before the end of **2030** and by **90%** before the end of **2050** compared with the base year 2023.	-16%
Scope 1+2+3	To reach **Net Zero** emissions along the entire value chain by the end of 2050.	-15%

The energy consumption and energy mix of Officina Profumo-Farmaceutica di Santa Maria Novella are shown in detail in the following table.

	Unit	2022	2023	2024
Thermal energy consumption from fossil fuels	MWh	**1,997**	**1,808**	**1,542**
Natural gas	MWh	1,922	1,614	1,290
Diesel and LPG, for process	MWh	0	0	0
Automotive fuels	MWh	75	194	252
Thermal energy consumption from renewable sources	MWh	0	0	0
Biodiesel	MWh	0	0	0
Energy consumption from renewable sources	MWh	**1,160**	**1,132**	**1,378**
Hydroelectric	MWh	1,040	596	1,086
Solar	MWh	120	106	96
Wind	MWh	0	0	0
Other/Mix	MWh	0	430	196
Consumption of purchased renewable electricity	MWh	1,040	1,026	1,282
Consumption of self-produced renewable electricity	MWh	120	106	96
Total energy consumption	MWh	**3,157**	**2,941**	**2,920**
% of fossil fuels on total energy consumption	MWh	63%	61%	53%
% of renewable sources on total energy consumption	MWh	37%	39%	47%
Energy intensity	**MWh / M€ Revenue**	**68**	**52**	**42**
Electricity self-produced from renewable sources	MWh	**120**	**107**	**96**
Solar	MWh	120	107	96
Renewable electricity self-produced and fed into the grid	MWh	**0**	**1**	**0**

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiaries, Officina Profumo-Farmaceutica di Santa Maria Novella adopts the "financial control" approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based	t CO2e	9,843	11,031	9,945
Location based		10,187	11,368	10,485
Carbon Intensity - Market based	t CO2e / M€ Revenue	211	195	142
Carbon Intensity - Location based		219	201	150
Scope 1		9	8	6
Scope 2 - Location Based		7	6	8
Scope 2 - Market Based		0	0	0
Scope 3		202	187	136

Avoided emissions (location based)	unit	2022	2023	2024
Avoided emissions	t CO2e	**0**	**0**	**0**
From photovoltaic production fed into the grid		0.05	0.17	0.00

Carbon footprint Details*	unit	2022	2023	2024	2024
Carbon footprint - Market based	**t CO2e**	**9,843**	**11,031**	**9,945**	
Scope 3 - Upstream	t CO2e	**1,673**	**4,090**	**4,483**	**45.1%**
1 Purchased products and services		1,507	2,825	2,909	29.3%
2 Capital goods		--	199	53	0.5%
3 Fuel-and energy-related activities		89	85	82	0.8%
4 Upstream transportation and distribution		--	89	56	0.6%
5 Waste generated by the sites		2	2	0	0.0%
6 Business travel		75	757	1,194	12.0%
7 Employee commuting		--	124	172	1.7%
8 Upstream leased assets		--	8	17	0.2%
Scope 1		**409**	**436**	**442**	**4.4%**
Scope 2- Market Based		**0**	**0**	**0**	**0.0%**
Scope 2 - Location Based		344	337	541	
Scope 3 - Downstream		**7,761**	**6,505**	**5,020**	**50.5%**
9 Downstream transportation and distribution		6,212	5,073	3,192	32.1%
10 Processing of sold products		--	--	--	
11 Use of sold products		1,501	1,291	1,669	16.8%
Direct use		101	85	80	0.8%
Indirect use		1,400	1,206	1,589	16.0%
12 End-of-life treatment of sold products		49	48	26	0.3%
13 Downstream leased assets		--	--	--	
14 Franchises		--	93	132	1.3%
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In 2024, emissions relating to downstream logistics were significantly reduced thanks to improved production planning, which allowed major customers in the Far East to significantly reduce air shipments.

In line with the Italmobiliare Group, Officina Profumo-Farmaceutica di Santa Maria Novella applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the "Current Policies" scenario, again as defined by the NGFS (Network for Greening the Financial System).

EMISSIONS AND SUBSTANCES OF CONCERN

ESRS E2 - Pollution

In the formulation of some home fragrance products, Officina Profumo-Farmaceutica di Santa Maria Novella also uses ingredients that, in accordance with European legislation, have characteristics that fall within the generic definition of “substances of concern” according to a specification chart that includes both environmental and human sensitivity aspects. These are substances permitted by current regulations, perfectly suited to their specific function and currently used in the sector, which are managed by the company in a conscious and controlled manner.

In most cases, these are substances that would only pose a risk to aquatic environments if accidentally released into natural bodies of water. The indication is aimed above all at those who transport them and those who, like Officina Profumo-Farmaceutica di Santa Maria Novella, use them. This risk becomes irrelevant once the products leave the plant, where handling takes place with maximum care for operators and the environment, well beyond the legal requirements.

In any case, the marketing of products containing them is always accompanied by the necessary classifications, labelling and suggestions for the best way to use them.

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

No material impacts, risks or opportunities have been highlighted in this area. Withdrawals and discharges by the activities of Officina Profumo-Farmaceutica di Santa Maria Novella do not affect marine resources in any way. Water withdrawal is mainly intended for sanitary uses, but also for the production of cosmetic water through dedicated chemical-physical treatments before being used in formulations. The resource is managed with particular attention, given that the Florence plant is in an area at risk of water stress.

Water balance	unit	2022	2023	2024
Withdrawals		**4,211**	**3,052**	**3,174**
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		4,211	3,052	3,174
of which in water stressed areas		**4,211**	**3,052**	**3,131**
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		4,211	3,052	3,131
Water discharge	**m^3**	**42**	**83**	**100**
Surface water		0	0	0
Groundwater		0	0	0
Sewage		42	83	100
of which in water stressed areas		**42**	**83**	**57**
Surface water		0	0	0
Groundwater		0	0	0
Sewage		42	83	57
Water consumption		**4,169**	**2,969**	**3,074**
of which in water stressed areas		**4,169**	**2,969**	**3,074**
Intensity	**m^3 / M€ Revenue**	**89**	**52**	**44**

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

The management of raw materials begins with the selection of suppliers, through a process that includes an ESG prequalification and the definition of purchasing criteria aligned with decarbonisation objectives and the eco-design of formulations and packaging.

Water of cosmetic quality and agricultural ethyl alcohol are the main raw materials used. Vegetable soap and dried herbs for pot-pourri are the other main renewable bases for the products made. Paraffin and waxes used in the production of candles are the main non-renewable bases. Added to these is a wide variety of ingredients, fragrances and essences mainly of natural origin.

Main Resource Inflows

Biological origin		unit	2022	2023	2024
Process materials	Water	t	134	108	94
	Ethanol		34	27	35
	Other natural ingredients		184	155	150
Packaging materials	Paper and cardboard *	t	362	324	204
	Wood		64	94	77

Extractive or fossil origin					
Process materials	Various ingredients	t	80	80	87
Packaging materials	Glass	t	326	261	244
	Ceramics		30	23	27
	Plastics		39	26	25
	Metals		24	25	28
	Other		59	54	14

* May contain fractions originating from by-products or waste streams.

	2022		2023		2024	
Resource Inflows	t	%	t	%	t	%
Production materials, semifinished goods and ancillaries	**432**		**371**		**367**	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	352	81%	291	78%	280	76%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	80	19%	80	22%	87	24%
of which recycled	0	0%	0	0%	0	0%
Packaging materials	**974**		**809**		**619**	
of which recycled	48	0%	49	6%	135	22%
Renewable or organic	455	47%	419	52%	281	45%
of which recycled	32	7%	35	8%	135	48%
Non-renewable or technical	519	53%	389	48%	338	55%
of which recycled	16	3%	14	4%	0	0%
Total materials	**1,406**		**1,179**		**986**	
of which recycled	48	3%	49	4%	135	14%
Renewable or organic	807	57%	710	60%	561	57%
of which recycled	32	4%	35	5%	135	24%
of which from sustainable supply chain	275	34%	246	35%	193	34%
Non-renewable or technical	599	43%	469	40%	425	43%
of which recycled	16	3%	14	3%	0	0%

Resource Outflows	2022 t	2022 %	2023 t	2023 %	2024 t	2024 %
Total waste	**96**		**90**		**64**	
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	90	100%	64	100%
Non-hazardous waste	**62**	**65%**	**53**	**59%**	**28**	**44%**
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	53	100%	28	100%
Hazardous waste	**34**	**35%**	**37**	**41%**	**36**	**56%**
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	37	100%	36	100%

Resource Outflows	unit	2022	2023	2024
Non-hazardous		**-**	**53**	**28**
Material recovery		**-**	**51**	**27**
Recycling (R3; R4; R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4; R5)		-	0	0
Preparation for re-use (R2; R6; R9)	**t**	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	51	27
Disposal		**-**	**2**	**1**
Landfill (D1)		-	0	0
Incineration (D10; D11)		-	0	0
Other disposal operations (D2-D9; D12-D15)		-	2	1
Hazardous		**-**	**37**	**36**
Material recovery		**-**	**17**	**16**
Recycling (R3; R4; R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4; R5)		-	0	0
Preparation for re-use (R2; R6; R9)	**t**	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	17	16
Disposal		**-**	**20**	**20**
Landfill (D1)		-	0	0
Incineration (D10; D11)		-	0	0
Other disposal operations (D2-D9; D12-D15)		-	20	20

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Officina Profumo-Farmaceutica di Santa Maria Novella is going through a progressive increase in its geographical perimeter and in the complexity of its production and distribution. At the end of 2024, Officina Profumo-Farmaceutica di Santa Maria Novella had a workforce of 314 people, of which 199 in Italy distributed between the headquarters and plant in Florence and numerous stores managed by direct staff. Overseas business activities employ 58 people in Japan, 34 in the US, 15 in the UK and 8 in France. Workers in Italy and France are covered by collective bargaining agreements. 56% of management positions are held by women. The workforce is supplemented by 57 temporary workers.

			2022			2023			2024
	Women	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Personnel	**131**	**56**	**187**	**174**	**68**	**242**	**222**	**92**	**314**
Managers	2	5	7	3	3	6	5	5	10
Middle managers	12	10	22	13	15	28	30	22	52
Office workers	97	19	116	125	22	147	141	30	171
Production workers	20	22	42	33	28	61	46	35	81
Turnover	--	--	**46**	--	--	**55**	--	--	**72**
+ Hirings	--	--	86	--	--	108	--	--	136
+ Acquisitions	--	--	0	--	--	2	--	--	54
- Voluntary exits	--	--	21	--	--	28	--	--	69
- Non-voluntary exits	--	--	19	--	--	27	--	--	47
- Divestments	--	--	0	--	--	0	--	--	2
% contract: permanent	82%	88%	83%	83%	91%	86%	92%	91%	92%
% contract: full time	66%	96%	75%	67%	99%	76%	72%	97%	79%
Training									
Hours per capita	27	41	31	27	17	24	17	16	17
Managers	19	10	12	3	9	6	12	4	8
Middle managers	25	11	18	30	16	23	10	10	10
Office workers	28	28	28	30	28	29	19	22	20
Production workers	25	72	50	15	10	13	16	17	16
% hours of voluntary training	--	--	--	86%	81%	85%	58%	46%	55%
Managers	--	--	--	65%	100%	92%	72%	100%	79%
Middle managers	--	--	--	94%	77%	87%	58%	67%	62%
Office workers	--	--	--	86%	89%	86%	66%	61%	65%
Production workers	--	--	--	49%	65%	74%	29%	19%	24%
% with at least one training session	--	--	--	86%	75%	83%	63%	68%	65%
Managers	--	--	--	25%	75%	50%	80%	57%	67%
Middle managers	--	--	--	94%	88%	91%	47%	61%	53%
Office workers	--	--	--	85%	78%	84%	66%	73%	67%
Production workers	--	--	--	94%	67%	81%	61%	71%	65%
% with performance appraisal	**8%**	**13%**	**10%**	**9%**	**18%**	**11%**	**14%**	**28%**	**18%**
Managers	100%	60%	71%	33%	67%	50%	100%	100%	100%
Middle managers	67%	30%	50%	92%	47%	68%	50%	73%	60%
Office workers	1%	5%	2%	2%	14%	3%	8%	17%	9%
Production workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

* Mainly retirements and expiration of fixed-term contracts.

The selection of human resources aims to find the required skills and aptitudes, the most suitable types of contracts and the correct timing, without any discrimination or constraints. The hiring of resources at any level is assisted by a dedicated induction programme. Correctness, loyalty, transparency and mutual respect are the guiding elements of personnel management, well beyond the contractual aspects and the regulations in force on labour matters.

An MBO bonus system with company and individual objectives has been introduced for top and middle management. Retail staff benefit from an incentive plan with individual monthly targets at store level. Lastly, for all other employees the remuneration scheme includes a performance bonus linked to the welfare system based on company financial metrics.

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap *Difference between women's and men's average pay compared with men's average pay*	**34%**	**23%**	**29%**
Managers	11%	-6%	4%
Middle managers	1%	4%	25%
Office workers	29%	13%	19%
Production workers	10%	18%	-1%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

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 management approach adopted starts with alignment to applicable national regulations and evolves towards building a true culture of safety, based on management leadership supporting a motivational, organisational, and operational system. Far beyond mere legislative compliance, this approach aims to protect the safety of anyone involved in operational activities and, at the same time, to improve managerial skills and motivations for achieving broader results objectives.

To enhance well-being and work-life balance, smart working has been introduced for all compatible functions.

			2022			2023			2024
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	**1**	**2**	**2**	**4**	**4**	**0**	**4**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	1	2	2	4	4	0	4
Lost days	--	--	85	17	19	36	48	56	104
Frequency rate	--	--	3.43	8.06	17.88	11.11	11.64	0.00	8.03
Severity rate	--	--	0.29	0.07	0.17	0.10	0.14	0.36	0.21
Non-Employees	--	--	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

Officina Profumo-Farmaceutica di Santa Maria Novella is committed to consistently producing and marketing products that are not only safe but also enable customers, consumers, and users to make sustainable choices.

To achieve this goal, it operates in full compliance with the complex regulatory system applicable to the sector, adopting the most restrictive regulatory requirements among those in force in the various geographical markets served. Furthermore, the launch of new products, which includes the progressive upgrade of formulations and packaging according to ESG criteria, is subjected to rigorous testing procedures that also concern the effects on health and those deriving from incorrect use.

The R&D activity of Officina Profumo-Farmaceutica di Santa Maria Novella has among its main objectives a reduction in the environmental footprint generated by the production, use and end-of-life management of its products. Formulations are progressively updated, with the aim of improving the customer experience and increasing the presence of ingredients of natural origin, with a shorter supply chain, a higher environmental value, such as a lower carbon or water footprint and low water consumption during use, or originating from countries with higher social security. Similar attention is reserved for the development of primary and secondary packaging.

More generally, Officina Profumo-Farmaceutica di Santa Maria Novella designs formulations and packaging with an approach that assesses their social and environmental footprint to verify their alignment with the company's objectives for products being developed and launched and better results in the case of existing products that are being updated.

Compliance with the regulations, quality and, for some product lines, even food safety, are ensured throughout the entire production process with management systems that are evolving constantly. The company considers customer satisfaction a key success metric. To this end, it actively monitors customer feedback and complaints across all physical and digital channels as a continuous stimulus for improvement.

CDS-Casa della Salute

(87.85% INTEREST)

Highlights

REVENUE
63.2 mn€
(42.8 mn € in 2023)

549
PEOPLE
(418 in 2023)

100%
RENEWABLE ENERGY

EBITDA
7.5 mn€
(5.1 mn € in 2023)

35
OUTPATIENT CLINICS
(26 in 2023)

23,000+
TRAINING HOURS

MEDICAL SERVICES
>1.1 mn €

931
PHYSICIANS

CERTIFICATION
B Corp

Strategic Objectives

- To help protect people's health by bringing accessible, inclusive and higher quality healthcare to more and more patients in Italy.
- To become a leader in prevention, assistance and first-level care in the regions where it operates, supporting and integrating the national health service.
- To use the most innovative and sustainable technologies for diagnosis and treatment, from the most advanced machinery to AI, to offer the best possible service to patients.

Profile

THE COMPANY

Founded in 2013 in Busalla, in the province of Genoa, CDS-Casa della Salute is a network of specialist, diagnostic, dental and physiotherapy polyclinics, developed with the aim of protecting the right to health and guaranteeing all citizens a high-quality, accessible health service with low waiting lists. Today, CDS is present in Liguria and Piedmont with 34 facilities, employing approximately 546 employees and 931 doctors, and providing almost one million healthcare services per year to more than 200,000 patients.

The company's growth is based on an innovative business model, which uses advanced IT systems and cutting-edge equipment to ensure maximum operational efficiency, highly competitive prices, optimisation of internal processes and a reduction in environmental footprint. CDS aims to be a point of reference for the prevention and promotion of health in all its aspects, offering a service that is characterised by the professionalism and competence of the staff and doctors, by the attention given to the patient and by the adoption of the most advanced technologies for diagnosis and treatment.

Scientific partner of major global companies such as Siemens and Esaote, CDS has inaugurated a state-of-the-art surgery centre in Genoa (at the MSC Towers). Among the company's strong points are its widespread presence throughout the territory, with numerous clinics opened in small towns, when possible by redeveloping abandoned buildings, and its accessible prices, often in line with those of the National Health System and much lower than those of the main private operators in the sector.

RECENT DEVELOPMENTS

In 2020, Italmobiliare acquired a majority stake in CDS, giving a significant boost to the company's development, which saw its turnover triple, going from 8 to 35 clinics.

Over the last five years, a total of approximately 95 million euro has been invested in opening new clinics from scratch and for strategic acquisitions, consolidating its presence in Liguria, where CDS is now a point of reference for patients, and expanding growth in Piedmont. All of the polyclinics have been equipped with the most advanced technologies available on the market. CDS was the first operator to introduce Esaote's Magnifico magnetic resonance imaging in Liguria, an innovative machine without a cover, ideal for claustrophobic patients and children. In 2022, the company inaugurated the Genoa San Benigno surgery centre (MSC Towers), a national excellence, equipped with latest-generation technologies, refractive surgery machines and a highly automated analysis laboratory.

CDS has dedicated a lot of energy and resources to communication projects and activities to increase the recognition of its network and communicate its mission: to offer excellent healthcare with advanced technologies and prices close to the NHS prescription charge. In 2023, a rebranding exercise was carried out involving all the facilities and the company became the medical partner of Sampdoria and Genoa Football Clubs and, in 2024, also of the Giro d'Italia. There have been numerous initiatives for communication and territorial cooperation, such as the "Casa della Salute Village" set up in 2022 in the centre of Genoa and the "CDS Meetings Project", which in 2024 led to the organisation of 21 conferences in 6 different cities, with the aim of disseminating scientific knowledge on various topics and offering growth paths to doctors, also responding to the need to obtain the Continuing Medical Education Credits required by law.

The growth path continues, supported by important investments, replicating in Piedmont the development strategy that has allowed CDS to become a point of reference in healthcare in Liguria, and expanding the Group's presence in other Italian regions, first of all Sardinia, where work on the opening of new clinics is already at an advanced stage.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	**63.2**	**42.8**	***47.7***
Gross operating profit (EBITDA)	**7.5**	**5.1**	***47.8***
% of revenue	*11.8*	11.8	
Amortisation and depreciation	(12.2)	(7.6)	
Operating profit (EBIT)	**(4.7)**	**(2.5)**	***n.s.***
% of revenue	*(7.4)*	(5.8)	
Net finance income (costs)	(4.6)	(2.6)	
Profit/(loss) before tax	**(9.3)**	**(5.1)**	***n.s.***
% of revenue	*(14.7)*	(11.9)	
Income tax	1.4	1.4	
Profit/(loss) for the period	**(7.9)**	**(3.7)**	***n.s.***

The figures in the table refer to the Casa della Salute Group.

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	37.3	25.1
Free Cash Flow	(32.8)	(24.2)
Net financial position	(78.2)	(66.3)
Total equity	42.8	23.7
Employees (headcount) at the end of the year	549	418

During the course of 2024, CDS-Casa della Salute consolidated its leadership in Liguria and strengthened its position in Piedmont, laying the foundations for entry into Sardinia in 2025. In particular, it should be noted that:

- The company inaugurated two new outpatient clinics in Alba (CN) and Sestri Levante (GE), and a new surgery theatre at the Biella clinic. Six new outpatient clinics have also been completed and are awaiting authorisation at the date of approval of the financial statements. They are in Vercelli (VC), Nichelino (TO), Sassari (SS), Novara (NO), Cagliari (CA) and Molassana (GE).
- Six acquisitions were finalised in Liguria, giving the company a presence in three more cities (Bordighera, Ventimiglia and Alassio) and boosting the revenue of the facilities already operating in Genoa and Cairo Montenotte. These companies were merged on February 1, 2025, into Casa della Salute S.p.A., with the aim of making the organisational structure more efficient.
- To finance growth, increases in capital totalling 25.0 million euro were approved during the year, after which Italmobiliare's share increased slightly to 87.85%. CDS also took out two medium/long-term bank loans for a total of 20.0 million euro.
- The corporate structure was simplified by merging Oggero Srl, with clinics in Ventimiglia (IM) and Bordighera (IM), with CDS Medical. Furthermore, with a view to rationalising the corporate structure and to optimise the management of acquisitions concluded in recent years, on 10 October 2024 the merger plan for the absorption of “DOGMA Srl” in Genoa, “PLV Srl” in Vinovo (Turin), “SA.LU.COM. Srl” in Savigliano (Cuneo), “Cairo Medical Srl” in Cairo Montenotte (Savona), “Polo Dentale Studio Odontoiatrico Srl” in Genoa, “Cairo in Salute Specialistica Srl” in Cairo Montenotte (Savona) and “Centro Medico Ippocrate Srl” in Alassio (Savona) into “Casa della Salute SpA” was presented and approved.
- Development of brand awareness and reputation of the CDS brand continued through partnerships with the Sampdoria and Genoa Football Clubs and the new medical partnership signed in 2024 with the Giro d'Italia.
- The company's sustainable development path continues, having obtained the UNI/PdR 125:2022 gender equality certification and completed the B Corp certification process, an international certification standard awarded to companies that meet high standards of performance, transparency, and social and environmental responsibility.

- To support growth and development in Italy, the company's organisational structure has been further strengthened with the addition of 6 new front-line managers.

CDS-Casa della Salute's closed 2024 with revenue of 63.2 million euro, an increase of 20.4 million euro (47.7%). This growth is attributable for 4.6 million euro to the new clinics opened during the year and the M&A deals explained above. The performance of the facilities opened before 2023 was positive, recording a like-for-like growth of 16%, despite the fact that many of the new ones were in geographical areas already served, which confirms that the CDS model is functioning. Looking at the geographies where the company is present, Liguria confirms itself as the main area, but Piedmont has been growing at a rate of 85%. In terms of individual services, diagnostics and dentistry are growing faster than the average. Surgery is stable, due to the decision to accredit the surgical theatres in Genoa with the NHS, which meant doing without the turnover generated by the services of "intramural doctors".

Gross operating profit comes to 7.5 million euro and includes non-recurring costs of 5.7 million euro, mainly associated with the development activities mentioned above. If we normalise these costs, the operating profit comes to 13.2 million euro. Comparison with the previous year, again normalised for non-recurring costs of 3.6 million euro, shows an increase of 52%.

Amortisation and depreciation have risen to 12.2 million euro due to the investments made by the company in new clinics.

Finance costs amount to 4.6 million euro, of which 1.3 million euro relates to interest accounted for in accordance with IFRS 16.

The pre-tax result is negative for 9.3 million euro, affected by the non-recurring costs to support growth and by the fact that the recently opened clinics have not yet expressed their full potential. The net result for 2024 is a loss of 7.9 million euro.

The net financial position at December 31, 2024 shows net borrowings of 78.2 million euro, of which 34.8 million are lease liabilities, as required by IFRS 16. If we neutralise the effect of the increases in capital to support the company's growth, cash generation during the period was negative for 32.8 million euro, net of 37.3 million in capital expenditure. Cash generation before capex was positive at 4.4 million euro.

LITIGATION AND DISPUTES PENDING

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

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The company expects significant growth in turnover in 2025, both from new clinics and from the those opened most recently, which have not yet expressed their potential and which should come up to speed during the year. In terms of margins, the company expects significant growth in the gross operating profit, mainly linked to the increasing operations of the more recently opened outpatient clinics and the efficiency of the organisational structure.

General and governance information

REPORTING

ESRS 2 - General Information - Basis for preparation

The reporting includes performance, data and information on the holding company CDS-Casa della Salute and its subsidiaries, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance
ESRS G1 - Business conduct

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.

Position	Name and Surname	Gender
Chairman	Rosario Bifulco	M
CEO	Marco Fertonani	M
Director	Tiziana Lazzari	F
Director	Alarico Melissari	M
Director	Piero Michele Provasoli	M
Director	Alberto Riboni	M

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company 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 deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, CDS-Casa della Salute has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with CDS-Casa della Salute in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The Sustainability Policies extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The Partnership Charter aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

CDS-Casa della Salute adopts an Organisation, Management and Control Model (Model 231) which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

More generally, CDS-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 for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management systems** adopted and certified (ISO 9001 for quality, UNI/PdR 125 for gender equality) - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Furthermore, in January 2025 CDS-Casa della Salute received B Corp recognition, which recognises its commitment to measure and consider its environmental and social performance with the same attention traditionally reserved for economic results and that believe in business as a positive force that is committed to producing value for the biosphere and society.

The quality of the sustainable governance system has also been recognised by obtaining the Legality Rating issued by the Competition and Market Authority (AGCM in Italian), a synthetic indicator of compliance with high standards of legality by companies.

Confirming the overall effectiveness of the integrity and compliance safeguards adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socioeconomic and environmental regulations. However, following some violations of the Model 231, the company activated its own sanctions system and provided appropriate training.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

CDS-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 sanitising 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.

With the Partnership Charter, an evolution of the previous Supplier Charter, CDS-Casa della Salute aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	739	788	1.201
Purchase of products and services	M€	38.1	38.6	68.3
national suppliers	M€	37.8	38.3	67.6
foreign suppliers	M€	0.3	0.3	0.8
Spending on local suppliers (headquarters on national territory)	**%**	**99%**	**99%**	**99%**

	2022		2023		2024	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	23	100%	-	0%

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of CDS-Casa della Salute's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	**75%**	**2027**	--	--	**--**
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	**2025**	--	--	**✓ ***
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	**0**	**2025**	2,6	1,8	**5,3**
Gender and human capital development	Training hours per employee	**45**	**2027**	61	58	**42**

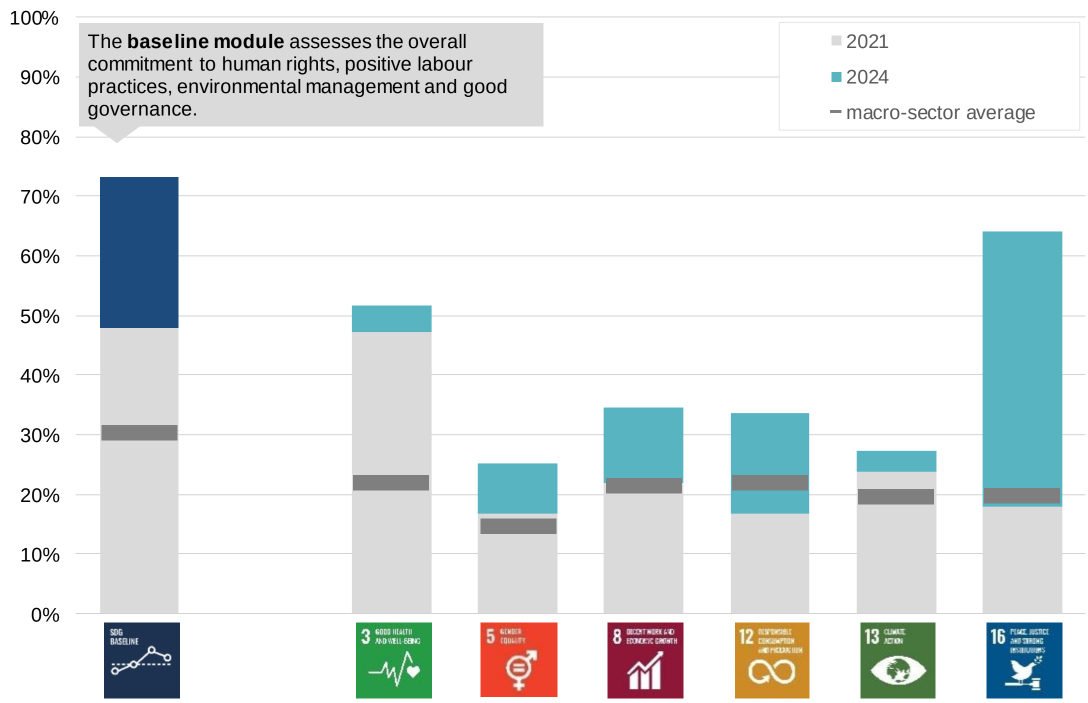
* Objectives under validation by the SBTi expert team. Details can be found in the "Low-Carbon Transition" section.

Furthermore, CDS-Casa della Salute integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

CDS-Casa della Salute: Commitment to the SDGs

Environment		Ensure sustainable production and consumption models.
		Promote actions at all levels to combat climate change.
Society		Ensure health and well-being for all at all ages.
		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



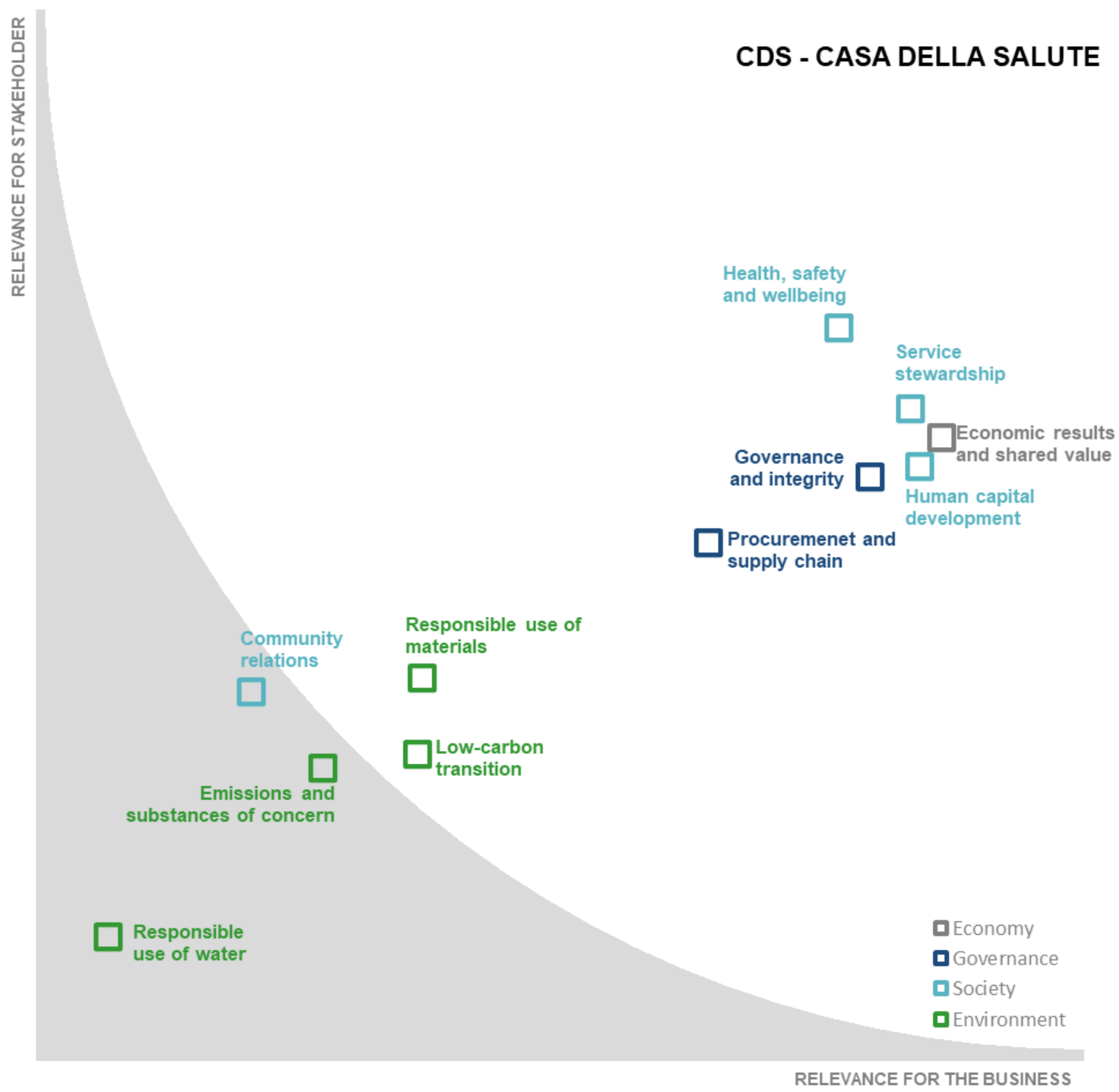
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts		Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance & integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-respect for human rights, labour rights and equal opportunities along the supply chain of medical technology equipment and consumables.	M	• Activation of a protected system of whistleblowing that is open to all stakeholders. • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners.
	▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities. ▲ Develop R&D partnerships and projects based on innovation and sustainability.	S	
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S	• Continuous and differentiated training for the various professional roles • Gradual adoption of incentive plans • Corporate welfare
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S	• Continuous promotion of a safety culture. • Safety audit
	▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S	
Product and service stewardship	▲ Provision of services aimed at prevention and awareness of customers and the promotion of responsible lifestyles in the communities in which CDS operates. ▲ Marketing communications and business practices aimed at promoting equal opportunities and inclusivity.	S	• Sponsorship of initiatives and awareness campaigns in the communities in which CDS operates.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	S	

S = Short term **M** = Medium term **L** = Long term

	Risks ▼ and Opportunities ▲		Mitigations and initiatives adopted
Economic results and shared value	▼ Significant investments in the opening and acquisition of new centres may generate temporary tensions in liquidity and sustainability of bank debt. ▲ Competitive advantage and consequent market penetration thanks to accessible positioning in terms of pricing. ▲ Allocation of additional National Health Service budgets to accredited centres.		• Continuous focus on measures for planning, efficiency and monitoring of cash flows. • Close monitoring of the profitability of the clinics, especially those just opened. • Careful monitoring of margins and possible repricing. • Parent Company support through financing and/or capital increases.
	▼ Risks of cyber attacks with violation of sensitive information and/or unavailability of data with reputational consequences: loss of confidentiality of patient data; and/or unavailability of information relating to the management of clinics, operating theatres and patient data.		• Introduction of Cyber Security function. • Implementation of continuous technical and organisational interventions to constantly strengthen and update the defence system.
	▼ Relations with the PA: inadequate interactions with the public administration in a sensitive and highly regulated sector. ▲ Use of AI to increase efficiency and reduce the risk of error.		• Adoption of the Code of Ethics and Model 231. • Whistleblowing system. • Training and awareness activities and strengthening of the structure with specific skills.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.		• Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company. • Safety audit
Human capital development	▼ Difficulty in finding and retaining qualified staff (technicians, nurses) and doctors.		• Remuneration and incentive systems for staff/doctors. • Performance management processes. • Mapping of professionalism in the regions where CDS has a presence.
	▼ Business growth outpaces organisational structure		• Strengthening the first and second line management structure. • Strengthening internal processes and better definition and communication of roles and responsibilities.
Product and service stewardship	▼ Risk of malpractice, especially in the surgical field, with potential effects on people and reputational impacts.		• Continuous strengthening of quality control including: • ISO 9001 certification active on all facilities and training and continuous improvement systems; • Risk Management Committee and specialised scientific committees.

= **positive** / **negative** outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 CDS-Casa della Salute also joined the Science Based Targets initiative (SBTi). The identified objectives are currently under validation by the SBTi expert team.

CDS-Casa della Salute has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging. Moreover, since 2022, CDS-Casa della Salute only uses renewable electricity, part of it self-produced.

The following table shows details of the decarbonisation objectives, pending validation by SBTi.

Objectives submitted for SBTi validation

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by **42%** before the end of **2030** and by **90%** before the end of **2050** compared with the base year 2023.	-18%
	To continue buying **100%** renewable electricity every year until **2030**	100%
Scope 3 non-FLAG emissions	To reduce absolute Scope 3 emissions by **42**% before the end of **2030** and by **90%** before the end of **2050** compared with the base year 2023.	+14%
Scope 1+2+3	To reach **Net Zero** emissions along the entire value chain by the end of **2050**.	+13%

The energy consumption and energy mix of CDS-Casa della Salute are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels	MWh	**273**	**412**	**482**
Natural gas		2	39	6
Diesel and LPG, for process		0	0	0
Automotive fuels		272	372	476
Thermal energy consumption from renewable sources		0	0	0
Biodiesel		0	0	0
Energy consumption from renewable sources		**2,214**	**2,960**	**3,698**
Hydroelectric		2,214	2,960	3,698
Solar		0	0	0
Wind		0	0	0
Other/Mix		0	0	0
Consumption of purchased renewable electricity		2,214	2,960	3,698
Consumption of self-produced renewable electricity		0	0	0
Total energy consumption		**2,487**	**3,371**	**4,180**
% of fossil fuels on total energy consumption		11%	12%	12%
% of renewable sources on total energy consumption		89%	88%	88%
Energy intensity	**MWh / M€ Revenue**	**78**	**79**	**66**
Electricity self-produced from renewable sources	MWh	**0**	**0**	**0**
Solar		0	0	0
Renewable electricity self-produced and fed into the grid		**0**	**0**	**0**

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiaries, CDS-Casa della Salute adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint *	unit	2022	2023	2024
Market Based	t CO2e	2,345	3,029	3,419
Location based		3,078	4,009	5,013
Carbon Intensity - Market based	t CO2e / M€ Revenue	74	71	54
Carbon Intensity - Location based		97	94	79
Scope 1		2	3	2
Scope 2 - Location Based		23	23	25
Scope 2 - Market Based		0	0	0
Scope 3		72	68	52

Carbon footprint Details *	unit	2022	2023	2024	2024
Carbon footprint - Market based	**t CO2e**	**2,345**	**3,029**	**3,419**	
Scope 3 - Upstream	t CO2e	**2,273**	**2,881**	**3,298**	**96%**
1 Purchased products and services		1,788	1,167	1,703	50%
2 Capital goods		13	1,213	1,056	31%
3 Fuel-and energy-related activities		18	78	98	3%
4 Upstream transportation and distribution		158	2	2	0%
5 Waste generated by the sites		0	1	0	0%
6 Business travel		31	46	49	1%
7 Employee commuting		265	375	389	11%
8 Upstream leased assets		--	--	--	
Scope 1		**72**	**148**	**121**	**4%**
Scope 2- Market Based		**0**	**0**	**0**	**0%**
Scope 2 - Location Based		733	980	1,594	
Scope 3 - Downstream		**0**	**0**	**0**	**0%**
9 Downstream transportation and distribution		--	--	--	
10 Processing of sold products		--	--	--	
11 Direct use		--	--	--	
12 End-of-life treatment of sold products		--	--	--	
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, CDS-Casa della Salute applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the "Current Policies" scenario, again as defined by the NGFS (Network for Greening the Financial System).

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

Water withdrawals are carried out for the operation of magnetic resonance imaging systems or for health and hygiene purposes and are of modest size. Similarly, the discharges exclusively concern domestic waste water.

Water balance	unit	2022	2023	2024
Withdrawals	m³	**6,847**	**4,950**	**5,529**
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		6,847	4,950	5,529
of which in water stressed areas		**0**	**0**	**0**
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		0	0	0
Water discharge		**6,847**	**4,950**	**5,529**
Surface water		0	0	0
Groundwater		0	0	0
Sewage		6,847	4,950	5,529
of which in water stressed areas		**0**	**0**	**0**
Surface water		0	0	0
Groundwater		0	0	0
Sewage		0	0	0
Water consumption		**0**	**0**	**0**
of which in water stressed areas		**0**	**0**	**0**
Intensity	**m³/ M€ Revenue**	**0**	**0**	**0**

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

Casa della Salute uses drugs, medical-surgical aids, health protection devices and other consumables.

Healthcare activities generate hazardous and non-hazardous waste characterised by health risks, which are managed according to a specific procedure and entrusted to a specialised company with the aim of maximising the possibilities of recovery. The offices also generate solid urban waste, which is separated on site and collected by local disposal services.

	2022		2023		2024	
Resource Outflows	t	%	t	%	t	%
Total waste	**17**		**27**		**40**	
Recycled	--	--	0	0.0%	0	0.0%
Non-recycled	--	--	27	100.0%	40	100.0%
Non-hazardous waste	**1**	**3.2%**	**6**	**23.9%**	**14**	**33.9%**
Recycled	--	--	0	0.0%	0	0.0%
Non-recycled	--	--	6	100.0%	14	100.0%
Hazardous waste	**16**	**96.8%**	**21**	**76.1%**	**27**	**66.1%**
Recycled	--	--	0	0.0%	0	0.0%
Non-recycled	--	--	21	100.0%	27	100.0%

Resource Outflows	unit	2022	2023	2024
Non-hazardous	t	-	**6**	**14**
Material recovery		-	**6**	**14**
Recycling (R3, R4, R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4, R5)		-	0	0
Preparation for re-use (R2, R6, R9)		-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	6	14
Disposal		-	**0**	**0**
Landfill (D1)		-	0	0
Incineration (D10, D11)		-	0	0
Other disposal operations (D2-D9, D12-D15)		-	0	0
Hazardous	t	-	**21**	**27**
Material recovery		-	**19**	**26**
Recycling (R3, R4, R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4, R5)		-	0	0
Preparation for re-use (R2, R6, R9)		-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	19	26
Disposal		-	**1**	**0**
Landfill (D1)		-	0	0
Incineration (D10, D11)		-	0	0
Other disposal operations (D2-D9, D12-D15)		-	1	0

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

For CDS-Casa della Salute, making use of competent and qualified collaborators is an essential condition for the success of the company. At the end of 2024, the staff of CDS-Casa della Salute numbered 549 motivated and specialised people, all covered by collective bargaining agreements. 30% of managerial positions are occupied by women. Furthermore, in line with the sector specificity, the use of non-employees was significant. In 2024, there were 922 self-employed workers and interns, largely represented by specialized and loyal medical personnel.

The dialogue with the social partners, even in the absence of trade unions, flows in an open and constructive way, ensuring the protection of the health of workers and the continuity of the service and supporting the provision an intense training program at all levels, in the classroom and in the field. A week of intensive training is provided for the call centre and acceptance personnel, carried out by the heads of the *business unit* 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 organisational 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 unit*.

Since 2023, a system to evaluate performance and to verify individual objectives was formalised for administrative staff as well, with the aim to better support remuneration policies, training and the identification of professional growth opportunities. The employee opinion survey has the same purpose. During 2024, a new functional unit called People Empowerment was established, with the aim of creating value and attracting, developing and retaining talent in the company.

In terms of welfare, employees enjoy free health insurance and discounts on services provided by CDS-Casa della Salute for themselves and for first-degree relatives.

			2022			2023			2024
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	**237**	**59**	**296**	**337**	**81**	**418**	**448**	**101**	**549**
Managers	0	0	0	0	6	6	2	6	8
Middle managers	6	12	18	6	9	15	6	13	19
Office workers	215	39	254	312	63	375	410	72	482
Production workers	16	8	24	19	3	22	30	10	40
Turnover	--	--	**91**	--	--	**122**	--	--	**131**
+ Hirings	--	--	129	--	--	170	--	--	171
+ Acquisitions	--	--	39	--	--	7	--	--	31
- Voluntary exits	--	--	40	--	--	43	--	--	47
- Non-voluntary exits	--	--	37	--	--	12	--	--	24
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	83%	85%	83%	82%	93%	84%	88%	95%	89%
% contract: full time	36%	83%	45%	36%	88%	46%	34%	88%	44%
Training									
Hours per capita	68	49	64	61	44	58	43	38	42
Managers	--	--	--	--	5	5	5	5	5
Middle managers	11	34	26	30	31	31	45	38	40
Office workers	74	59	71	65	51	62	46	42	45
Production workers	20	18	20	13	-	11	11	29	15

			2022			2023			2024
	Women	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
% hours of voluntary training	--	--	--	93%	97%	94%	96%	96%	96%
Managers	--	--	--	--	100%	100%	100%	100%	100%
Middle managers	--	--	--	87%	100%	95%	99%	98%	99%
Office workers	--	--	--	93%	97%	94%	97%	97%	97%
Production workers	--	--	--	59%	--	93%	72%	91%	81%
% with at least one training session	--	--	--	65%	62%	64%	66%	71%	67%
Managers	--	--	--	--	67%	67%	100%	86%	89%
Middle managers	--	--	--	71%	58%	63%	71%	86%	81%
Office workers	--	--	--	67%	65%	67%	67%	70%	67%
Production workers	--	--	--	31%	0%	28%	56%	50%	54%
% with performance appraisal	**98%**	**95%**	**98%**	**21%**	**7%**	**19%**	**0%**	**5%**	**1%**
Managers	--	--	--	--	0%	0%	0%	83%	63%
Middle managers	100%	100%	100%	0%	0%	0%	0%	0%	0%
Office workers	99%	95%	98%	22%	10%	20%	0%	0%	0%
Production workers	94%	88%	92%	21%	0%	18%	0%	0%	0%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap *Difference between women's and men's average pay compared with men's average pay*	**31%**	**41%**	**42%**
Managers	--	--	8%
Middle managers	38%	21%	36%
Office workers	15%	26%	28%
Production workers	17%	34%	20%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

CDS-Casa della Salute promotes the health, safety and wellbeing 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 organisation. The preventive reporting by everyone of anomalous or risk conditions, the accurate analysis of accidental events, even if not serious, and adequate training support continuous improvement. It should be noted the adoption of a radiation protection program with a higher profile than the regulatory classification of radio-exposed workers and a ticketing system that allows you to report risk situations due to the state of surfaces or furnishings and to request maintenance. The entire workforce is covered by an occupational health and safety management system.

In line with the adopted Sustainability Policies, CDS-Casa della Salute 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.

Injuries	Women	Men	2022 Total	Women	Men	2023 Total	Women	Men	2024 Total
Employees	--	--	**1**	**1**	**0**	**1**	**3**	**1**	**4**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	1	1	0	1	3	1	4
Lost days	--	--	12	13	0	13	110	16	126
Frequency rate	--	--	2.60	2.35	0.00	1.83	5.07	6.31	5.33
Severity rate	--	--	0.03	0.03	0.00	0.02	0.19	0.10	0.17
Non-Employees	--	--	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	--	0	0	0	0	0	0
Frequency rate	--	--	0	0	0	0	0	0	0

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

The offer of a high quality and accessible health service is based on the Vision and Mission of CDS-Casa della Salute. In order to allow a timely and regular assessment of patient satisfaction from 2021 a Mystery Client system is operational, managed by a private investigation company, which carries out the entire cycle of care undercover, providing monthly monitoring of the quality of patient acceptance and management and of the punctuality and courtesy of professionals. Customer satisfaction is a strategic element for CDS-Casa della Salute, evaluated also with public questionnaires to be filled after the provision of the service.

Following the increase in activity and the expansion of the specialties covered by CDS-Casa della Salute in recent years, starting from 20222 a formalisation and standardisation of the intervention models and reporting processes has been initiated, in order to combine objectives of effectiveness and efficiency.

Technological innovation is a key element in providing patients with high quality services at a low cost. Thanks to strategic partnerships with leading manufacturers of non-invasive imaging and diagnostic solutions, CDS-Casa della Salute benefits from the best technologies available and actively contributes to equipment testing and improvement activities.

Italgen

(100% INTEREST)

Highlights

REVENUE
66.8 mn €
(56.8 mn € in 2023)

36
OPERATING PLANTS

GOLD MEDAL
ECOVADIS

EBITDA
31.9 mn €
(12.6 mn € in 2023)

82 MW
OPERATING CAPACITY

100%
RENEWABLE PRODUCTION

PROFIT
19.4 mn €
(3.1 mn € in 2023)

300 km
PRIVATELY-OWNED
POWER LINES

ENVIRONMENT
ISO 14001
HEALTH AND SAFETY
ISO 45001

Strategic Objectives

- To grow in the renewable energy production sector, diversifying sources and seizing the opportunities offered by the energy transition.
- To contribute to the decarbonisation of businesses through supply partnerships and the installation of facilities for the production of renewable energy.
- To create a deep and lasting bond with the local communities where the company is present, building solid roots and contributing to the well-being of the area.

Profile

THE COMPANY

Italgen is a benefit company based in Villa di Serio, in the province of Bergamo. It operates in Italy in the production and transport of electricity exclusively from renewable sources, currently with an installed generation capacity of approximately 82 MW. Although the company was formally established in 2001 as a spin-off of the energy branch of the Italcementi Group, the birth of Italgen can be traced back to the construction of the Dezzo hydroelectric power station in the early twentieth century, when the “Ditta Pesenti” of Alzano Lombardo launched an ambitious plan for the construction of renewable energy production plants to power cement factories. For this reason, it is possible to affirm that Italgen is a “native renewable” company that is over one hundred years old.

The company today manages, directly or through subsidiaries, 30 hydroelectric concessions (including 5 large diversions) in Lombardy, Piedmont, Tuscany and Veneto, as well 6 photovoltaic systems in Lombardy, Piedmont, Marche and Puglia. Italgen also owns a network of 300 km of power lines between the provinces of Bergamo and Brescia. The energy produced (about 325 GWh per year) corresponds to the needs of around 120,000 typical family equivalents. Part of it is sold with long-term Power Purchase Agreements (PPA) to a select group of industries operating in Italy with clear decarbonisation strategies, while the rest is sold to wholesalers and on the National Electricity Exchange.

RECENT DEVELOPMENTS

Italgen entered the direct perimeter of Italmobiliare in 2016, after the sale of Italcementi, assuming a strategic role within the Group and starting a path of profound transformation backed by substantial investments.

In the first stage, between 2016 and 2020, assets abroad were enhanced by selling the power plants that served Italcementi plants outside the national territory, with the aim of focusing the activity on Italy. At the same time, investments were made in the automation and remote control of the systems, creating an operations centre in Villa di Serio, from which all systems are monitored 24 hours a day, 365 days a year. Once a scalable platform was created to expand the business, Italgen started a growth and diversification plan for energy production sources.

Over the next four years, approximately 60 million euro was invested in M&A deals, revamping existing plants and new photovoltaic projects. A selective acquisition plan in the hydroelectric sector has allowed the integration of 13 new diversions into Italgen's perimeter. In 2022, Italgen began developing greenfield photovoltaic projects, most of which do not consume land as they are built on the roofs of production plants or in former industrial areas. In just three years, the company has inaugurated six new photovoltaic plants in Bollate (MI), Valdaro (MN), Tortona (PV), Matelica (MC) and Modugno (BA), where two separate plants were built.

This process has led to significant and diversified growth in both the energy mix and geographical presence: Italgen has expanded its portfolio from 17 to 30 hydroelectric diversions and built six new photovoltaic plants, increasing from 57 to 82 MW of installed capacity (+45%), of which photovoltaic represents almost 20%. In addition to being sold on the open market, the energy produced is sold to customers who have signed long-term agreements for the supply of 100% renewable energy. Since 2022, over 30 industrial customers, including major companies such as L'Oréal and WIIT, have signed a PPA with Italgen.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	**66.8**	**56.8**	***17.6***
Gross operating profit (EBITDA)	**31.9**	**12.6**	***>100***
% of revenue	*47.8*	*22.2*	
Amortisation and depreciation	(6.6)	(6.2)	
Impairment losses on non-current assets	(0.7)	0.0	
Operating profit (EBIT)	**24.7**	**6.4**	***>100***
% of revenue	*37.0*	*11.3*	
Net finance income (costs)	(2.3)	(1.6)	
Share of profit (loss) of equity-accounted investees	3.0	(0.2)	
Profit/(loss) before tax	**25.4**	**4.6**	***>100***
% of revenue	*38.1*	*8.1*	
Income tax	(6.0)	(1.5)	
Profit/(loss) for the period	**19.4**	**3.1**	***>100***

The figures in the table refer to the Italgen Group

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	9.5	16.6
Free Cash Flow	14.8	(0.8)
Net financial position	(30.5)	(34.4)
Total equity	46.5	35.4
Employees (headcount) at the end of the year	62	60

During the year, Italgen continued to develop its strategic investment plan, with the aim of consolidating its position in the renewable energy sector. This path also includes the diversification of production sources, with a particular focus on photovoltaics. It should be noted that:

- two photovoltaic plants with a total capacity of 4.2 MW have entered into operation;
- on June 5, Italgen finalised the acquisition of two new hydroelectric power plants: Idrolima, in the municipality of Bagni di Lucca (LU), and Dal Sass, in Costa dè Nobili (Pavia) for a total of 0.72MW.
- The investments involved in revamping the Olmo al Brembo (BG) hydroelectric power plant and reinforcing the Cassiglio (BG) dam have been completed. The construction site for the modernisation of the Dezzo power plant in Val di Scalve (BG), a historical Italgen power plant completely rebuilt in 1926 following the Gleno disaster, has been opened. The intervention will allow the automation of the entire plant, with an installed power in excess of 3MW, improving its operational efficiency.
- The necessary permits have been obtained for the construction of two photovoltaic plants with a total power of approximately 15MW. Work will begin in the first quarter of 2025, with the aim of completing them by the end of the year.
- On September 30, 2024, Gardawind S.r.l., 49% owned by Italgen, completed the sale of 100% of two wind farms operating in Bulgaria with a total installed power of 18MW. For Italmobiliare, the transaction generated a positive impact on Italgen's Net Asset Value of approximately 5.2 million euro. Looking at the 2024 financial statements at Italgen level, the transaction had a one-off impact on the net profit for the period related to Gardawind's pro-rata profit of 3.0 million euro and no impact on the net financial position, which in 2025 will benefit from a positive effect of approximately 6.4 million euro.
- In October, Italgen participated in the Lombardy Region tender for the reassignment of the large hydroelectric diversion concession called "Resio".
- In November, the project for the construction of the hydroelectric plant on the San Giovanni Bianco DMV was contracted out, with an estimated production capacity of around 1.3 GWh per year.

In 2024, Italgen Group's hydroelectric energy production reached 386.8 GWh, a record result for the Group, with an increase of 44.7% compared with the 267.4 GWh of the previous year. Photovoltaic has doubled compared with 2023 and represents just under 5% of total production in 2024.

In 2024 Italgen recorded revenue of 66.8 million euro, growing by 10.0 million euro compared with 2023. Neutralising both the effect of pass-through revenues and the impact of the Sostegni Ter Decree and the Price Cap legislation, which negatively affected the 2023 results, normalised revenue shows growth of 22.2 million euro, due to the increase in volumes of 15.0 million euro and a positive price effect of 7.0 million euro, thanks to sales made at a fixed price, which more than offset the reduction in the variable national unit price (PUN).

The gross operating profit at December 31 is 31.9 million euro, an increase of 19.3 million euro, mainly as a result of the aforementioned increase in revenues partially reduced by approximately 3.0 million in non-recurring charges, largely attributable to the allocation of the amount requested by the Lombardy Region for previous years in relation to free energy and the related variable fees (as explained in greater detail in the paragraph below "Litigation and Disputes Pending").

Considering amortisation and depreciation of 6.6 million euro and impairment losses of 0.7 million euro, the operating result for 2024 comes to 24.7 million euro and is attributable to the situations explained above. In 2024, the Italgen Group's net profit stands at 19.4 million euro, up 16.3 million compared with the previous year due to the situations mentioned above.

The investments made during the period amount to 9.5 million euro and mainly refer to the project development mentioned in the introduction.

The net financial position of the Italgen Group at December 31, 2024 is negative for 30.5 million euro. Neutralising the payment of 8.0 million euro of dividends made in the first quarter and the costs relating to the acquisitions carried out in the first half of the year, cash generation is positive for 14.8 million euro, thanks to the excellent result for the period.

LITIGATION AND DISPUTES PENDING

During 2024, there was a fatal accident involving an employee working at the Poirée Dam in Concesa di Trezzo d'Adda (MI). Following the investigations carried out after the event, the ATS of the Metropolitan City of Milan contested some violations of Legislative Decree 81/08, issuing a number of provisions. These were promptly complied with and the related fines were paid. At the same time, the Public Prosecutor's Office of Milan began an investigation to ascertain if there was any responsibility on the part of those in charge of safety in the workplace, in relation to the offence envisaged in art. 589, paragraphs 1 and 2 of the Criminal Code. This investigation has not yet been concluded and it is impossible to say when it will be finished. Italgen has not been accused of any offence under the legislation on administrative liability of legal persons pursuant to Legislative Decree 231/01.

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

RISKS AND UNCERTAINTIES

The Group is exposed to uncertainties linked to changes in the regulatory scene, which is carefully monitored by management in order to promptly identify any market threats or opportunities. The Vaprio, Mazzunno and Mezzoldo power plants (with installed power of 33 MW, out of a Group total of 75 MW) have an average annual nominal power of more than 3,000 kW and are therefore among the power plants subject to the regulations contained in the so-called "Simplification Decree" and the so-called "Competition Bill" definitively approved in 2022. It regulates the conditions of large-scale hydroelectric concessions and provides for tendering as a generalised method for awarding the concession upon expiry. While waiting for more precise indications from the legislator, the company has started in-depth discussions with the region to explain some specific aspects of Italgen's power plants, such as the fact that they own a network of power lines.

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The company expects 2025 to continue being affected by high energy price volatility. Volumes to likely to decline compared with the exceptional results of 2024, which were boosted by record rainfall during the period. This effect will be partially offset by expanding the perimeter following the entry into operation of new plants and by any new development opportunities that may arise. Management remains highly attentive to decisions made by the Government and the European Commission regarding the reassignment of expired hydroelectric concessions.

General and governance information

REPORTING

ESRS 2 - General Information - Basis for preparation

The reporting includes performance, data and information on the holding company Italgen and its subsidiaries, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance
ESRS G1 - Business conduct

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.

Position	Name and Surname	Gender
Chairman	Carlo Giuseppe Bianchini	M
CEO / General Manager	Luca Musicco	M
Director	Stefania Danzi	F
Director	Luigi Michi	M
Director	Leonardo Senni	M

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company 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 deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Italgen has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world’s largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women’s Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company’s approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Italgen in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Italgen adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

More generally, Italgen 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 for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the management systems adopted and certified (ISO 14001 for environmental management, ISO 45001 for health and safety) - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

The quality of the sustainable governance system has been recognised by the **"Gold Medal" certification of Ecovadis**, one of the main ESG rating platforms, by the **Cribis** ratings and also with the acknowledgement of the **Legality Rating**, received from the Competition Market Authority (AGCM) and proving the compliance with very high legality standards.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 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 Governance.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

Italgen 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 diversion works and for design, technical, and engineering consulting 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 Italgen. In any case, the type and geography of the subjects involved in Italgen's value chain do not highlight specific risks of violation of human and workers' rights.

With the Partnership Charter, an evolution of the previous Supplier Charter, Italgen aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	389	373	454
Purchase of products and services	M€	37.1	43.5	28.8
national suppliers		37.1	43.5	28.7
foreign suppliers		0.03	0.02	0.02
Spending on local suppliers (headquarters on national territory)	**%**	**99.9%**	**100.0**	**99.9%**

	2022		2023		2024	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	10	100%	--	--

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Italgen’s sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	**75%**	**2027**	--	--	**--**
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	**2025**	--	--	**✓ ***
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	**0**	**2025**	0,0	0,0	**9,3**
Gender and human capital development	Training hours per employee	**40**	**2027**	21	17	**18**

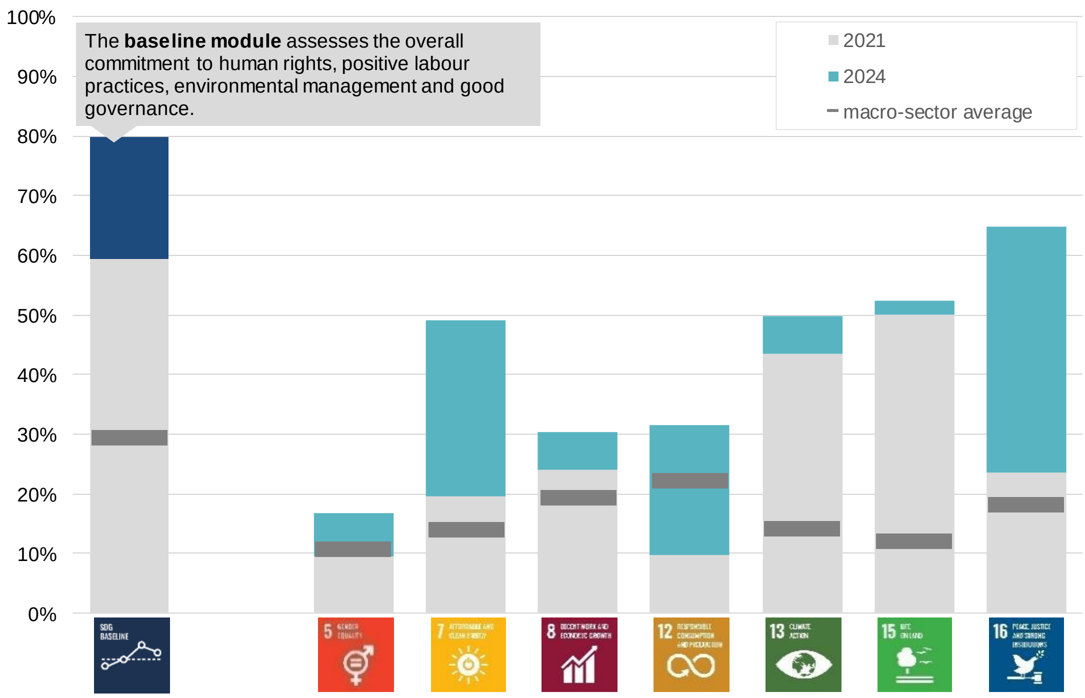
* Objectives validated by the SBTi expert team in January 2025. Details can be found in the “Low-Carbon Transition” section.

Furthermore, Italgen integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Italgen: Commitment to the SDGs

Environment	7	Ensure access to affordable, reliable, sustainable, and modern energy for all.
	12	Ensure sustainable production and consumption models.
	13	Promote actions at all levels to combat climate change
	15	Protect, restore and promote sustainable use of the earth's ecosystem.
Society	5	Achieve gender equality and empower all women and girls.
	8	Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance	16	Peace, justice, and strong institutions.
	17	Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



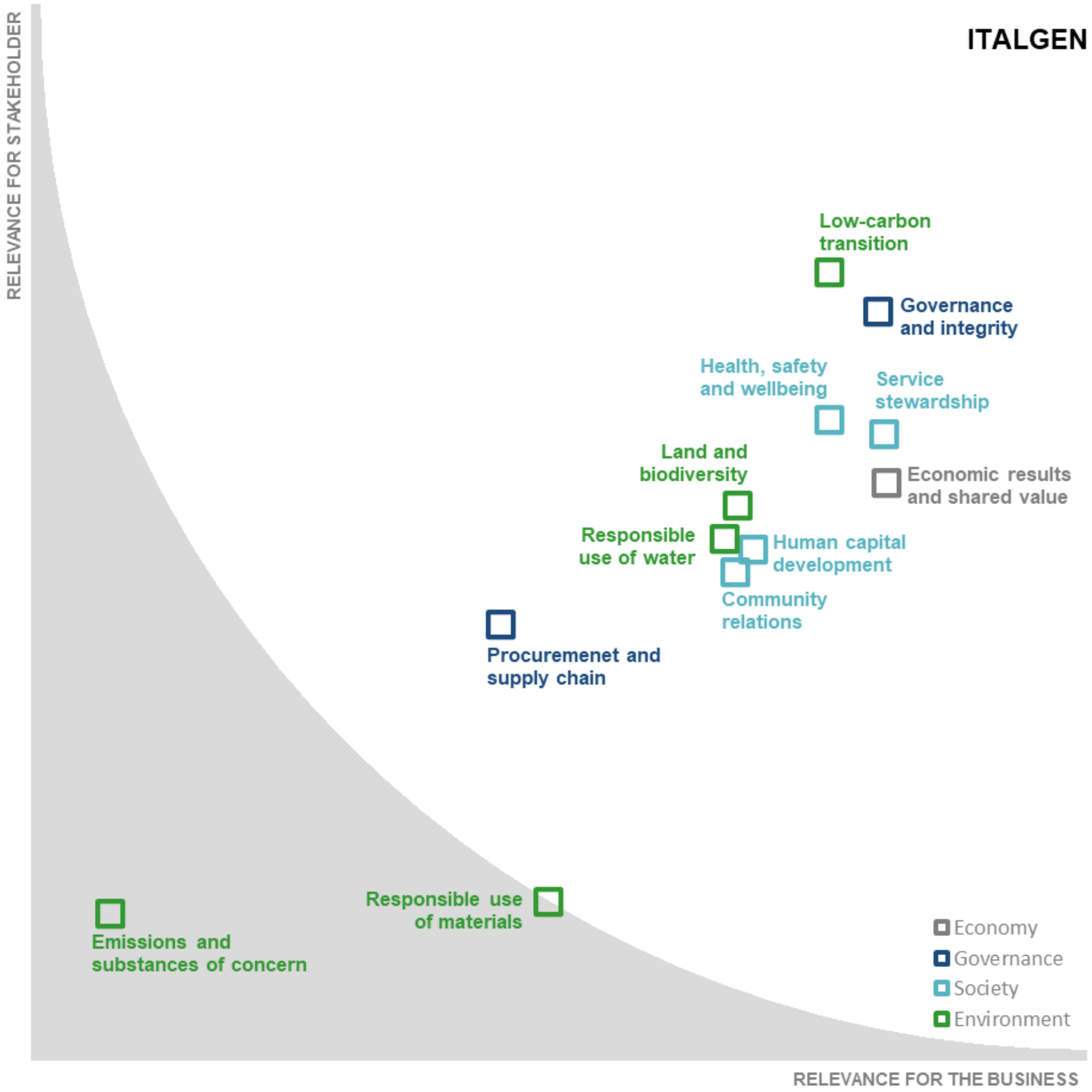
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts		Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	ML	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	S	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, especially in countries that produce photovoltaic panels.	M	• Activation of a protected system of whistleblowing that is open to all stakeholders. • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners. • Progressive modernisation of production machinery.
	▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities. ▲ Develop R&D partnerships and projects based on innovation and sustainability.	M	
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	SM	• Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S	• Continuous promotion of a safety culture. • Safety audit
	▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S	
Community relations	▲ Initiatives and projects for the local community.	S	• Projects for communities near Italgen power plants.
Product and service stewardship	▲ Providing products and services that give sustainable choices to customers, consumers and users.	SM	• Role of decarbonisation enabler of energy sources (Power Purchase Agreement, sale of guaranteed renewable energy or Guarantees of Origin), on the national grid, on the private and intercompany market.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	ML	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2040) reduction targets.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement. ▲ Differentiation of sources to increase flexibility and enhance the injection of renewable electricity into the grid.	ML	
Land and biodiversity	▲ Protection of the balance of the ecosystem in which the power plants are located, of biodiversity with interventions to repopulate fish species in waterways.	M	• Development and plans for ecosystem protection and repopulation of fish species.

S = Short term **M** = Medium term **L** = Long term

	Risks ▼ and ▲ Opportunities		**Mitigations and initiatives adopted**
Economic results and shared value	▼ In October, Italgen participated in the Lombardy Region tender for the reassignment of the large hydroelectric diversion concession called "Resio". ▼ Potential negative economic impacts due to the reduction/volatility of the electricity exchange price		• Legislative monitoring and promotion of continuous dialogue with institutional interlocutors, also to explain Italgen's unique situation (above all, the fact that it owns a power distribution network). • Price risk hedging strategy on energy production and sales, also through multi-year Purchase Power Agreements (PPAs) with select counterparties.
	▲ Increase in power through the assignment of concessions currently held by third parties through auction.		• Participation in the tender announced in April 2024 by the Lombardy Region for the reassignment of the large hydroelectric diversion concession called "Resio."
Human capital development	▼ Organisational structure not fully aligned with the way that the business is evolving.		• Strengthening the organisation with new hires.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.		• Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company. • Safety audit • ISO 45001 certification.
Low-carbon transition *Physical risks*	▼ Increase in the variability/intensity of expected precipitation near hydroelectric power plants with effects on energy production.		• Development strategy with focus on source diversification (photovoltaic) • Careful planning of periodic maintenance and prudent management of forward sales. Investments in technology for efficiency and business continuity.
	▲ Diversification of renewable sources: hydroelectric, photovoltaic and others.		

= positive outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Italgen also joined the Science Based Targets initiative (SBTi) and received validation of its objectives - both identified and proposed - from the SBTi team of experts. The following table shows details of the decarbonisation objectives.

Objectives validated by SBTi

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by **42%** before the end of **2030** and by **90%** before the end of **2040** compared with the base year 2023.	-30%
	To continue buying **100%** renewable electricity every year until **2030**	100%
Scope 3 Category 3	To reduce emissions per MWh sold by **72%** before the end of **2030** and by **91.3%** before the end of **2040** compared with the base year 2023	-98%
Scope 3 Other categories	To reduce absolute Scope 3 emissions (other categories) by **90**% before the end of **2040.**	-69%
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of **2040**.	-69%

Italgen actively contributes to the low-carbon transition with hydroelectric plants in Lombardy, Piedmont and Veneto and a growing availability of photovoltaic plants. At the end of 2024, 6 photovoltaic plants were active in Lombardy, Piedmont, Marche and Puglia.

Self-consumption is extremely limited and decreasing constantly thanks to the continuous updating of the facilities and the installation of photovoltaic systems to power the auxiliary services of the hydroelectric power plants. Full implementation of the centralised system for automation and remote control of the plants and the progressive modernisation of the company's car pool further reduces its carbon footprint. The purchase of energy on the Power Exchange integrates contractual commitments that exceed production. Hydroelectric and photovoltaic production sent to the grid and sold makes it possible to avoid the emission of significant quantities of greenhouse gases compared with the average output currently available on the market. The energy consumption and energy mix of Italgen are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels	MWh	**212**	**247**	**209**
Natural gas	MWh	0	0	0
Diesel and LPG, for process	MWh	36	44	17
Automotive fuels	MWh	176	203	192
Thermal energy consumption from renewable sources	MWh	0	0	0
Biodiesel	MWh	0	0	0
Energy consumption from renewable sources	MWh	**7,832**	**9,577**	**12,641**
Hydroelectric	MWh	7,832	9,577	12,411
Solar	MWh	0	0	0
Wind	MWh	0	0	0
Other/Mix	MWh	0	0	230
Consumption of purchased renewable electricity	MWh	233	220	230
Consumption of self-produced renewable electricity	MWh	7,832	9,577	12,411
Total energy consumption	MWh	**8,044**	**9,824**	**12,850**
% of fossil fuels on total energy consumption	MWh	3%	3%	2%
% of renewable sources on total energy consumption	MWh	97%	97%	98%
Energy intensity	**MWh / M€ Revenue**	**167**	**175**	**192**
Electricity self-produced from renewable sources	MWh	**179,853**	**267,003**	**386,839**
Hydroelectric	MWh	179,780	258,984	369,669
Solar	MWh	73	8,019	17,171
Renewable electricity self-produced and fed into the grid	MWh	**172,021**	**257,426**	**374,429**

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiaries, Italgen adopts the "financial control" approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based	t CO2e	19,619	37,448	11,615
Location based		19,696	37,521	11,714
Carbon Intensity - Market based	t CO2e / M€ Revenue	407	668	174
Carbon Intensity - Location based		409	669	175
Scope 1		1	1	1
Scope 2 - Location Based		2	1	1
Scope 2 - Market Based		0	0	0
Scope 3		406	666	173

Avoided emissions (location based)	unit	2022	2023	2024
Avoided emissions	t CO2e	**59,714**	**82,200**	**161,430**
From hydroelectric production fed into the grid		59,714	80,603	154,027
From photovoltaic production fed into the grid		0	1,597	7,403

Carbon footprint Details *	unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	**19,619**	**37,448**	**11,615**	
Scope 3 - Upstream	t CO2e	**19,562**	**37,371**	**11,561**	99.5%
1 Purchased products and services		--	5,325	602	5.2%
2 Capital goods		--	3,680	2,079	17.9%
3 Fuel-and energy-related activities		19,543	28,063	8,687	74.8%
4 Upstream transportation and distribution		--	191	114	1.0%
5 Waste generated by the sites		12	7	2	0.0%
6 Business travel		7	46	25	0.2%
7 Employee commuting		--	59	54	0.5%
8 Upstream leased assets		--	--	--	
Scope 1		**57**	**77**	**54**	0.5%
Scope 2- Market Based		**0**	**0**	**0**	0.0%
Scope 2 - Location Based		77	73	99	
Scope 3 - Downstream		**0**	**0**	**0**	0.0%
9 Downstream transportation and distribution		--	--	--	
10 Processing of sold products		--	--	--	
11 Direct use		--	--	--	
12 End-of-life treatment of sold products		--	--	--	
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, Italgen applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the "Current Policies" scenario, again as defined by the NGFS (Network for Greening the Financial System).

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

The main natural resource used by Italgen is the water that passes through the turbines at its hydroelectric plants. It is a process in which water is neither consumed nor modified in its chemical and physical characteristics.

The company's production and administrative structures consume limited quantities of thermal and electrical energy and well water.

Water balance	unit	2022	2023	2024
Withdrawals	m^3	**5,404**	**5,145**	**3,680**
Surface water		0	0	0
Groundwater		4,525	4,183	2,959
Aqueduct		879	962	721
of which in water stressed areas		**0**	**0**	**0**
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		0	0	0
Water discharge		**879**	**962**	**721**
Surface water		0	0	0
Groundwater		0	0	0
Sewage		879	962	721
of which in water stressed areas		**0**	**0**	**0**
Surface water		0	0	0
Groundwater		0	0	0
Sewage		0	0	0
Water consumption		**4,525**	**4,183**	**2,959**
of which in water stressed areas		**0**	**0**	**0**
Intensity	**m^3/ M€ Revenue**	**94**	**75**	**44**

LAND AND BIODIVERSITY

ESRS E4 - Biodiversity and ecosystems

Given the number of areas of interest present in Italy, within 50 kilometres of all the sites there are protected areas, key areas for biodiversity and potential presence of species in the Red List of the IUCN (International Union for Conservation of Nature). None of Italgen's activities specifically hit threatened species. In any case, Italgen takes care of the possible impacts on aquatic ecosystems. Moreover, some hydroelectric plants are located in protected geographical areas.

Italgen power plants within protected areas	
Vaprio d'Adda	Located within the Adda Nord Regional Park and subject to the conservation regulations of Protected Natural Areas.
Cassiglio **Dezzo / Povo** **Ponte dell'Acqua** **Ponte Piazzolo**	Located within the Orobie Bergamasche Regional Park, subject to compliance with the Park Plan regulations.
Ponte Nembro	Located within the Serio Nord Park, subject to compliance with the Park Plan regulations.
Palazzolo	Located within the Oglio Nord Regional Park, subject to compliance with the Park Plan regulations.

Since ever, Italgen undertakes to ensure that its plants do not alter the balance of the ecosystem in which they are located, in particular by not hindering the movements and migrations of fish fauna.

The release of a quantity of water called Minimum Vital Flow (DMV) near the intake structures guarantees that the fauna maintains the characteristics suitable for its growth and for the preservation of the watercourses. The construction of fish ladders allows fish to move freely along the riverbed. Furthermore, Italgen carries out interventions to repopulate fish species in the waterways where the power plants are located.

Italgen also manages 6 photovoltaic plants. Of these, 4 are built on the roofs of third-party industrial warehouses, without any land consumption or impact on biodiversity and ecosystems, while 2 are on the ground on a reclaimed former industrial site. The construction of the latter was born from the collaboration between Italgen and the

Municipality of Modugno (BA) and is part of the redevelopment project of the industrial area of Modugno, home to the former limestone quarry next to the Italcementi cement plant, already reclaimed previously. Italgen, owner of the area, built the photovoltaic park on the area of approximately 6 hectares once occupied by industrial plants, without any new land consumption, ceding to the Municipality an area of over 20 hectares for the creation of a naturalistic area for public use, which increases the green surface of Modugno by 5 times. As part of the project, Italgen 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 ex-quarry. These too have been given to the Municipality.

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

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.

	2022		2023		2024	
Resource Outflows	t	%	t	%	t	%
Total waste	**318**		**344**		**251**	
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	344	100%	251	100%
Non-hazardous waste	**256**	**80%**	**337**	**98%**	**235**	**93%**
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	337	100%	235	100%
Hazardous waste	**63**	**20%**	**7**	**2%**	**17**	**7%**
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	7	100%	17	100%

Resource Outflows	unit	2022	2023	2024
Non-hazardous	t	--	**337**	**235**
Material recovery		--	**337**	**235**
Recycling (R3, R4, R5)		--	0	0
of which composting (R3)		--	0	0
of which other forms of recycling (R4, R5)		--	0	0
Preparation for re-use (R2, R6, R9)		--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	337	235
Disposal		--	**0**	**0**
Landfill (D1)		--	0	0
Incineration (D10, D11)		--	0	0
Other disposal operations (D2-D9, D12-D15)		--	0	0
Hazardous	t	--	**7**	**17**
Material recovery		--	**7**	**17**
Recycling (R3, R4, R5)		--	0	0
of which composting (R3)		--	0	0
of which other forms of recycling (R4, R5)		--	0	0
Preparation for re-use (R2, R6, R9)		--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	7	17
Disposal		--	**0**	**0**
Landfill (D1)		--	0	0
Incineration (D10, D11)		--	0	0
Other disposal operations (D2-D9, D12-D15)		--	0	0

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Italgen benefits from the value of more than 62 specialised and motivated people. Direct employees in Italy, by choice mainly of local origin, are all covered by collective bargaining agreements. 7% of managerial positions are held by women.

			2022			2023			2024
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	**4**	**61**	**65**	**5**	**55**	**60**	**5**	**57**	**62**
Managers	0	4	4	0	3	3	0	3	3
Middle managers	1	10	11	1	11	12	1	10	11
Office workers	3	11	14	4	12	16	4	17	21
Production workers	0	36	36	0	29	29	0	27	27
Turnover	--	--	**-3**	--	--	**-5**	--	--	**2**
+ Hirings	--	--	2	--	--	5	--	--	6
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	0	--	--	2	--	--	0
- Non-voluntary exits	--	--	5	--	--	8	--	--	4
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	100%	100%	100%	100%	100%	100%	100%	98%	98%
% contract: full time	75%	98%	97%	60%	100%	97%	60%	98%	95%
Training									
Hours per capita	37	20	21	19	16	17	39	17	18
Managers	--	18	18	--	39	39	--	48	48
Middle managers	66	26	30	25	28	28	39	30	31
Office workers	27	26	26	18	23	22	38	15	20
Production workers	--	17	17	--	7	7	--	9	9
% hours of voluntary training	--	--	--	100%	71%	74%	98%	57%	64%
Managers	--	--	--	--	100%	100%	--	85%	85%
Middle managers	--	--	--	100%	87%	88%	100%	80%	82%
Office workers	--	--	--	100%	59%	68%	98%	45%	65%
Production workers	--	--	--	--	46%	46%	--	26%	26%
% with at least one training session	--	--	--	100%	68%	70%	100%	85%	86%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	100%	100%	100%	100%	90%	92%
Office workers	--	--	--	100%	93%	94%	100%	94%	95%
Production workers	--	--	--	--	44%	44%	--	77%	77%
% with performance appraisal	**100%**	**41%**	**45%**	**100%**	**49%**	**53%**	**80%**	**53%**	**55%**
Managers	--	100%	100%	--	100%	100%	--	100%	100%
Middle managers	100%	100%	100%	100%	91%	92%	0%	100%	91%
Office workers	100%	100%	100%	100%	117%	113%	100%	100%	100%
Production workers	--	0%	0%	--	0%	0%	--	0%	0%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

Fixed and variable remuneration	2022	2023	2024
Gender pay gap *Difference between women's and men's average pay compared with men's average pay*	**14%**	**13%**	**14%**
Managers	--	--	--
Middle managers	26%	17%	15%
Office workers	12%	4%	6%
Production workers	--	--	--

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

2024 was a dramatic year for Italgen, as in June it lost one of its expert collaborators in a fatal accident that occurred while working on the "Poirée" dam on the Adda River in Concesa di Trezzo d'Adda (MI).

From this tragic event, all the people of Italgen and the Group, supported by the parent company, have gained further momentum to promote the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

In line with the adopted Sustainability Policies, Italgen 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.

Since 2024, the safety management system implemented by Italgen for the production, transmission, and commercialisation of hydroelectric energy has been rewarded with the ISO 45001 certification.

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.

			2022			2023			2024
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	**--**	**--**	**0**	**0**	**0**	**0**	**0**	**1**	**1**
Fatalities	--	--	0	0	0	0	0	1	1
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	10.07	9.29
Severity rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-Employees	--	--	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

COMMUNITY RELATIONS

ESRS S3 - Affected communities

Italgen cultivates ties with the local area and local community, by promoting responsible lifestyles and initiatives to support social and cultural values.

SIDI Sport

(100% INTEREST)

Highlights

REVENUE
31.7 mn €
(23.8 mn € in 2023)

247
PEOPLE
(260 in 2023)

100%
RENEWABLE ELECTRICITY

EBITDA
0.4 mn €
(-2.7 mn € in 2023)

106 MOTORBIKE WORLD CHAMPIONSHIP
116 BIKE WORLD CHAMPIONSHIP

100%
RECYCLABLE PACKAGING

INVESTIMENTI
2.0 mn €

280,000
PAIRS OF SHOES PRODUCED

ENVIRONMENT
ISO 14001
HEALTH AND SAFETY
ISO 45001

Strategic Objectives

- To be the point of reference for athletes and enthusiasts from all over the world, who aim to maximise their performance on bicycles and motorbikes.
- To consolidate the brand's presence in the main international markets, collaborating with the best athletes and participating in the main competitions, rallies and events.
- To ensure a perfect balance between performance, ergonomics and safety, reducing the environmental footprint through product innovation and material selection.

Profile

THE COMPANY

SIDI Sport is famous for the production and sale of cycling and motorcycling footwear, appreciated by the most illustrious professional athletes and enthusiasts from all over the world. Founded in 1960 in Maser, in the province of Treviso, in the heart of the Montebelluna sports footwear industrial district, the company still maintains its production plant, offices and R&D centre there today. With approximately 250 employees between the headquarters in Maser and the production site in Romania, SIDI develops and produces high-end technical footwear, which is distributed in over 60 countries. At the end of 2022, Italmobiliare acquired 100% of the company, with the aim of preserving the excellence of this iconic technical sportswear brand and enhancing its growth internationally.

Born with a vision of creating solutions that allow athletes to excel, SIDI has established itself over the years as a world leader in the sector, combining tradition and innovation, performance and design, gaining massive recognition and loyalty among enthusiasts all over the world. For over sixty years, the company has pushed the boundaries of innovation, defining new standards and combining research, craftsmanship and ergonomics to create products that transcend time and allow athletes to reach the pinnacle of sports performance and unleash their potential. Thanks to the constant collaboration with the best athletes in the world, SIDI has developed and brought to market many innovations that have become standards, such as adjustable cleats on shoes, rotors, carbon soles, hyperextension control systems, the SRS system and many others.

RECENT DEVELOPMENTS

In 2022, Italmobiliare acquired 100% of SIDI Sport, starting a profound process of transformation and evolution of the company aimed at developing the growth potential of the brand at an international level, respecting the tradition and history that are undoubtedly one of the brand's strong points.

The organisational structure has been completely revised, starting with the appointment of a CEO with vast experience in the sporting goods sector and a solid first management line composed of professionals with experience in all key corporate functions: Finance, Operations, Marketing, Commercial and Product Development. At the same time, structured plans have been launched for the training and enhancement of the professional figures already present in the company. Davide Cassani, former professional cyclist and former technical commissioner of the Italian national cycling team, has also joined the Board of Directors.

The product range has been completely revised with two objectives: on the one hand, to update it with the inclusion of new models and new, more modern colours in line with customer expectations; on the other, to integrate it to cover segments in which the company was not present in the past, such as urban riding shoes (motorcycles) and gravel footwear (bikes).

There have been numerous initiatives to strengthen the brand. Partnerships with leading athletes on the world scene have been strengthened in all the sports segments in which SIDI operates and strategic collaborations have been initiated with the sporting events most likely to attract passionate participants. A content factory has been created inside the Maser headquarters for faster production of effective and emotional content, and the communication strategy has been strengthened. In order to accelerate commercial development, the distribution network has been optimised to provide better coverage of the markets in which SIDI is present and the digital channel, which is strategic for the company, has been strengthened, also with the creation of the new website.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023)	Change %
Revenue and income	**31.7**	**23.8**	***33.1***
Gross operating profit (EBITDA)	**0.4**	**(2.7)**	***n.s.***
% of revenue	*1.4*	*(11.3)*	
Amortisation and depreciation	(1.7)	(1.4)	
Impairment losses on non-current assets	(0.2)	(1.2)	
Operating profit (EBIT)	**(1.5)**	**(5.3)**	***72.3***
% of revenue	*(4.7)*	*(22.4)*	
Net finance costs	(0.8)	(2.1)	
Profit/(loss) before tax	**(2.3)**	**(7.5)**	**69.1**
% of revenue	*(7.3)*	*(31.5)*	
Income tax	0.5	1.0	
Profit/(loss) for the period	**(1.8)**	**(6.5)**	***72.0***

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

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	2.0	1.2
Free Cash Flow	(4.8)	6.3
Net financial position	(15.1)	(10.6)
Total equity	61.0	62.9
Employees (headcount) at the end of the year	247	260

For SIDI, 2024 was an extremely positive year, with higher sales in both the motorbike and bicycle sectors and better margins. Specifically, it should be noted that:

- Over the course of the year, Sidi completed an R&D project to innovate and expand its product range for both bicycles and motorbikes. New models and colours were presented, in line with customers' expectations, and products were launched in segments where the company did not have a presence.
- The sales network was optimised for better coverage of strategic markets and the digital channel was strengthened, also with the creation of a new e-commerce site.
- An internal content factory was created to optimise the production of content to support marketing, partnerships with important athletes were strengthened in all segments in which the company operates and strategic collaborations were initiated with the sporting events of greatest appeal for fans.

SIDI posted revenue of 31.7 million euro in 2024, up 33.1% on the previous year. A very positive trend continues in the most important geographical areas for the company: in particular, there were excellent performances in Europe and North America, also thanks to the commercial actions taken by management. Growth was also driven by the introduction of new products in terms of categories and in terms of models and colours, leading to an increase in turnover compared with the previous year for both the motorbike sector (+32.7%) and for bicycle products (+32.7%).

The gross operating profit came to 0.4 million euro, an improvement of 3.1 million euro on the previous year. The company incurred non-recurring expenses of 0.4 million euro related to managerial and industrial consultancy, bringing the current operating profit to 0.8 million euro, an improvement on 2023. This positive result is due to the increase in sales volumes, partly offset by the increase in costs related to the development strategy. In particular, the organisational structure has been strengthened and this has led to an increase in the cost of indirect personnel.

The item “Impairment losses on non-current assets”, equal to 0.2 million euro in 2024, included -1.2 million euro in the previous financial year, related to the write-down of the goodwill recognised by the company following verification of its recoverability through the impairment test carried out at December 31, 2023.

Considering the finance costs for the period of 0.8 million euro, and positive taxes for 0.5 million euro, the loss for the year comes to 1.8 million euro.

During the year, capital expenditure amounted to 2.0 million euro, mainly for the development of new products, both bicycles and motorbikes.

The net financial position is negative for 15.1 million euro and includes approximately 6 million euro of liabilities in accordance with IFRS 16, linked to the rental of the offices and factories in Italy and Romania. A negative cash generation of 4.8 million euro was recorded in the period, mainly due to the trend in working capital.

LITIGATION AND DISPUTES PENDING

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

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

In a dynamic context for the bicycle sector and a generally stable one for the motorbike sector, Sidi is concentrating on projects linked to business development.

In the marketing and commercial fields, the path of strengthening brand awareness continues through participation in the main sporting and exhibition events and collaborations with some of the best pilots and athletes in the world. Among the new partnerships, the one started at the beginning of the year with the Brad Binder stands out, marking Sidi's return to MotoGP after many years. In order to make the most of these initiatives, the company will multiply its communication and marketing efforts with the ever-increasing support of the content factory, which was established at the Maser headquarters during 2024.

On the product side, investment continues to renew the range, in particular the focus in 2025 will be on further development of the motorbike area. On the industrial front, efforts will be made to further streamline operations.

General and governance information

REPORTING

ESRS 2 - General Information - Basis for preparation

The reporting includes performance, data and information on the holding company SIDI Sport and its subsidiary in Romania, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance
ESRS G1 - Business conduct

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.

Position (*)	Name and Surname	Gender
Chairman	Matteo Sam Benusiglio	M
CEO / General Manager	Davide Rossetti	M
Director	Anna Claudia Boiani	F
Director	Davide Cassani	M
Director	Giuliano Palermo	M

The **Sole Auditor**, who is independent, is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company 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 deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the management.

In line with the approach of the Italmobiliare Group, SIDI Sport has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with SIDI Sport in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

SIDI Sport adopts an **Organisation, Management and Control Model** (Model 231) which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the Company's website.

More generally, SIDI Sport implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management systems** adopted (ISO 14001 for environmental management and ISO 45001 for health and safety) - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the Company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 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 illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business Conduct

With the Partnership Charter, an evolution of the previous Supplier Charter, SIDI Sport aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	--	638	645
Purchase of products and services	M€	--	21.1	30
national suppliers		--	17.7	18.5
foreign suppliers		--	3.4	11.3
Spending on local suppliers (headquarters on national territory)	**%**	**--**	**84%**	**62%**

	2022		2023		2024	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	-	0%	-	0%

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of SIDI Sport's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	**75%**	**2027**	--	--	**--**
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	**2025**	--	--	*
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	**0**	**2025**	0.0	0.0	**2.1**
Gender and human capital development	Training hours per employee	**25**	**2027**	7	9	**2**

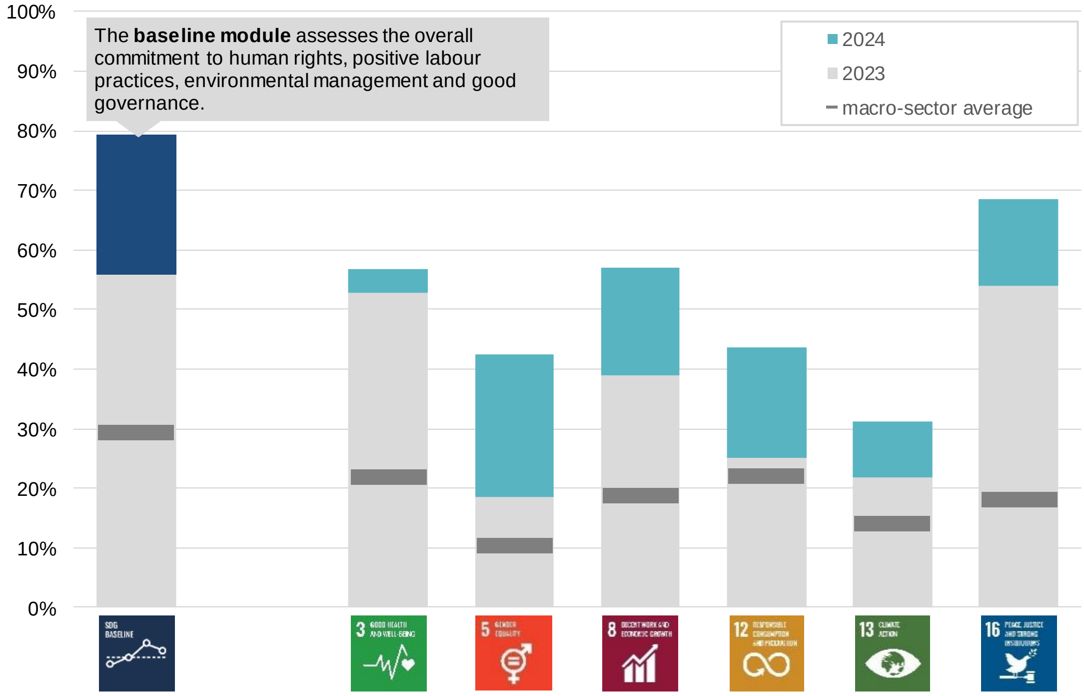
* Objectives have been identified and will be sent to the validation of Science Based Targets initiative in March 2025. Details can be found in the “Low-Carbon Transition” section.

Furthermore, SIDI Sport integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

SIDI Sport: Commitment to the SDGs

Environment	Ensure sustainable production and consumption models.
	Promote actions at all levels to combat climate change.
Society	Ensure health and well-being for all at all ages.
	Achieve gender equality and empower all women and girls.
	Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance	Peace, justice, and strong institutions.
	Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



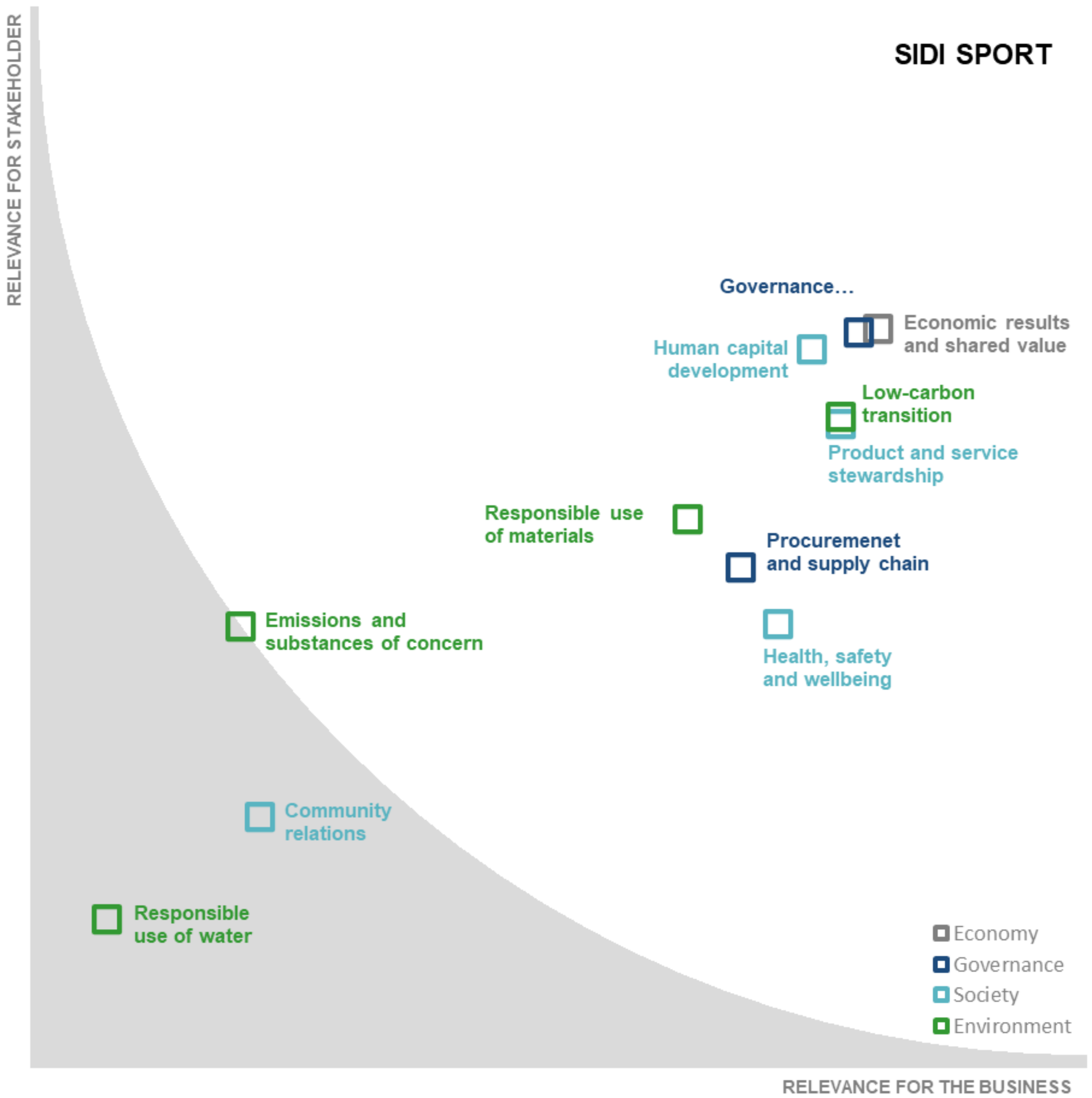
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts		Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	ML	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, particularly for those originating outside Europe.	S	• Start of monitoring at suppliers' premises. • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners.
	▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities. ▲ Develop R&D partnerships and projects based on innovation and sustainability	M	
Human capital development	▲ Creating an attractive and motivating work environment in offices and production.	S	• Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety & well-being	▼ Possibility of accidents at work that could cause injury.	S	• Continuous promotion of a safety culture. • Safety audit
	▲ Duty of care towards employees, collaborators, visitors and any other person who accesses production sites and shops.	S	
Product and service stewardship	▲ Marketing of safe and high-performance footwear, depending on the specific sport for which they are intended (road cycling, motocross, etc).	S	• In the motorbike sector, introduce materials to increase the safety of urban mobility (i.e. D30) without compromising the comfort and style of the footwear. • Prepare for the implementation of regulatory requirements (e.g. Digital Product Passport) that will gradually come into force for specific sectors.
	▲ Promoting responsible lifestyles among current and prospective customer communities.	S	• Communication focused on an active and healthy lifestyle. Sidi is a brand that respects life: athletes, brand ambassadors and content are chosen on the basis of this principle.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	L	
Emissions and critical substances	▲ Controlled use of "substances of concern", beyond mere compliance with industry regulations.	SM	• Replace the production line exhaust air extraction and effluent treatment system. • Evaluate the progressive phase-out in new productions.
Responsible use of materials	▲ Product and packaging design with responsible selection and use of materials, waste minimisation and facilitation of shoe repair (vs replacement/repurchase) and subsequent recycling/disposal.	S	• ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Evaluate the use of recycled and/or recyclable materials. • Separate sale of spare parts to extend the useful life of the product. • Eco-design of products and packaging.

S = Short term **M** = Medium term **L** = Long term

	Risks ▼ and Opportunities ▲	Mitigations and initiatives adopted
Economic results and shared value **Economic results and shared value**	▼ Operations model to be adapted to implement the development plan that includes the launch of multiple new footwear models and an increase in volumes.	• Review of the production footprint of the company's own plants with the use of select third parties for specific processes and models • Greater automation of internal production processes
	▼ Failure to achieve development objectives due to the macroeconomic context, which could generate a reduction in demand and further intensification of competition between market players.	• Strengthen the distribution network for greater distribution capillarity • Investments in communication and product development • Expand and strengthen the organisation (people and processes) with external support.
	▼ Debt sustainability	• Close monitoring of financial management.
	▲ Greater production efficiency (in terms of costs and waste) and product quality thanks to greater automation and innovation of production processes.	• Plan to invest in new machinery at the company's own plants (in Italy and Romania) to support the main production processes
Governance and integrity	▼ Partial implementation of the ESG strategy, also because of dependence on third parties.	• Investment in human resources and in-house training. • Active involvement of strategic suppliers. • Adhesion to SBTi (2024), target validation (2025) and ESG plans.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	• Safety audit • Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management • Continuous safety training at all levels of the company • A new safety organisation
Product and service stewardship	▲ More competitiveness thanks to increasingly sustainable products	• Selection of certified suppliers. • Evaluate the use of recycled and/or recyclable materials. • Separate sale of spare parts to extend the useful life of the product. • Eco-design of products and packaging.
Low-carbon transition	▲ Growing consumer awareness of sustainability for sports footwear	• Boosting R&D activities to use more sustainable materials, such as recycled and/or recyclable materials • Extensive training activities and use of specialised consultants

= positive / **negative** outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 SIDI Sport also joined the Science Based Targets initiative (SBTi), has defined its reduction targets and has scheduled the submission to the SBTi expert team for validation.

SIDI Sport has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging, continuous R&D activities and optimisation of logistics. Moreover, since 2023, SIDI Sport only uses renewable electricity, part of it self-produced.

The following table shows details of the decarbonisation objectives, which will be submitted to SBTi for validation.

Objectives to be submitted for SBTi validation

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by **42%** before the end of **2030** and by **90%** before the end of **2050** compared with the base year 2023.	--
	To continue buying **100%** renewable electricity every year until **2030**	100%
Scope 3 Value chain	To reduce absolute Scope 3 emissions by **42%** before the end of **2030** and by **90%** before the end of **2050** compared with the base year 2024.	--
Scope 1+2+3	To reach **Net Zero** emissions along the entire value chain by the end of **2050**.	--

The energy consumption and energy mix of SIDI Sport are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels	MWh	**--**	**2,036**	**2,166**
Natural gas		--	1,894	1,970
Diesel and LPG, for process		--	0	1
Automotive fuels		--	141	195
Thermal energy consumption from renewable sources		--	0	0
Biodiesel		--	0	0
Energy consumption from renewable sources		**--**	**1,207**	**1,465**
Hydroelectric		--	657	1,361
Solar		--	0	0,00
Wind		--	0	0
Other/Mix		--	550	104
Consumption of purchased renewable electricity		--	1,207	1,465
Consumption of self-produced renewable electricity		--	0	0
Total energy consumption		**--**	**3,243**	**3,631**
% of fossil fuels on total energy consumption		--	63%	60%
% of renewable sources on total energy consumption		--	37%	40%
Energy intensity	**MWh / M€ Revenue**	**--**	**141**	**115**
Electricity self-produced from renewable sources	MWh	**--**	**0**	**0**
Solar		--	0	0
Renewable electricity self-produced and fed into the grid		**--**	**0**	**0**

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiary, SIDI Sport adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based	t CO2e	--	2,678	3,904
Location based	t CO2e	--	3,045	4,415
Carbon Intensity - Market based	t CO2e / M€ Revenue	--	116	123
Carbon Intensity - Location based	t CO2e / M€ Revenue	--	132	139
Scope 1	t CO2e / M€ Revenue	--	18	14
Scope 2 - Location Based	t CO2e / M€ Revenue	--	16	16
Scope 2 - Market Based	t CO2e / M€ Revenue	--	0	0
Scope 3	t CO2e / M€ Revenue	--	98	109

Carbon footprint Details*	unit	2022	2023	2024	2024
Carbon footprint - Market based	**t CO2e**	**--**	**2,678**	**3,904**	
Scope 3 - Upstream	t CO2e	--	**1,534**	**2,893**	**74.1%**
1 Purchased products and services	t CO2e	--	1,084	2,019	51.8%
2 Capital goods	t CO2e	--	--	--	
3 Fuel-and energy-related activities	t CO2e	--	94	105	2.7%
4 Upstream transportation and distribution	t CO2e	--	7	286	7.3%
5 Waste generated by the sites	t CO2e	--	2	1	0.0%
6 Business travel	t CO2e	--	117	111	2.8%
7 Employee commuting	t CO2e	--	230	371	9.5%
8 Upstream leased assets	t CO2e	--	--	--	
Scope 1	t CO2e	--	**419**	**450**	**11.5%**
Scope 2- Market Based	t CO2e	--	**0**	**0**	**0.0%**
Scope 2 - Location Based	t CO2e	--	367	510	
Scope 3 - Downstream	t CO2e	--	**725**	**561**	**14.4%**
9 Downstream transportation and distribution	t CO2e	--	442	282	7.2%
10 Processing of sold products	t CO2e	--	--	--	
11 Use of sold products	t CO2e	--	--	--	
12 End-of-life treatment of sold products	t CO2e	--	283	279	7.2%
13 Downstream leased assets	t CO2e	--	--	--	
14 Franchises	t CO2e	--	--	--	
15 Investments	t CO2e	--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, SIDI Sport applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the NGFS (Network for Greening the Financial System).

EMISSIONS AND SUBSTANCES OF CONCERN

ESRS E2 - Pollution

During the production and assembly of its products, SIDI Sport uses some substances that have characteristics that fall within the generic definition of “substances of concern” according to specific regulations that include both environmental and human sensitivity aspects.

When in use, primers, adhesives and hardeners for the assembly of sports footwear components polymerise or otherwise change their properties, effectively losing their hazardous characteristics once integrated into the products. Thinners and solvents, on the other hand, are used in production for surface treatments or cleaning of semi-finished products along the assembly line and do not leave any residue in the products. All of these substances are used in environments and systems capable of aspirating the volatile fraction to treat it in an abatement system, which has an efficiency of at least 98%.

Volatile organic compounds (VOCs)		2022	2023	2024
Total	t	--	6.0	0.4
SIDI Sport, plant in Maser (TV)		--	5.2	0.1
SIDI Sport, plant in Popești-Leordeni (Romania)		--	0.8	0.3

The emissions from the SIDI Sport plant in Maser decreased significantly in 2024 thanks to the modernisation of the extraction and treatment system for effluents from the production line, which uses adhesives, solvents and other products with volatile components.

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

Water withdrawal is mainly for sanitary uses.

Water balance	unit	2022	2023	2024
Withdrawals	m³	**--**	**3,426**	**3,299**
Surface water		--	0	0
Groundwater		--	2,773	2,722
Aqueduct		--	653	577
of which in water stressed areas		**--**	**0**	**0**
Surface water		--	0	0
Groundwater		--	0	0
Aqueduct		--	0	0
Water discharge		**--**	**3,297**	**3,172**
Surface water		--	0	0
Groundwater		--	0	0
Sewage		--	3,297	3,172
of which in water stressed areas		**--**	**0**	**0**
Surface water		--	0	0
Groundwater		--	0	0
Sewage		--	0	0
Water consumption		**--**	**129**	**127**
of which in water stressed areas		**--**	**0**	**0**
Intensity	**m³/ M€ Revenue**	**--**	**6**	**4**

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

Natural and synthetic fabrics, plastics and rubbers, metals and carbon fibre are the main materials used.

Main Resource Inflows

Biological origin		unit	2022	2023	2024
Process materials	Natural fabrics	t	--	17	19
	Paper and cardboard *		--	38	88

Extractive or fossil origin		unit	2022	2023	2024
Process materials	Synthetic fabrics	t	--	171	248
	Plastic		--	82	101
	Rubber		--	38	55
	Metal	t	--	9	11
	Carbon		--	3	6

* May contain fractions originating from by-products or waste streams.

Resource Inflows	2022 t	2022 %	2023 t	2023 %	2024 t	2024 %
Production materials, semifinished goods and ancillaries	**--**	**--**	**320**		**439**	
of which recycled	--	--	0	0%	0	0%
Renewable or organic	--	--	17	5%	19	4%
of which recycled	--	--	0	0%	0	0%
Non-renewable or technical	--	--	303	95%	420	96%
of which recycled	--	--	0	0%	0	0%
Packaging materials	**--**	**--**	**39**		**88**	
of which recycled	--	--	0	0%	0	0%
Renewable or organic	--	--	39	99%	88	100%
of which recycled	--	--	0	0%	0	0%
Non-renewable or technical	--	--	0.4	1%	0	0%
of which recycled	--	--	0	0%	0	0%
Total materials	**--**	**--**	**359**		**527**	
of which recycled	--	--	0	0%	0	0%
Renewable or organic	--	--	56	24%	106	20%
of which recycled	--	--	0	0%	0	0%
of which from sustainable supply chain	--	--	38	68%	87	82%
Non-renewable or technical	--	--	304	76%	421	80%
of which recycled	--	--	0	0%	0	0%

Resource Outflows	2022 t	2022 %	2023 t	2023 %	2024 t	2024 %
Total waste	**--**	**--**	**78**		**112**	
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	78	100%	112	100%
Non-hazardous waste	**--**	**--**	**75**	**96%**	**109**	**97%**
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	75	100%	109	100%
Hazardous waste	**--**	**--**	**3**	**4%**	**3**	**3%**
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	3	100%	3	100%

Resource Outflows	unit	2022	2023	2024
Non-hazardous	t	--	**75**	**109**
Material recovery	t	--	**75**	**108**
Recycling (R3; R4; R5)	t	--	0	0
of which composting (R3)	t	--	0	0
of which other forms of recycling (R4; R5)	t	--	0	0
Preparation for re-use (R2; R6; R9)	t	--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)	t	--	75	108
Disposal	t	--	**0**	**1**
Landfill (D1)	t	--	0	0
Incineration (D10; D11)	t	--	0	0
Other disposal operations (D2-D9; D12-D15)	t	--	0	1
Hazardous	t	--	**3**	**3**
Material recovery	t	--	**3**	**3**
Recycling (R3; R4 ;R5)	t	--	0	0
of which composting (R3)	t	--	0	0
of which other forms of recycling (R4; R5)	t	--	0	0
Preparation for re-use (R2; R6; R9)	t	--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)	t	--	3	3
Disposal	t	--	**0**	**0**
Landfill (D1)	t	--	0	0
Incineration (D10; D11)	t	--	0	0
Other disposal operations (D2-D9; D12-D15)	t	--	0	0

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

At the end of 2024, Sidi Sport benefited from the value of 247 specialised and motivated people, 75 in the headquarters and productive plant in Maser (TV) and 172 in the Romanian production plant located in Bucharest. Direct employees in Italy, by choice mainly from the local area, are all covered by collective bargaining agreements. 58% of managerial positions are held by women. The use of non-employee workers is marginal.

			2022			2023			2024
	Women	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Personnel	--	--	--	**194**	**66**	**260**	**184**	**63**	**247**
Managers	--	--	--	1	5	6	1	5	6
Middle managers	--	--	--	9	4	13	10	3	13
Office workers	--	--	--	19	7	26	21	11	32
Production workers	--	--	--	165	50	215	152	44	196
Turnover	--	--	--	--	--	**260**	--	--	**-13**
+ Hirings	--	--	--	--	--	15	--	--	16
+ Acquisitions	--	--	--	--	--	272	--	--	0
- Voluntary exits	--	--	--	--	--	26	--	--	27
- Non-voluntary exits *	--	--	--	--	--	1	--	--	2
- Divestments	--	--	--	--	--	0	--	--	0
% contract: permanent	--	--	--	100%	98%	100%	99%	98%	99%
% contract: full time	--	--	--	98%	98%	98%	97%	98%	98%
Training									
Hours per capita	--	--	--	7	13	9	1	5	2
Managers	--	--	--	2	9	8	0	19	16
Middle managers	--	--	--	2	17	7	1	17	4
Office workers	--	--	--	28	27	28	5	6	5
Production workers	--	--	--	5	11	7	0	2	0
% hours of voluntary training	--	--	--	18%	20%	19%	62%	28%	38%
Managers	--	--	--	0%	36%	35%	0%	33%	33%
Middle managers	--	--	--	0%	71%	57%	20%	36%	35%
Office workers	--	--	--	43%	43%	43%	61%	14%	42%
Production workers	--	--	--	2%	6%	3%	74%	28%	39%
% with at least one training session	--	--	--	100%	100%	100%	12%	34%	17%
Managers	--	--	--	100%	100%	100%	0%	80%	67%
Middle managers	--	--	--	100%	100%	100%	10%	67%	23%
Office workers	--	--	--	95%	100%	96%	63%	77%	68%
Production workers	--	--	--	100%	100%	100%	4%	16%	6%
% with performance appraisal	--	--	--	2%	9%	3%	3%	14%	6%
Managers	--	--	--	0%	60%	50%	0%	80%	67%
Middle managers	--	--	--	0%	75%	23%	10%	67%	23%
Office workers	--	--	--	16%	0%	12%	19%	27%	22%
Production workers	--	--	--	0%	0%	0%	0%	0%	0%

* Retirements.

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

Fixed and variable remuneration	2022	2023	2024
Gender pay gap *Difference between women's and men's average pay compared with men's average pay*	**--**	**54%**	**45%**
Managers	--	47%	47%
Middle managers	--	70%	59%
Office workers	--	26%	34%
Production workers	--	40%	35%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Sidi Sport promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. Process machines with moving mechanical parts are the prevailing risk conditions identified. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

In line with the adopted Sustainability Policies, Sidi Sport intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives. In 2024, SIDI Sport obtained certification for its health and safety management system according to the ISO 45001 standard.

			2022			2023			2024
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	**--**	**--**	**--**	**0**	**0**	**0**	**0**	**1**	**1**
Fatalities	--	--	--	0	0	0	0	0	0
Injuries	--	--	--	0	0	0	0	1	1
Lost days	--	--	--	0	0	0	0	3	3
Frequency rate	--	--	--	0.00	0.00	0.00	0.00	8.14	2.06
Severity rate	--	--	--	0.00	0.00	0.00	0.00	0.02	0.01
Non-Employees	--	--	--	**0**	**0**	**0**	**0**	**0**	**0**
Fatalities	--	--	--	0	0	0	0	0	0
Injuries	--	--	--	0	0	0	0	0	0
Lost days	--	--	--	0	0	0	0	0	0
Frequency rate	--	--	--	0.00	0.00	0.00	0.00	0.00	0.00

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

The launch of new products is subject to strict testing procedures before being placed on the market. All safety data sheets and technical data sheets relating to the components and the finished product are acquired from the suppliers, based on the parameters defined by the technical standards of the sector. The continuous research, development and design activity of Sidi Sport focuses on the choice of materials and designs that meet the primary needs of safety and ergonomics and has, as main objectives, the reduction of the environmental footprint generated from the procurement, the production and the management of the end-life of the commercialised products.

Capitelli

(80% INTEREST)

Highlights

REVENUE
23.2 mn €
(22.4 mn € in 2023)

37
PEOPLE
(42 in 2023)

100%
RENEWABLE ELECTRICITY

EBITDA
4.0 mn €
(3.5 mn € in 2023)

1.7 t
CURED MEATS PRODUCED PER YEAR

100% process
82% packaging
RENEWABLE ORIGIN

PROFIT
2.0 mn €
(1.7 mn € in 2022)

1°
BEST COOKED HAM IN ITALY ACCORDING TO THE SALUMI D'ITALIA 2024 GUIDE

300+
TRAINING HOURS
(46% non-mandatory)

Strategic Objectives

- To enhance and promote the uniqueness, taste and quality of San Giovanni, for years the "best cooked ham in Italy".
- To offer Capitelli culinary excellence to enthusiasts and restaurateurs through a cross-distribution, from haute cuisine to the large-scale retail trade.
- To build a Capitelli supply chain model in Italy that is sustainable and capable of guaranteeing the best selection of ingredients.

Profile

THE COMPANY

Founded in 1976 in Borgonovo Val Tidone in the province of Piacenza, Capitelli is renowned for the production and sale of cooked and smoked cured meats. Its products stand out for the careful selection of the various types of meat used and an artisanal and original manufacturing process, which makes them sought-after and niche, positioning them as one of Italy's food excellences. Recognised and appreciated by consumers, who are looking more and more for products of authentic quality, Capitelli cured meats are distributed throughout Italy both in the "Ho.Re.Ca." sector and through traditional retailers and a growing number of large-scale retail outlets. More and more frequently, they are also appearing among the ingredients of refined recipes in gourmet restaurants and gourmand venues, gaining the favour of both traditional restaurateurs and Michelin-starred chefs.

The flagship of the company's production is the San Giovanni cooked ham, created in 1994 by Capitelli and today unanimously recognised as the precursor of the so-called "cooked out-of-mould" production line. San Giovanni is the only cooked ham to have obtained the highest recognition ("5 pins") in all six editions of the Guida Salumi d'Italia, the first sector guide created with the aim of cataloguing and describing Italian high-quality cured meats, which voted it the "Best cooked ham in Italy" in 2025 as well. In 2024 it also obtained, for the third consecutive year, the prestigious "Top Italian Food 2024" award from Gambero Rosso, a point of reference for the evaluation of culinary excellence in Italy.

RECENT DEVELOPMENTS

Italmobiliare acquired a majority stake in Capitelli in December 2019. When Capitelli joined the Group, it could already vaunt a high-quality, artisanal and innovative product, but its production capacity was almost saturated. In five years, approximately 4 million euro has been invested to expand the plant and adapt it to the most advanced production and safety standards, obtaining the most important certifications in the field. Production has been optimised by outsourcing the production of "in-mould products", which have a lower added value, to allocate the plant's production capacity to "out-of-mould" products, produced and packaged by hand, which represent the company's strong point.

New products have been launched, such as mortadella, raw ham and shank, and some excellent products have been further enhanced, such as Giovanna pancetta and Proibita shoulder, obviously in addition to the flagship product, San Giovanni cooked ham. A huge amount of work has been done on the supply chain, selecting the best Italian suppliers who respect the highest genetic and feeding standards. The entire organisational structure of the company has been revised with the aim of enhancing the staff's work-related skills, structuring the company so that it can handle growth more effectively. Sales and marketing was reorganised and in 2023 the first television commercial in the company's history was produced and broadcast on the main channels to further strengthen brand recognition.

The combined effect of these actions made it possible to increase production capacity without affecting quality, which has actually improved thanks to work on the supply chain, investment in the plant and improvements in production processes. Today, the Borgonovo Val Tidone plant has spare production capacity of 40% and, since joining the Italmobiliare Group, Capitelli has seen its turnover grow by over 60%.

In line with the Group's sustainability objectives, Capitelli, in partnership with Italgen, has launched a project for the construction of a photovoltaic system linked to the Borgonovo Val Tidone plant able to satisfy the company's entire energy needs.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	**23.2**	**22.4**	***3.7***
Gross operating profit (EBITDA)	**4.0**	**3.5**	***15.1***
% of revenue	*17.1*	*15.4*	
Amortisation and depreciation	(1.2)	(1.1)	
Operating profit (EBIT)	**2.8**	**2.4**	***19.5***
% of revenue	*12.0*	*10.6*	
Net finance income (costs)	0.0	(0.1)	*n.s.*
Profit/(loss) before tax	**2.8**	**2.3**	***20.6***
% of revenue	*12.2*	*10.5*	
Income tax	(0.8)	(0.6)	*n.s.*
Profit/(loss) for the period	**2.0**	**1.7**	***16.6***

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	0.1	1.3
Free Cash Flow	2.8	3.1
Net financial position	0.4	0.0
Total equity	16.9	17.4
Employees (headcount) at the end of the year	37	42

During 2024, the company consolidated its growth path. Specifically:

- San Giovanni cooked ham, the company's flagship product, has been awarded the Gambero Rosso Top Italian Food 2025 seal for the fourth consecutive year. Furthermore, for the seventh consecutive time, it has obtained the maximum rating of "5 pins" from the prestigious Guida Salumi d'Italia, a point of reference for enthusiasts, operators and producers who want to orient themselves among the best food excellences in the sector.
- At the beginning of 2024 the company won an important award with its Mortadella Capitelli, which was considered the best craft mortadella in the special ranking drawn up by Gambero Rosso. This recognition is further confirmation of the excellence of Capitelli brand products.
- During the year, the company has launched an energy project together with Italgen (Italmobiliare Group), which involves building a photovoltaic system of approximately 5 MW of installed power on the land next to the production plant in Borgonovo Val Tidone, which will satisfy most of the company's electricity and heat requirements. The authorisation process has been completed, work has begun, and the plant is expected to come into operation in 2025.

In 2024, the sector's performance was negatively affected by the persistence in Italy of the African Swine Fever virus, a serious disease that, after having affected wild boars, has spread to many pig farms. This phenomenon has led on the one hand to an increase in the price of pork meat, which was already very high at the beginning of the year and which further increased in the second half of the year, and on the other to growing difficulties in the process of obtaining raw materials. The emergency has negatively affected exports, following the bans on cross-border sales imposed on companies operating in areas affected by the virus.

Despite operating in this difficult market context, Capitelli recorded excellent performances during the year, with revenue of 23.2 million euro, up by 3.7% compared with 2023. The figure is even more positive if we consider that the Normal Trade channel recorded a general decline, whereas all of the company's core products (above all San Giovanni cooked ham) grew by 8.23%.

The gross operating profit came to 4.0 million euro, up 15.1% on last year. The profit margin on revenue has grown by approximately 2 percentage points, an excellent result despite an all-time high average cost (6.09 euro/kilo).

After amortisation and depreciation, which were more or less constant, the operating profit (EBIT) came to 2.8 million euro.

After the payment of taxes amounting to 0.8 million euro, up 16.6% compared to the previous year, Capitelli's net profit increased to 2.0 million euro.

Net divestments amounted to 0.1 million euro, driven by the sale of the previously mentioned photovoltaic plant to Italgen.

The net financial position at December 31, 2024 is positive for 0.4 million euro. Net of the payment of dividends of 2.5 million euro, cash generation is positive, equal to 2.8 million euro, also thanks to careful management of working capital.

LITIGATION AND DISPUTES PENDING

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

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

In the first few months of 2025, the African Swine Fever problem appears to be under control, with infections decreasing and meat prices falling, to the benefit of profit margins. Encouraging signs come from the results of the first few weeks of 2025, which show rising volumes.

General and governance information

REPORTING

ESRS 2 - General Information - Basis for preparation

The reporting includes performance, data and information on Capitelli with the same scope of consolidation of the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance
ESRS G1 - Business conduct

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.

Position	Name and Surname	Gender
Chairman	Angelo Capitelli	M
CEO	Marcello Balzarini	M
Director	Alberto Riboni	M

The Sole Auditor, who is independent, is male.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company 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 deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Capitelli has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Capitelli in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the “Guiding Principles” are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Capitelli adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the Company's website.

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 for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **food safety management system (International Food Standard-IFS)** is another tool to ensure that activities are fully aligned with the Company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 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 illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

With the Partnership Charter, an evolution of the previous Supplier Charter, Capitelli aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	396	353	275
Purchase of products and services	M€	15.9	17.2	17.44
national suppliers	M€	15.7	17.1	17.43
foreign suppliers	M€	0.2	0.1	0.01
Spending on local suppliers (headquarters on national territory)	**%**	**99%**	**99%**	**99.95%**

Environmental and social qualification	2022		2023		2024	
	#	%	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	68	65%	48	67%

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.

Starting from 2020 the "Filiera Capitelli" project was launched in. In 2022, the **"Filiera Capitelli" Policy** was defined, with which Capitelli shares the highest ethical, social, environmental and animal welfare standards with all partners along the value chain, guaranteeing qualitative excellence and respect for the most advanced food safety standards. To this end, Capitelli intends to guide the active commitment of each partner with training, managerial and economic support, all essential conditions for obtaining a raw material that meets the quality standards sought for premium-range products. Thanks to this approach, Capitelli also intends to mitigate the dependence of farmers on consolidated market logics which require the adaptation of the offer to the trend in price lists, in favour of direct negotiation between the processing company, the farmers and the slaughterhouses. At the end of 2023 the **Supply Chain Disciplinary** has been defined, on the basis of which partners will increasingly be engaged.

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Capitelli's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	**75%**	**2027**	--	--	**--**
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	**2025**	--	--	**✓ ***
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	**0**	**2025**	16.5	33.9	**52.2**
Gender and human capital development	Training hours per employee	**20**	**2027**	20	8	**8**

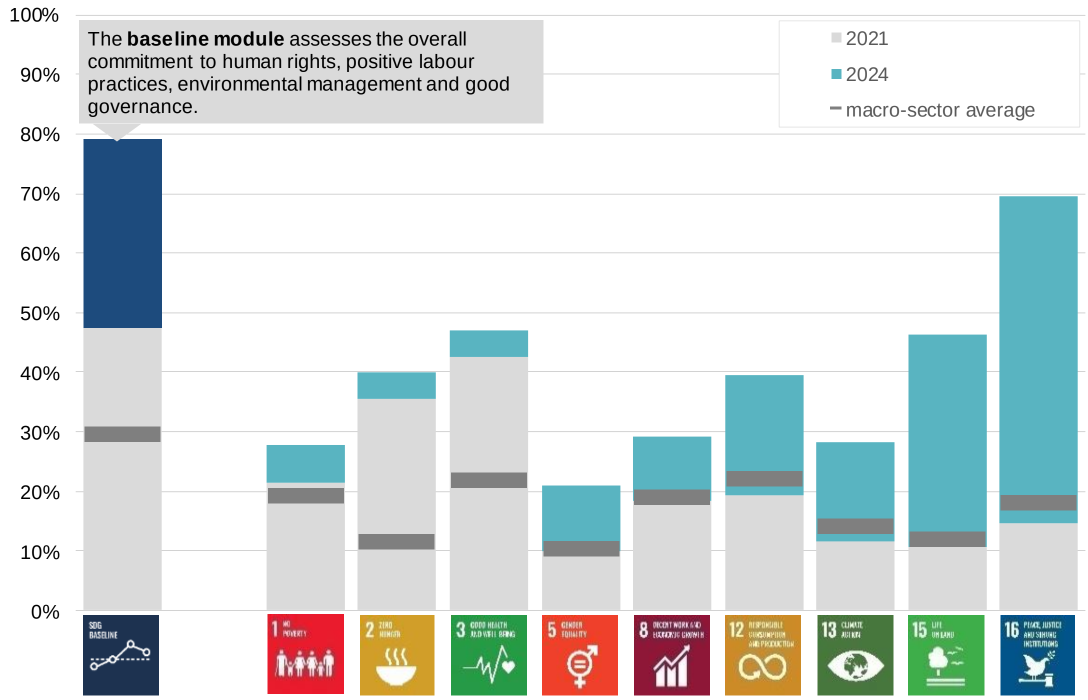
* Objectives validated by SBTi in March 2025. Details can be found in the "Low-Carbon Transition" section.

Furthermore, Capitelli integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Capitelli: Commitment to the SDGs

	Ensure sustainable production and consumption models..
Environment	Promote actions at all levels to combat climate change
	Protect, restore and promote sustainable use of the earth's ecosystem.
	End hunger, achieve food security, improve nutrition, and promote sustainable agriculture.
	Ensure health and well-being for all at all ages.
Society	Achieve gender equality and empower all women and girls.
	Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance	Peace, justice, and strong institutions.
	Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



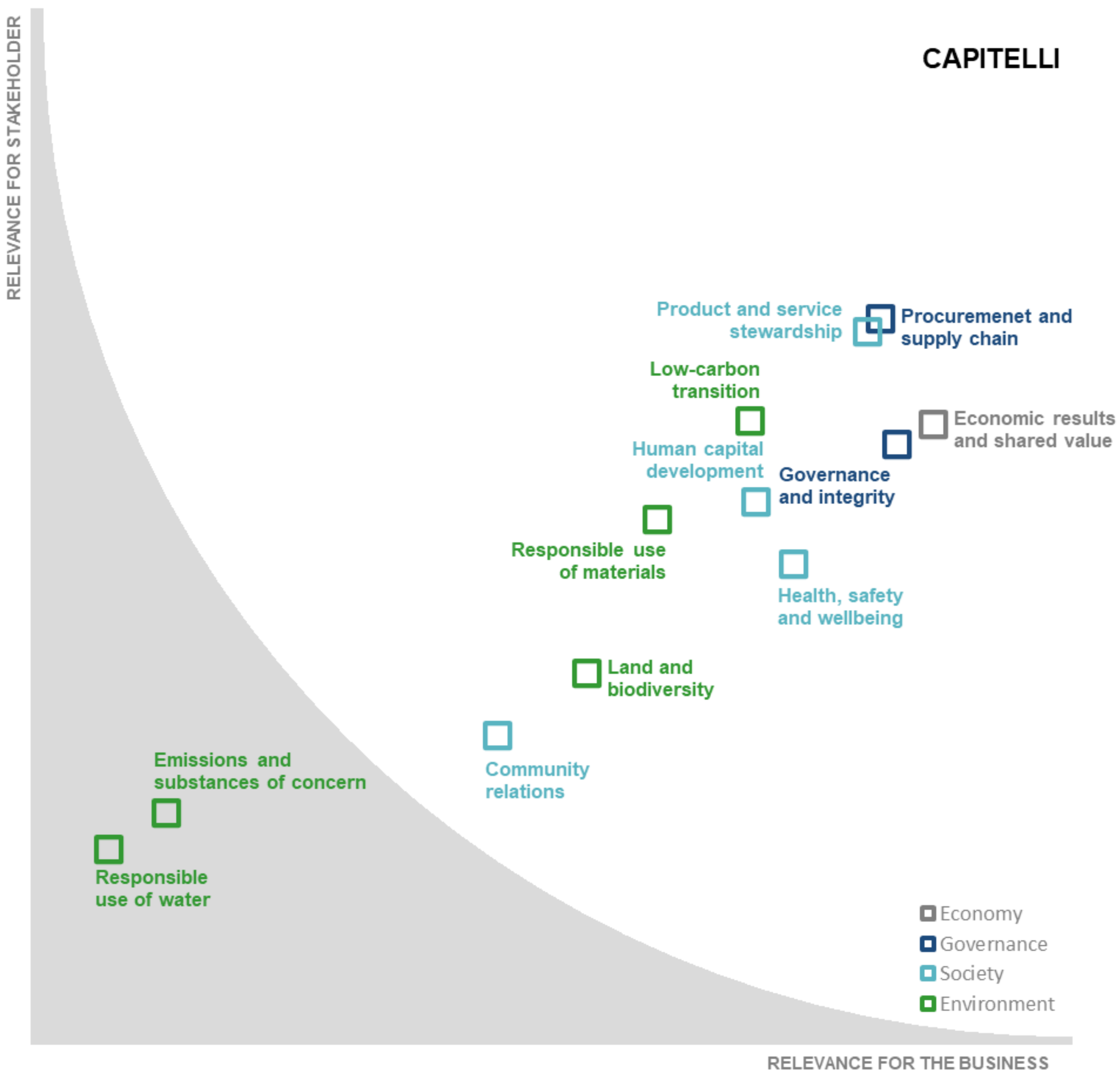
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts		Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, particularly the one for pork meat.	S	• Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners. • Activation of a protected system of whistleblowing that is open to all stakeholders. • Promotion of the Capitelli Supply Chain based on the supply chain protocol defined by Capitelli and aimed at innovation, sustainability and fair redistribution of economic value along the value chain.
	▲ Sharing the highest operational standards, including animal welfare, with partners along the value chain.	S	
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S	• Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S	• Continuous promotion of a safety culture. • Safety audit
	▲ Duty of care towards employees, collaborators, visitors and any other person who accesses production sites and shops.	S	
Product and service stewardship	▲ Safe products that can support sustainable choices for customers, consumers and users. ▲ Production and packaging based on the selection and responsible use of raw materials, ingredients and packaging, minimising food waste, promoting correct disposal and reducing the impact on the environment	S	• Excellent food standards and production rule books • IFS certification • ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of the packaging.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets. • Within the Capitelli Supply Chain, contracts with breeders to promote the concept of reducing their carbon footprint.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement	M	

S = Short term **M** = Medium term **L** = Long term

	Risks ▼ and Opportunities ▲		Mitigations and initiatives adopted
Economic results and shared value	▼ The spread of swine fever in Italy may have repercussions on the price and availability of raw materials, as well as on consumption.		• Geographical diversification of pork supplies. • Increased storage capacity
	▲ Rising volumes thanks to the premium sector and an ESG strategy that meets the growing sensitivity of consumers to product sustainability, with a possible boost to volumes.		• Investment in human resources and in-house training. • Request to share objectives for strategic suppliers by supporting and stimulating activities. • Adhesion to SBTi (2024), target validation (2025) and ESG plans.
Governance and integrity	▼ Partial implementation of the ESG strategy, also because of dependence on third parties	positive outlook	
Procurement and supply chain	▼ Increased supply costs due to more stringent regulations, with a focus on decarbonisation: • Regulations relating to the protection of biodiversity/deforestation (EUDR for the origin of feed ingredients) • Packaging Regulations (PPWR) • Regulations relating to the value chain (CSDDD)		• Promotion and consolidation of the Capitelli Supply Chain. • ESG qualification of suppliers • SBTi implementation: decarbonised supply chain
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	positive outlook	• Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company. • Safety audit
Low-carbon transition	▼ Reduction in the availability of raw materials and increase in prices due to higher average temperatures and/or droughts caused by climate change.	positive outlook	• Geographical diversification of pork supplies. • Increased storage capacity
	▼ Growing sensitivity of distributors and consumers to the sustainability and carbon footprint of the product (pork meat) with possible effects on the volumes sold.	positive outlook	• SBTi implementation: decarbonised supply chain with focus on animal feed • Promotion and consolidation of the Capitelli Supply Chain. • Possibility of a gradual switch to single-material packaging, removing aluminium also for outsourcers. • Effective communication of the decarbonisation strategy and SBTi commitments. • New photovoltaic park (SUN Giovanni project), built by Italgen on adjacent land, with installed power capable of satisfying most of the plant's energy needs. The activity is coupled with the launch of a study to improve the efficiency of steam production and replace gas boilers with electric boilers.
	▲ Decarbonisation of production by maximising the use of renewable energy sources.		

= positive outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Capitelli also joined the Science Based Targets initiative (SBTi). The identified objectives have been validated by the SBTi expert team. Capitelli has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. selection and involvement of suppliers, streamlining of production processes and optimisation of logistics are key focus areas.

Since 2022, Capitelli has only been using renewable electricity, partially self-produced. In addition, an agreement has been reached with Italgen for the construction of a photovoltaic park adjacent to the Capitelli plant with a power of approximately 4 MW, capable of satisfying most of the company's electrical and thermal needs.

The following table shows details of the decarbonisation objectives validated by SBTi.

Objectives validated by SBTi

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by **42%** before the end of **2030** and by **90%** before the end of **2050** compared with the base year 2023.	-44%
	To continue buying 100% renewable electricity every year until 2030	100%
Scope 3 Forest, Land and Agriculture (FLAG) emissions	To reduce absolute FLAG emissions by **30.3**% before the end of 2030 and by **72%** before the end of 2050 compared with the base year 2023.	-6%
Scope 3 non-FLAG emissions	To reduce absolute Scope 3 emissions by **42**% before the end of **2030** and by **90%** before the end of **2050** compared with the base year 2023.	-4%
Scope 1+2+3	To reach **Net Zero** emissions along the entire value chain by the end of **2050**.	-7%

The energy consumption and energy mix of Capitelli are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels	MWh	**1,561**	**1,509**	**1,526**
Natural gas	MWh	1,406	455	560
Diesel and LPG, for process	MWh	0	980	940
Automotive fuels	MWh	155	74	26
Thermal energy consumption from renewable sources	MWh	**0**	**0**	**0**
Biodiesel	MWh	0	0	0
Energy consumption from renewable sources	MWh	**1,128**	**1,093**	**1,030**
Hydroelectric	MWh	926	902	885
Solar	MWh	202	190	145
Wind	MWh	0	0	0
Other/Mix	MWh	0	0	0
Consumption of purchased renewable electricity	MWh	926	902	898
Consumption of self-produced renewable electricity	MWh	202	190	132
Total energy consumption	MWh	**2,688**	**2,602**	**2,557**
% of fossil fuels on total energy consumption	MWh	58%	58%	60%
% of renewable sources on total energy consumption	MWh	42%	42%	40%
Energy intensity	**MWh / M€ Revenue**	**140**	**116**	**110**
Electricity self-produced from renewable sources	MWh	**204**	**192**	**134**
Solar	MWh	204	192	134
Renewable electricity self-produced and fed into the grid	MWh	**2**	**2**	**2**

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. Capitelli adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based	t CO2e	25,593	28,863	26,958
Location based		25,899	29,162	27,345
Carbon Intensity - Market based	t CO2e / M€ Revenue	1,333	1,288	1,160
Carbon Intensity - Location based		1,349	1,301	1,177
Scope 1		19	27	15
Scope 2 - Location Based		16	13	17
Scope 2 - Market Based		0	0	0
Scope 3		1,314	1,261	1,146

Avoided emissions (location based)	unit	2022	2023	2024
Avoided emissions	t CO2e	**1**	**1**	**1**
From photovoltaic production fed into the grid		0.70	0.59	0.72

Carbon footprint Details*	unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	**25,593**	**28,863**	**26,958**	
Scope 3 - Upstream	t CO2e	**25,226**	**27,969**	**26,273**	**97.5%**
1 Purchased products and services		24,960	27,147	25,645	95.1%
of which FLAG		--	23,772	22,429	83.2%
2 Capital goods		--	197	42	
3 Fuel-and energy-related activities		74	63	63	0.2%
4 Upstream transportation and distribution		26	407	432	1.6%
5 Waste generated by the sites		165	121	50	0.2%
6 Business travel		0	7	3	0.0%
7 Employee commuting		0	28	38	0.1%
8 Upstream leased assets		--	--	--	
Scope 1		**365**	**601**	**339**	**1.3%**
Scope 2- Market Based		**0**	**0**	**0**	**0.0%**
Scope 2 - Location Based		306	299	387	
Scope 3 - Downstream		**2**	**293**	**346**	**1.3%**
9 Downstream transportation and distribution		--	165	225	
10 Processing of sold products		--	125	121	
11 Use of sold products		--	--	--	
12 End-of-life treatment of sold products		2	3	1	0.0%
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, Capitelli applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the NGFS (Network for Greening the Financial System).

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

The water from internal wells is used mainly for the daily sanitisation of the factory. Capitelli is also well aware that its supply chain has a significant water footprint.

Water balance	unit	2022	2023	2024
Withdrawals	m^3	**14,365**	**14,335**	**13,928**
Surface water		0	0	0
Groundwater		14,365	14,335	13,928
Aqueduct		0	0	0
of which in water stressed areas		**0**	**0**	**0**
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		0	0	0
Water discharge		**13,842**	**13,813**	**12,844**
Surface water		13,398	13,370	12,403
Groundwater		0	0	0
Sewage		444	443	441
of which in water stressed areas		**0**	**0**	**0**
Surface water		0	0	0
Groundwater		0	0	0
Sewage		0	0	0
Water consumption		**523**	**522**	**1,084**
of which in water stressed areas		**0**	**0**	**0**
Intensity	**m^3 / M€ Revenue**	**27**	**23**	**47**

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

In addition to pork legs, Capitelli consumes packaging materials, during cooking and pasteurisation, as well as during moulding and packing. Trimmings, bones, fat and gelatine are entrusted to specialist operators for direct commercial use or for transformation into animal feed, for the chemical industry, for the production of biofuels and for the production of fertilizers.

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.

Capitelli's finished products are packaged in bags made of polylaminates 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, which is partially recycled and fully recyclable.

Main Resource Inflows

Biological origin		unit	2022	2023	2024
Process materials	Pork meat	t	1,951	2,017	1,999
	Other ingredients		93	97	115
Packaging materials	Paper and cardboard *	t	78	84	83

Extractive or fossil origin		unit	2022	2023	2024
Process materials	Plastic for production	t	0	4	6
Packaging materials	Aluminium	t	1	1	1
	Plastic		16	16	17

* May contain fractions originating from by-products or waste streams.

	2022		2023		2024	
Resource Inflows	t	%	t	%	t	%
Production materials, semifinished goods and ancillaries	**2,044**		**2,119**		**2,120**	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	1,951	95%	2,115	100%	2,114	100%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	93	5%	4	0%	6	0%
of which recycled	0	0%	0	0%	0	0%
Packaging materials	**95**		**101**		**101**	
of which recycled	56	58%	0	0%	68	67%
Renewable or organic	78	82%	84	83%	83	82%
of which recycled	55	70%	0	0%	67	81%
Non-renewable or technical	17	18%	17	17%	19	18%
of which recycled	1	6%	0	0%	1	4%
Total materials	**2,140**		**2,220**		**2,221**	
of which recycled	56	3%	0	0%	68	3%
Renewable or organic	2,029	95%	2,198	99%	2,197	99%
of which recycled	55	3%	0	0%	67	3%
of which from sustainable supply chain	78	4%	84	4%	83	4%
Non-renewable or technical	110	5%	21	1%	24	1%
of which recycled	1	1%	0	0%	1	3%

Capitelli does not generate hazardous waste.

	2022		2023		2024	
Resource Outflows	t	%	t	%	t	%
Total waste	**264**		**847**		**715**	
Recycled	--	--	83	9.8%	0	0.0%
Non-recycled	--	--	764	90.2%	715	100.0%
Non-hazardous waste	**264**	**100%**	**847**	**100%**	**715**	**100%**
Recycled	--	--	83	9.8%	0	0.0%
Non-recycled	--	--	764	90.2%	715	100.0%

Resource Outflows	unit	2022	2023	2024
Non-hazardous	t	**-**	**847**	**715**
Material recovery	t	**-**	**773**	**618**
Recycling (R3; R4; R5)	t	-	83	0
of which composting (R3)	t	-	83	0
of which other forms of recycling (R4; R5)	t	-	0	0
Preparation for re-use (R2; R6; R9)	t	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)	t	-	607	618
Disposal	t	**-**	**157**	**97**
Landfill (D1)	t	-	0	0
Incineration (D10; D11)	t	-	4	9
Other disposal operations (D2-D9; D12-D15)	t	-	153	88

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Capitelli benefits from the value of 37 specialised and motivated people, by choice mainly from the local area, including a fair number of non-EU citizens. A significant use of non-employee workers was made. In 2023, they were 64, mostly agents.

An incentive system is active, anchored to an assessment of performance at company, function/area and individual level. The results obtained by the figures with organisational responsibilities include qualitative parameters regarding food safety and sustainability, based on a model which is currently under development.

			2022			2023			2024
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	**11**	**34**	**45**	**9**	**33**	**42**	**9**	**28**	**37**
Managers	0	1	1	0	1	1	0	1	1
Middle managers	0	0	0	0	1	1	0	1	1
Office workers	8	3	11	9	3	12	9	3	12
Production workers	3	30	33	0	28	28	0	23	23
Turnover	**--**	**--**	**-2**	**--**	**--**	**-3**	**--**	**--**	**-5**
+ Hirings	--	--	8	--	--	6	--	--	4
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	1	--	--	2	--	--	5
- Non-voluntary exits	--	--	9	--	--	7	--	--	4
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	73%	74%	73%	100%	79%	83%	100%	96%	97%
% contract: full time	45%	79%	71%	67%	85%	81%	67%	93%	86%
Training									
Hours per capita	17	21	20	11	7	8	16	6	8
Managers	--	13	13	--	17	17	--	17	17
Middle managers	--	--	--	--	22	22	--	22	22
Office workers	23	54	31	11	5	10	16	9	14
Production workers	--	18	17	--	7	7	--	4	4
% hours of voluntary training	--	--	--	75%	29%	42%	63%	30%	46%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	--	70%	70%	--	91%	91%
Office workers	--	--	--	75%	86%	76%	63%	33%	59%
Production workers	--	--	--	--	13%	13%	--	2%	2%
% with at least one training session	--	--	--	75%	79%	78%	70%	75%	74%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	--	100%	100%	--	100%	100%
Office workers	--	--	--	100%	100%	100%	78%	67%	75%
Production workers	--	--	--	0%	76%	69%	--	74%	72%
% with performance appraisal	**73%**	**82%**	**80%**	**100%**	**85%**	**88%**	**100%**	**100%**	**100%**
Managers	--	100%	100%	--	100%	100%	--	100%	100%
Middle managers	--	--	--	--	100%	100%	--	100%	100%
Office workers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Production workers	--	80%	73%	--	82%	82%	--	100%	100%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap *Difference between women's and men's average pay compared with men's average pay*	**10%**	**28%**	**8%**
Managers	--	--	--
Middle managers	--	--	--
Office workers	18%	-5%	-16%
Production workers	--	--	--

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Capitelli promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The use of cutting tools, potentially slippery surfaces, interaction between people and moving vehicles and process machines with moving mechanical parts are the prevailing risk conditions identified. A dedicated internal structure, the presence of the company doctor and the formal involvement of the social partners constitute the reference organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

In line with the Sustainability Policies adopted, Capitelli intends to develop the management method, finding a foundation in the managerial leadership that supports the motivational elements, the organisational structures and the necessary operational tools, such as risk assessment and the analysis of accidental events. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

			2022			2023			2024
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	**--**	**--**	**1**	**0**	**2**	**2**	**0**	**3**	**3**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	1	0	2	2	0	3	3
Lost days	--	--	8	0	62	62	0	40	40
Frequency rate	--	--	16.5	0.0	42.3	33.9	0.0	66.8	52.2
Severity rate	--	--	0.1	--	--	1.1	--	--	0.7
Non-Employees	**--**	**--**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	--	0	0	0	0	0	0
Frequency rate	--	--	--	--	0	0	--	0	0

In order to improve well-being, a reorganization of the office spaces has begun, and construction work is scheduled for the expansion of the changing rooms.

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

The ultimate goal of Capitelli's entire business is quality excellence, repeatedly appreciated by the market. Also in 2024, the "San Giovanni" cooked ham was confirmed with the assignment of five pins by the Guide to Salumi d'Italia de L'Espresso, the only cooked ham in Italy to obtain this result since the first edition. These awards are the result of careful research conducted in the field since the foundation of the company by Angelo Capitelli, starting from the rediscovery of traditional processing methods to pursue a progressive refinement of the individual phases.

The sustainable value of the products arises from the supply chain, with responsible choices for procurement that will be further consolidated with the full implementation of the "Capitelli Supply Chain". It continues with initiatives aimed at reducing the environmental footprint of production, from renewable energy to the search for business partners for the enhancement of processing waste. In addition, thanks to the close relationship with suppliers, Capitelli monitors the technological opportunities for the introduction of recycled and recyclable packaging and subsidiary materials.

For Capitelli, the pursuit of qualitative excellence is inextricably combined with compliance with the highest food safety standards.

The main suppliers of pork used by the company have certifications in the field of food safety (BRC / IFS). Capitelli obtained in 2023 certification in accordance with the IFS standard – International Food Standard and planned the necessary adjustments. Compliance with the HACCP system of the individual processing stages carried out in the plant is ensured by analytical plans for controlling the physical, chemical and biological characteristics of the meat and by the bimonthly carrying out of sample 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 unit 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.

Callmewine

(80.72% INTEREST THROUGH FT3 S.r.l.)

Highlights

REVENUE
11.6 mn €
(13.5 mn € in 2023)

26
PEOPLE
(23 in 2023)

Carbon Neutral
SINCE 2023

LABELS
10,000

SUSTAINABILITY IN THE CHOICE OF WINERIES
+1,700
Organic, certified biodynamic and craft wines

100%
RECYCLABLE PACKAGING

BOTTLES SOLD
700,000

ACTIVE SALES AREAS
4
Italy, France, Germany, United Kingdom

~500
TRAINING HOURS
(84% non-mandatory)

Strategic Objectives

- To consolidate the company's positioning as a reference website in Italy for the purchase of wine and spirits for sommeliers and enthusiasts.
- To leverage new technologies and AI to offer innovative and personalised services, improving customers' shopping experience.
- To ensure a wide selection of wines with a rising share of artisanal and more sustainable products.

Profile

THE COMPANY

Founded in 2010 and controlled by Italmobiliare since 2020, Callmewine is an e-commerce platform that specialises in the sale of wines and spirits, positioning itself among the market leaders in Italy. Its extensive catalogue includes over 10,000 labels, ranging from the big names on the global wine scene to small producers, from spirits from the best-known brands to more niche ones, up to a selection of sought-after products such as kombucha, non-alcoholic re-fermented beverages, sake, olive oil, and soft drinks.

Callmewine's wide and varied selection aims to have a "bottle for everyone", guiding users in a conscious choice without disorienting them, just like a real "personal sommelier" would do. This ambition has led to the creation of "Sparkly", a virtual sommelier, powered by Artificial Intelligence, who helps customers navigate the vast Callmewine catalogue, ensuring a personalised, fluid and intuitive purchasing experience at all times.

The Callmewine website is aimed at a broad audience, offering rich and engaging content, written by a team of young sommeliers and food and wine enthusiasts. The product data sheets are detailed, but informal in tone, especially for artisanal wines, where the emphasis is more on the producers' human aspects. Ample space is in fact given to the cellars, which the Callmewine experts describe through anecdotes linked to their history, terroir, the owners, their philosophy and the production processes that they have adopted.

RECENT DEVELOPMENTS

Thanks to a combination of digital skills and a profound knowledge of Italian excellence in the wine sector, Callmewine has grown to become one of the main, best-known Italian platforms for the online sale of wine. The company became part of the Italmobiliare Group at the end of 2020, coinciding with the significant changes in purchasing and consumption methods introduced during the Covid lockdown, when online wine sales showed a strong growth potential. Italmobiliare initiated a solid path of sustainable development, accompanying the company in a programme of managerialisation and organisational evolution, professionalising what at the time was still a start-up.

A pillar of the company's business development plan was the evolution of its online platform and IT systems. The workforce has been strengthened with advanced IT skills, which have enabled the migration from the old, non-scalable proprietary platform to the world's leading e-commerce platform, which allows for extreme customisation and maximum flexibility of use. In 2023, the new Callmewine web portal and app were launched. The digital ecosystem thus constructed integrates the most innovative technologies of user experience and user interface with content produced by Callmewine's personal sommeliers. This path has also allowed us to invest in artificial intelligence, giving life in 2024 to "Sparkly", the virtual personal sommelier who supports customers' choices by taking into account their tastes and specific needs, further improving the browsing experience.

To distinguish itself even more from its competitors, Callmewine has expanded its selection of natural producers, who do not use pesticides, systemic or cryptogamic treatments and generally not even adjuvants in the cellar, and has added more and more labels from all over the world to its catalogue. The company has also started collaborating with a number of high-quality, but still little-known artisanal wineries, promoting and marketing them exclusively on the Callmewine portal. Thanks to new packaging, numerous initiatives adopted to mitigate the environmental footprint and offsetting any residual CO_2 emissions, Callmewine was one of the first Italian e-commerce portals to reach carbon neutrality in early 2023.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	**11.6**	**13.5**	***(14.5)***
Gross operating profit (EBITDA)	**(2.2)**	**(1.8)**	***(24.0)***
% of revenue	*(19.3)*	*(13.3)*	
Amortisation and depreciation	(0.6)	(0.5)	
Impairment losses on non-current assets	0.0	0.0	
Operating profit (EBIT)	**(2.8)**	**(2.3)**	***(27.3)***
% of revenue	*(24.6)*	*(17.0)*	
Net finance income (costs)	(0.1)	0.0	
Profit/(loss) before tax	**(2.9)**	**(2.3)**	***(26.5)***
% of revenue	*(25.4)*	*(17.0)*	
Income tax	0.7	0.6	
Profit/(loss) for the period	**(2.3)**	**(1.7)**	***(29.5)***

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

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	0.6	1.2
Free Cash Flow	(1.8)	(2.2)
Net financial position	(1.4)	(1.1)
Total equity	0.1	1.0
Employees (headcount) at the end of the year	26	23

2024 was characterised by continuation of the extreme uncertainty that hit the Wine & Spirits sector, in particular the e-commerce vertical related to wine. In a shrinking market, Callmewine recorded revenue in 2024 of 11.6 million euro, down by 14.5% on the previous year, but with a fourth quarter that improved compared with the trend seen in previous months.

At gross operating level, the result was negative for 2.2 million euro, lower than the previous year. It should be remembered that during the year the company incurred non-recurring costs for 0.2 million euro; neutralising this impact the contraction comes to 11%.

Taking into account amortisation and depreciation of 0.6 million euro, substantially in line with 2023, the operating result is negative for 2.8 million euro.

Taxes are positive for 0.7 million euro due to the effect of joining the Italmobiliare Group's tax consolidation. The net loss for 2024 therefore comes to 2.3 million euro.

The net financial position at December 31,2024 is negative by 1.4 million euro, with a negative cash generation during the period of 1.8 million euro. Bear in mind that Callmewine carried out an increase in capital of 1.2 million during the year. Moreover, in the first half of the year, management finalised its entry into the company's capital. As a result of both these operations, Italmobiliare's interest rose slightly to 80.717%.

LITIGATION AND DISPUTES PENDING

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

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The 2025 forecast is characterised by the persistence of the uncertainty that has affected the market in recent years. In terms of margins, the company is planning to take measures designed to contain fixed costs.

General and governance information

REPORTING

ESRS 2 - General information - Basis for preparation

The reporting includes performance, data and information on the holding company Callmewine and its subsidiary in the UK, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 – General information - Governance
ESRS G1 – Business conduct

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.

Position	Name and Surname	Gender
Chairman	Roberto Pesenti	M
CEO	Mario Lanzarone	M
Director	Alice Ghezzi	F
Director	Alberto Riboni	M
Director	Paolo Vittorio Zanetti	M

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company 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 deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Callmewine has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world’s largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women’s Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company’s approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Callmewine in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Callmewine adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform*,* which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

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 for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management procedures** adopted are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 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 illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

The company purchases products, primarily wines, from selected suppliers through strong personal relationships, making them available for purchase on its online platform. A third-party logistics system ensures retail delivery within the timeframes specified at the time of purchase.

With the Partnership Charter, an evolution of the previous Supplier Charter, Callmewine aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	units	2022	2023	2024
Number of active suppliers	#	798	851	619
Purchase of products and services	M€	11.4	11.5	7.4
national suppliers	M€	11.1	11.1	6.9
foreign suppliers	M€	0.4	0.5	0.5
Spending on local suppliers (headquarters on national territory)	**%**	**97%**	**96%**	**93%**

	2022		2023		2024	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	227	68%	0	0%

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Callmewine's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	**75%**	**2027**	--	--	**--**
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	**2025**	--	--	**✓ ***
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	**0**	**2025**	0.0	0.0	**0.0**
Gender and human capital development	Training hours per employee	**40**	**2027**	30	20	**19**

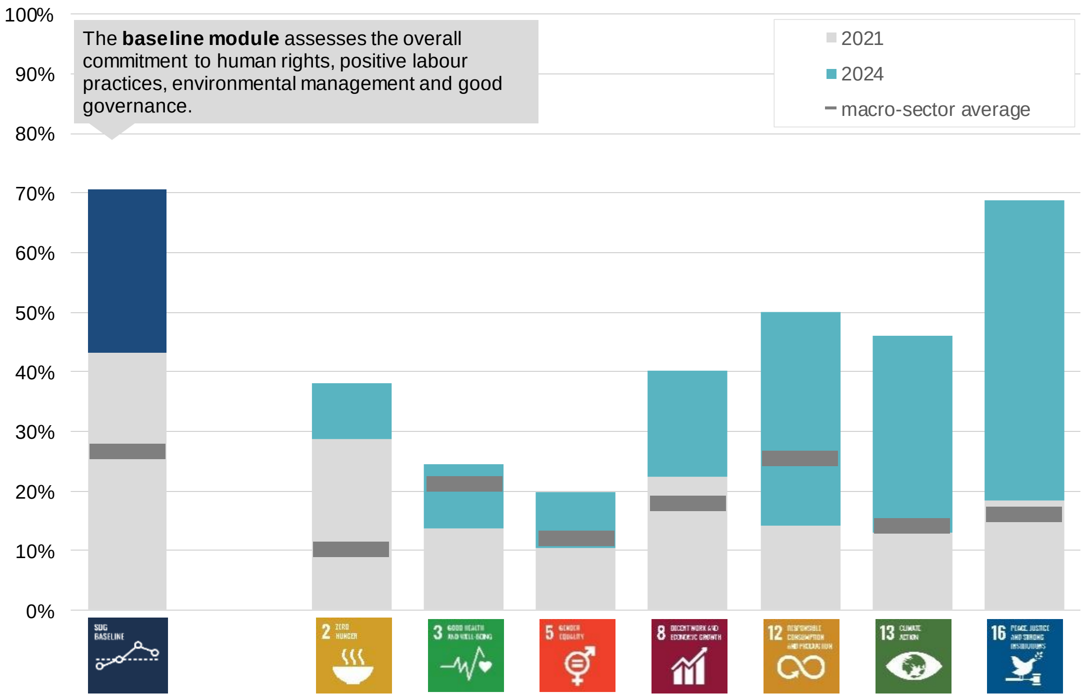
* Objectives under internal validation. Details can be found in the “Low-Carbon Transition” section.

Furthermore, Callmewine integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Callmewine: Commitment to the SDGs

Environment	Ensure sustainable production and consumption models.
	Promote actions at all levels to combat climate change
	Protect, restore and promote sustainable use of the earth's ecosystem.
Society	End hunger, achieve food security, improve nutrition, and promote sustainable agriculture.
	Ensure health and well-being for all at all ages.
	Achieve gender equality and empower all women and girls.
	Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance	Peace, justice, and strong institutions.
	Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



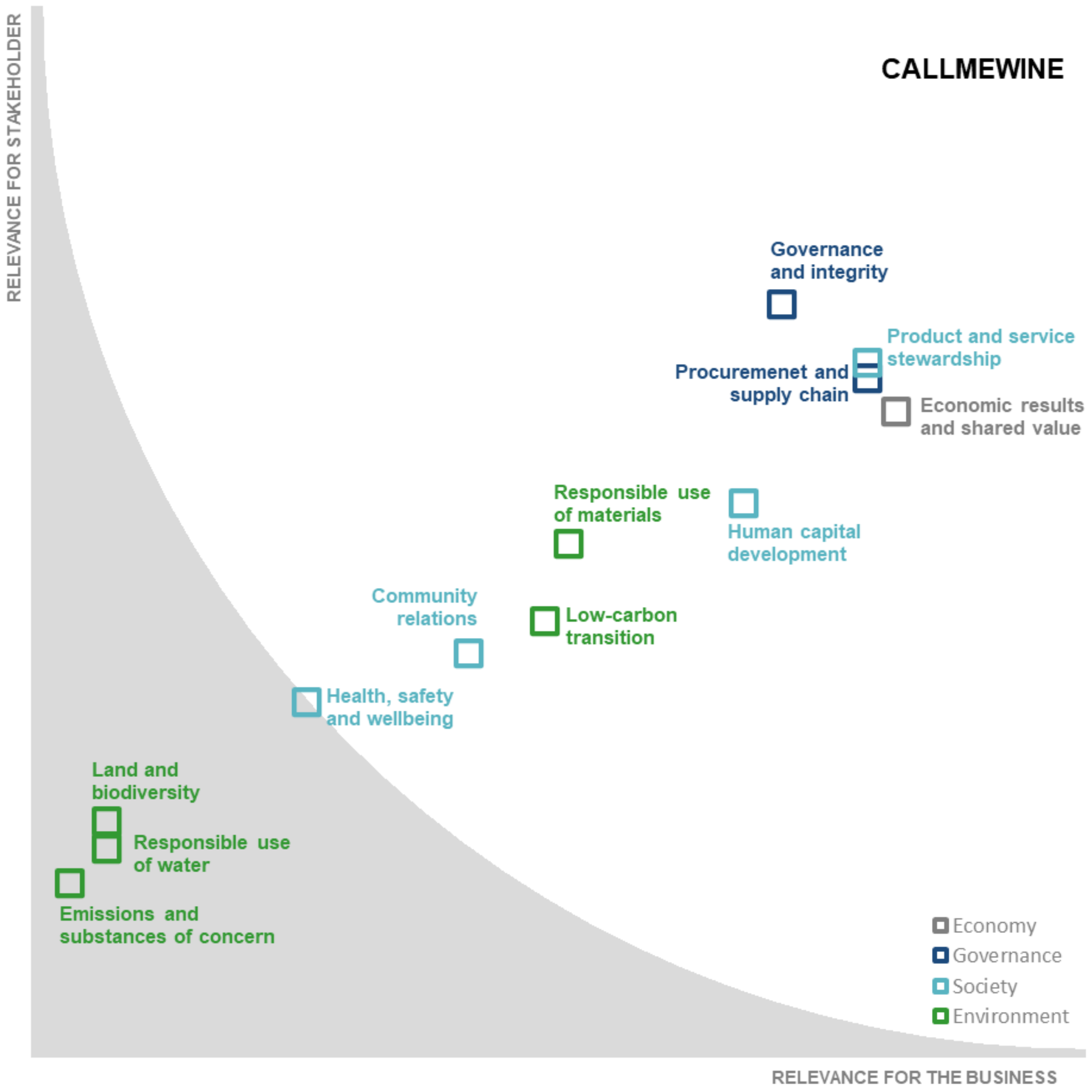
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts		Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, particularly the agri-food one.	S	• Activation of a protected system of whistleblowing that is open to all stakeholders. • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners.
	▲ Supply chain that respects the basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities for everyone.	M	
	▲ Development of supply chain contracts aimed at promoting correct product enhancement	M	• Exclusive contracts with wineries. • Organisation of Supplier Day to promote sustainable practices in the value chain.
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S	• Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S	• Continuous promotion of a safety culture. • Safety audit at the warehouse.
	▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S	
Product and service stewardship	▲ Marketing of new lines of safe products to help customers, consumers and users make sustainable choices.	S	• Carbon neutrality since 2023 thanks to decarbonisation initiatives and carbon credits. • List with a wide choice of organic, biodynamic and artisanal wines in general. • Product selection aimed at responsible and quality drinking.
Responsible use of materials	▲ Packaging design and logistics organisation with material selection aimed at minimising the use of materials, selecting more sustainable last mile logistics materials and carriers.	S	• ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of products and packaging.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Definition of validated medium-term (2030) and net-zero (2050) reduction targets in line with the requirements of the Science Based Targets initiative.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement	L	

S = Short term M = Medium term L = Long term

	Risks ▼ and Opportunities ▲		Mitigations and initiatives adopted
Economic results and shared value	▼ Risk of no growth in customer consumption, in a context of evolving business dynamics.		• Continuous monitoring of the market with on-going work on positioning and diversification. • Building customer loyalty and customer experience. • Development of the B2B channel • Geographical diversification.
	▼ High competition on margins due to low barriers to entry.		
	▼ Cash absorption with liquidity stress.		• Parent Company support through financing and/or increases in capital. • Careful management of working capital.
	▲ Growth of the e-commerce segment for wine.		• Going upstream in the supply chain, through the stipulation of purchase contracts directly with the wineries. • Increased importance of products sold exclusively on the Callmewine platform, with less pressure on pricing.
	▲ Green" shipments and increased margins through exclusive products for foreign countries and private labels.		• "Last mile" electric initiative.
Procurement and supply chain	▼ Risk of delays and quality of service not in line with company standards for services entrusted to third parties (warehouse, transport).		• Continuous monitoring of supplier service conditions. • Supplier differentiation at logistics level • Pre-qualification and qualification of business partners, also for ESG.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.		• Safety audit at outsourced warehouse. • Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company.
Low-carbon transition	▲ Evolution of primary packaging, managed by suppliers, and above all secondary packaging, managed directly, in line with regulations and market trends.		• Better packaging and careful selection of suppliers of cardboard for packaging. • Organisation of sustainability workshops with suppliers (e.g. Supplier Day).

= positive / **negative** outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Callmewine also joined the Science Based Targets initiative (SBTi) and set targets aligned with the criteria of this commitment.

Callmewine has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. Supplier selection and engagement, packaging eco-design and logistics optimisation are the areas of greatest attention.

Since 2022, Callmewine has exclusively relied on renewable electricity. Since 2023, also the warehouse leasing responsible for the storage and shipping of commercial products exclusively relies on renewable electricity.

Since 2023, anticipating its SBTi commitment, Callmewine is a carbon neutral company, having purchased CO_2 credits for a total of 3000 tons to offset the entire carbon footprint at least for the next two years. The credits derive from a project developed in Ethiopia by the Italian NGO COOPI in collaboration with Carbonsink. The project involves the construction of solar energy systems for the supply of safe drinking water for domestic use, with positive effects on hygienic, social, economic and environmental conditions.

The following table shows details of the defined decarbonisation objectives.

Objectives defined in accordance with SBTi criteria

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	+10%
	To continue buying **100%** renewable electricity every year until **2030**	100%
Scope 3	To reduce absolute Scope 3 emissions by **42**% before the end of **2030** and by **90%** before the end of **2050** compared with the base year 2023.	-24%
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of 2050.	-23%

The energy consumption and energy mix of Callmewine are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels	MWh	**0**	**19**	**21**
Natural gas		0	0	0
Diesel and LPG, for process		0	0	0
Automotive fuels		0	19	21
Thermal energy consumption from renewable sources		**0**	**0**	**0**
Biodiesel		0	0	0
Energy consumption from renewable sources		**6**	**8**	**9**
Hydroelectric		6	8	9
Solar		0	0	0
Wind		0	0	0
Other/Mix		0	0	0
Consumption of purchased renewable electricity		6	8	9
Consumption of self-produced renewable electricity		0	0	0
Total energy consumption		**6**	**27**	**30**
% of fossil fuels on total energy consumption		0%	71%	69%
% of renewable sources on total energy consumption		100%	29%	31%
Energy intensity	**MWh / M€ Revenue**	**0**	**2**	**3**
Electricity self-produced from renewable sources	**MWh**	**0**	**0**	**0**
Solar		0	0	0
Renewable electricity self-produced and fed into the grid		**0**	**0**	**0**

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiary, Callmewine adopts the "financial control" approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint*	unit	2022	2023	2024
Market Based	t CO2e	1,003	964	739
Location based		1,004	967	743
Carbon Intensity - Market based	t CO2e / M€ Revenue	62	70	64
Carbon Intensity - Location based		62	71	64
Scope 1		0	0	0
Scope 2 - Location Based		0	0	0
Scope 2 - Market Based		0	0	0
Scope 3		62	70	63

Carbon footprint Details*	unit	2022	2023	2024	2024
Carbon footprint - Market based	**t CO2e**	**1,003**	**964**	**739**	
Scope 3 - Upstream	t CO2e	**964**	**917**	**710**	**96.1%**
1 Purchased products and services		963	783	645	87.4%
2 Capital goods		--	--	--	
3 Fuel-and energy-related activities		--	1	1	0.2%
4 Upstream transportation and distribution		--	126	55	7.5%
5 Waste generated by the sites		--	--	--	
6 Business travel		1	2	1	0.1%
7 Employee commuting		--	3	6	0.8%
8 Upstream leased assets		0	1	1	0.2%
Scope 1		**0**	**5**	**5**	**0.7%**
Scope 2- Market Based		**0**	**0**	**0**	**0.0%**
Scope 2 - Location Based		2	3	4	
Scope 3 - Downstream		**39**	**43**	**24**	**3.2%**
9 Downstream transportation and distribution		21	28	21	2.8%
10 Processing of sold products		--	--	--	
11 Use of sold products		--	--	--	
12 End-of-life treatment of sold products		18	15	3	0.4%
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, Callmewine applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the "Current Policies" scenario, again as defined by the NGFS (Network for Greening the Financial System).

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

Callmewine pays particular attention to packaging, using exclusively cardboard, and no polystyrene or other plastics. In 2024, 86 tons of cardboard packaging were used, of which 100% comes from recycling.

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Callmewine benefits from the value of 23 motivated and specialised people. Direct employees are covered by a collective bargaining agreement. 25% of managerial positions are occupied by women.

A performance appraisal system including top levels and key people has been adopted, also aimed at increasing the level of *attraction* and *retention*. A corporate welfare plan introduced in 2021 allows each employee to take advantage of the bonus linked to company results on the DoubleYou platform. Furthermore, employees benefit from special discounts on the purchase of company products. The possibility to do *remote working* once a week has been regulated in 2023. Furthermore, to facilitate off-site workers, during the summer break workers can decide to anticipate or postpone the holiday period with one week of *remote working*.

			2022			2023			2024
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	**10**	**11**	**21**	**11**	**11**	**22**	**11**	**15**	**26**
Managers	0	1	1	0	1	1	0	1	1
Middle managers	1	3	4	1	2	3	1	2	3
Office workers	9	7	16	10	8	18	10	12	22
Turnover	--	--	**8**	--	--	**1**	--	--	**4**
+ Hirings	--	--	10	--	--	5	--	--	12
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	1	--	--	3	--	--	7
- Non-voluntary exits	--	--	1	--	--	1	--	--	1
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	50%	100%	76%	55%	100%	77%	73%	93%	85%
% contract: full time	100%	100%	100%	100%	100%	100%	100%	100%	100%
Training									
Hours per capita	39	21	30	28	11	20	22	18	19
Managers	--	19	19	--	8	8	--	16	16
Middle managers	25	19	20	14	20	18	17	1	6
Office workers	41	22	33	29	10	21	22	21	21
% hours of voluntary training	--	--	--	56%	94%	66%	70%	97%	84%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	100%	100%	100%	100%	100%	100%
Office workers	--	--	--	54%	90%	60%	68%	97%	83%
% with at least one training session	--	--	--	100%	100%	100%	81%	72%	76%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	100%	100%	100%	100%	100%	100%
Office workers	--	--	--	100%	100%	100%	86%	83%	85%
% with performance appraisal	**10%**	**36%**	**24%**	**45%**	**64%**	**55%**	**9%**	**13%**	**12%**
Managers	--	100%	100%	--	100%	100%	--	0%	0%
Middle managers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Office workers	0%	0%	0%	40%	50%	44%	0%	0%	0%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap *Difference between women's and men's average pay compared with men's average pay*	**47%**	**47%**	**13%**
Managers	--	--	--
Middle managers	21%	21%	3%
Office workers	17%	24%	4%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Callmewine promotes the health, safety and wellbeing of all employees, creating and maintaining safe offices and other workplaces as an essential condition for the professional growth and enhancement of its resources.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. A dedicated professional contact, the presence of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

Also in 2024, there have been no accidents of any kind to employees or non-employee workers.

			2022			2023			2024
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

Callmewine is an e-commerce platform designed to be a sort of personal sommelier, stimulating, simple and intuitive, available 24 hours a day, 7 days a week, able to guide all wine lovers, expert tasters or simple enthusiasts, to the discovery of new wines and perfect combinations.

In this role, it is important to gain and maintain the customer's trust, dedicating a lot of time to tasting and selecting the products on sale, whose quality and food safety are ensured by advanced and integrated management systems, which thanks to the proven effectiveness and verified over time, they have obtained the formal third-party certification.

The shopping experience is also important: the products that can be bought on Callmewine are all actually available and are stored at a controlled temperature in suitable places. The technical and organoleptic characteristics of the product, as well as the possible presence of potential allergens, provided directly by the production companies or distributors, are widely described on the site.

In order to foster dialogue and alignment on sustainability challenges and with the aim of finding solutions, projects and common ideas, Callmewine, together with University of Gastronomic Sciences of Pollenzo, organised a conference on sustainability in the wine production chain which addressed mainly suppliers and producers of wine, experts and students of the industry took part to the conference.

Tecnica Group

(40% INTEREST)

Highlights

REVENUE
516.9 mn €
(540.3 mn € in 2023)

3,722
PEOPLE
(3,829 in 2023)

Commitment to the
UN GLOBAL COMPACT

EBITDA
74.5 mn €
(79.9 mn € in 2023)

10 SUBSIDIARIES AND DIRECT AGENCIES
> 40 DISTRIBUTION PARTNERS

SUSTAINABILITY REPORT SINCE 2022
It tells and reports on the commitment to sustainable business development

PROFIT
25.2 mn €
(25.9 mn € in 2023)

>80
COUNTRIES IN THE WORLD

RECYCLE YOUR BOOTS
A fully integrated project to recycle ski boots

Strategic Objectives

- Consolidate leadership in the outdoor technical footwear and sports equipment segment by continuing to develop the multi-brand platform in all the main reference markets.
- Strengthen digital systems and platforms, with a focus on process optimisation, higher operational efficiency and development of the online sales channel.
- Develop sustainable and recyclable products, with protocols based on maximum transparency and new collaborations with important players in the sector and the supply chain.

Profile

THE COMPANY

Tecnica Group, a world leader in outdoor footwear and ski equipment, has in its catalogue some of the most historic brands in the sector: LOWA (hiking and outdoor shoes), Tecnica (ski boots and footwear), Nordica (skis and boots), Moon Boot (footwear), Blizzard (skis) and Rollerblade (inline skates).

Founded in 1963 in Giavera del Montello, in the province of Treviso, by Giancarlo Zanatta, the company has evolved into a highly innovative international firm. Among his ground-breaking creations were the first double-injection plastic ski boot, which transformed the industry, and the legendary Moon Boot, which is featured in the permanent collections of the MoMA in New York and the Triennale in Milan.

In 1985, Tecnica entered the world of outdoor footwear with its own brand, and in 1993 it acquired the prestigious LOWA brand, a point of reference in Germany and throughout Europe, establishing itself as one of the main players in the sector worldwide.

The acquisition of the renowned ski equipment brand Nordica in 2002 made Tecnica Group the world's leading ski boot manufacturer. In 2003, the product range was further expanded with the entry of Rollerblade, the inventor of inline skates, known by the name of their first and most famous manufacturer. The last to join the Group, in 2006, was Blizzard, the legendary Austrian brand.

Today, Tecnica Group is present in over 80 countries worldwide, with 10 branches and direct agencies and over 40 distribution partners. The Group employs approximately 4,000 people.

RECENT DEVELOPMENTS

In 2017, Italmobiliare acquired 40% of Tecnica Group with the aim of assisting the Zanatta family and supporting the ambitious industrial plan aimed at developing all of the brands in its portfolio.

In 2019, the Group brought its outdoor footwear production in-house by acquiring Riko Sport, LOWA's main supplier, with the aim of controlling the supply chain, optimising margins and giving new impetus to product development.

The Moon Boot brand has undergone a profound evolution, achieving significant results. The headquarters has been moved to Milan and a General Manager with experience in the fashion and luxury sector has been appointed to lead the repositioning of the brand from the slopes to the city. Collaborations have been started with fashion brands and influencers, and new products have been created that are also suitable for urban style, aimed at a young audience and distributed through fashion industry channels. Central to this journey was the first sportswear collection, launched in collaboration with Adidas at the end of 2024.

Tecnica-Blizzard and Nordica, which together represent the winter sports soul of Tecnica Group, have strengthened their presence in the main reference markets, including the United States, strategic for both brands. Rollerblade has continued to consolidate its leadership in the inline skate industry.

The numerous initiatives that the Group has implemented have allowed important results to be achieved in terms of the development and growth of all of its brands, with consolidated turnover up from 365.0 million in 2017 to 516.9 million in 2024.

Thanks to the support of Italmobiliare, Tecnica Group has intensified its ESG commitment, adopting an approach that embraces every stage of the product life cycle: from design to production, all the way to disposal. An example is the "Recycle Your Boots" project, launched in 2021 initially with the Tecnica brand and subsequently extended to Nordica, which aims to create a virtuous cycle for ski boots, transforming them from waste to resource. The goal is simple and ambitious: to collect used boots and recycle them, then bring them back into use in the form of new products or materials, with significant energy savings and a reduction in CO_2 emissions.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023 (*)	Change %
Revenue and income	**516.9**	**540.3**	***(4.3)***
Gross operating profit (EBITDA)	**74.5**	**79.9**	***(6.8)***
% of revenue	*14.4*	*14.8*	
Amortisation and depreciation	(27.0)	(24.2)	*11.7*
Operating profit (EBIT)	**47.5**	**55.7**	***(14.8)***
% of revenue	*9.2*	*10.3*	
Net finance income (costs)	(13.0)	(16.9)	*(22.9)*
Share of profit (loss) of equity-accounted investees	0.2	(2.8)	*n.s.*
Profit/(loss) before tax	**34.6**	**36.0**	***(3.8)***
% of revenue	*6.7*	*6.7*	
Income tax	(9.4)	(10.1)	*(6.8)*
Profit/(loss) for the period	**25.2**	**25.9**	***(2.6)***

(*) The 2023 figures have been restated to allow their comparability.

(in millions of euro)	December 31. 2024	December 31. 2023
Cash flows from investing activities	25.8	33.7
Free Cash Flow	16.2	(7.3)
Net financial position	(147.1)	(156.0)
Total equity	160.7	151.8
Equity attributable to owners of the parent company	127.8	121.5
Employees (headcount) at the end of the year	3.722	3.829

Key events in 2024 include the fact that, during the last quarter of the year, Tecnica Group finalised the acquisition of its Austrian distributor, LOWA, with the aim of managing the market directly.

In 2024 Technical Group posted revenue of 516.9 million euro, a slight decrease on the previous year (-4.3%). Looking at the outdoor footwear segment, LOWA is slightly up, also thanks to the contribution of Austria and the development of North America, while Moon Boot is substantially stable despite being impacted by a contraction in the luxury sector. In the winter sports footwear and technical equipment sector, the brands Nordica and Blizzard/Tecnica are experiencing a single-digit contraction.

The Group's gross operating profit comes to 74.5 million euro showing a slight decrease compared to the previous year. During the year, the company incurred non-recurring costs related to management consultancy, staff compensation and non-recurring expenses related to the digital project for 4.4 million euro; if we neutralise this impact the recurring gross operating profit comes to 79.0 million euro. The industrial margin has improved in percentage terms, but the contraction in volumes has led to a slight decrease in the absolute amount. Structure costs remain stable, thanks in part to the measures implemented by management, while indirect personnel costs to support the multi-year development plan for the multi-brand platform are up slightly.

Amortisation and depreciation amount to 27.0 million euro, showing a slight increase compared to the previous year due to the investments in the digital platform and factories in the last three years. The operating profit came to 47.5 million euro.

Financial income and expenses were negative for 13.0 million euro, lower than the previous year, mainly due to the exchange rate effect.

The consolidated profit of the Tecnica Group in 2024 was 25.2 million euro, decreasing due to the effects of the various matters discussed above.

Capital expenditure is down compared with the previous year as the digital project and a number of important investments in production facilities for both winter and outdoor products came to an end.

The net financial position at December 31, 2024 was negative for 147.1 million euro. If we neutralise the effect of the dividend distribution for 6.0 million euro and the extraordinary transactions mentioned above, cash generation is positive for 16.2 million euro, better than the previous year thanks to better management of working capital.

LITIGATION AND DISPUTES PENDING

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

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

2025 will be a challenging year for the company. In a dynamic global context, the group's objective is to implement the business plan which aims to strengthen the multi-brand platform, looking for growth in both revenue and volumes which should benefit profit margins.

The company also continues to work on the development of the outdoor sector. LOWA will focus on projects of marketing and sales, as well as on the optimisation of operations. Moon Boot will continue its brand development path, working on commercial expansion, marketing activities and new products. The focus also remains high on footwear and technical equipment. In particular, the commercial development projects of the Nordica and Blizzard/Tecnica brands will be continued during the year.

Sustainability information

Tecnica Group pro-actively embraces 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 the integrity of every aspect of the business. 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.

In confirmation of this, Tecnica Group adheres to the United Nations Global Compact, adopting policies and operational management in support of the Ten Principles and committing to actively contribute to the Sustainable Development Goals. It signed the Women's Empowerment Principles in February 2025 and formalised its commitment to decarbonisation by adhering to the Science Based Targets initiative.

The group's industrial strategy puts people at the centre. On the market, the reference is the consumer to whom the group offers extraordinary experiences through exceptional products, inspiring an active life in the open air. Internally, the focus is on human capital, through the promotion of health, safety and well-being in an inclusive and evolutionary work environment and on the supply chain, preferring goods and services with social value.

The measures that the Group has decided to take to strengthen the portfolio brands focus on innovation to come up with highly differentiated products, new distribution channels and programmes to make production and logistics more efficient. 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. Other targeted actions include optimising the use of non-renewable resources, such as plastics, using recycled materials, biodegradable packaging and reducing single-use packaging. 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 enable further creation of sustainable value, extending the life cycle of products.

Moreover, Tecnica Group is working to create the first recycling valley in the sports system district, where competing companies work together to successfully implement environmental sustainability projects. The goal is to create the first recycling hub in the sector with a network to resolve issues related to the sustainability and recyclability of products. This initiative is consistent with the "Recycle your boots" project, already active for all customers, which allows you to return your ski boots to recycle them with a transparent and sustainable process.

Lastly, the group considers the awareness and involvement of all its stakeholders to be fundamental, also by making its activities and performance fully transparent: Tecnica Group has been publishing a Sustainability Report since 2022.

ISEO

(39.246% INTEREST)

Highlights

REVENUE
153.9 mn€
(159.7 mn € in 2023)

1,109
PEOPLE
(1,101 in 2023)

1° SUSTAINABILITY REPORT 2023

EBITDA
16.6 mn€
(16.9 mn € in 2023)

4.1%
OF REVENUE INVESTED IN RESEARCH

ISO 45001
CERTIFIED SAFETY MANAGEMENT

PROFIT
2.4 mn€
(4.2 mn € in 2023)

14 COMPANIES IN 11 COUNTRIES AROUND THE WORLD

ISO 14001
CERTIFIED ENVIRONMENTAL MANAGEMENT

Strategic Objectives

- Consolidate positioning in strategic markets.
- Continue developing mechatronic and digital solutions for intelligent access management.
- To continually advance the meaning of security, creating innovative and sustainable solutions that meet the needs of businesses and individuals.

Profile

THE COMPANY

Founded in 1969 in Pisogne, in the province of Brescia, ISEO is one of the leading European multinationals in mechanical, mechatronic and digital solutions for intelligent access management. For over 50 years, the company has contributed to the evolution of the concept of security, responding in an innovative way to the needs of families, companies, designers and installers. ISEO's mission to "Unlock your freedom to move" aims to give safety a new dimension: freedom of movement.

ISEO employs over 1,100 people and operates on four continents through 14 commercial branches and 4 production sites located in Italy, France, Germany and Romania. Its international distribution network covers more than 70 countries worldwide.

Since 2010, ISEO has expanded its offering of mechanical locks with innovative digital solutions and access control systems based on proprietary software and firmware, developed by an internal research centre. The product portfolio includes traditional locking systems and access management solutions that combine mechanics and electronics, usable via smartphone, fingerprints, card and tag.

RECENT DEVELOPMENTS

In the second half of 2018, Italmobiliare acquired a 40% stake in ISEO, supporting the Facchinetti and Faustini families in their business development and evolution of the governance and organisational structure to face the challenges of international markets.

Italmobiliare's entry into ISEO's capital has given further impetus to the strategy of managerialisation and handling of the generational transition within the company. At the beginning of 2020, a new CEO was appointed with vast experience gained at the top of some of the most important multinationals in the sector. In the same year, an ambitious five-year industrial plan was prepared and launched, aimed at growth in the most relevant markets and the development of mechatronic and digital solutions for intelligent access management. And it was precisely to strengthen itself in this strategic segment that in 2021 ISEO acquired the majority of Sofia Locks, a company that specialises in cloud native access control solutions, and launched a new brand identity to reposition it from a traditional mechanical lock sector to the more advanced electronic access segment.

The business plan was supported by important investments in plants, both in Italy and abroad. In particular, in 2022 a new research centre was inaugurated in Pisogne, with laboratories and offices dedicated to the development and strengthening of technological skills. And in 2023 a new logistics hub of approximately 4,000 m² was completed in Costa Volpino, an initiative that allowed the entire company logistics chain to be reorganised, optimising productivity and the ability to manage shipping and delivery activities.

In order to make its presence in the main markets even more effective, ISEO has reorganised its commercial structure and takes part in some of the main international trade fairs in the sector to promote recognition of the company's brand and products.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	**153.9**	**159.7**	***(3.6)***
Gross operating profit (EBITDA)	**16.6**	**16.9**	***(1.8)***
% of revenue	*10.8*	*10.6*	
Amortisation and depreciation	(11.7)	(7.7)	*51.9*
Operating profit (EBIT)	**4.9**	**9.2**	***(46.7)***
% of revenue	*3.2*	*5.8*	
Net finance income (costs)	(2.3)	(2.5)	*(8.0)*
Profit/(loss) before tax	**2.6**	**6.7**	***(61.2)***
% of revenue	*1.7*	*4.2*	
Income tax	(0.2)	(2.5)	*(92.0)*
Profit/(loss) for the period	**2.4**	**4.2**	***(42.9)***

The figures in the table refer to the Iseo Group.

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	8.4	13.8
Free Cash Flow	(7.5)	0.4
Net financial position	(45.5)	(43.4)
Total equity	72.4	71.6
Equity attributable to owners of the parent company	71.3	68.9
Employees (headcount) at the end of the year	1,109	1,101

As mentioned in its quarterly reports, Iseo's 2024 was negatively affected by the critical issues generated by the adoption of a new ERP system, implementation of which forms part of an extensive programme of digitalisation of the main processes launched by the company in 2022. In January 2024, the date of the Golive of the new ERP system in the Italian company, contingent complexities emerged on the core production and logistics processes that prevented the company's good order portfolio from being fully fulfilled, with impacts on turnover that were only partially recovered in the following quarters. Furthermore, resolution of these critical issues resulted in non-recurring costs which have weighed down the income statement.

ISEO closed 2024 with a turnover of 153.9 million euro, a decrease of 3.6% compared with the previous year, also due to the impact of the critical issues mentioned above. The electronics business is growing, recording an +4% increase compared with 2023, while the mechanical business is down by 4%.

The gross operating margin is equal to 16.6 million euro, more or less constant compared with the previous year, already characterised by a lower profitability than the company's historical average. After a difficult first quarter, which saw a contraction in EBITDA of more than 5 million euro compared with 2023, with the impact of the go-live of the new ERP, the following 9 months were characterised by higher profitability than the previous year.

Net of depreciation and amortisation of 11.7 million euro, the operating result came to 4.9 million euro.

The profit for the period comes to 2.4 million euro, down on the 6.7 million euro in 2023.

At December 31, 2024, ISEO's net financial position shows net borrowing of 45.5 million euro. Cash generation during the period was negative to the tune of 7.5 million euro, with investments amounting to 8.4 million euro.

LITIGATION AND DISPUTES PENDING

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

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The company expects growth in 2025 in terms of both turnover and margins, despite the uncertainty linked to the evolution of the macroeconomic scenario.

Sustainability information

Iseo mirrors the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote an healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity.

Italmobiliare and Iseo recognise 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.

With the support of the Italmobiliare sustainability team, the management's expertise and awareness of ESG aspects are continuously being strengthened and updated. Since 2023, it has been publishing the Sustainability Report. The adoption of the Science Based Targets initiative is currently under evaluation.

Bene Assicurazioni

(19.996% INTEREST)

Highlights

REVENUE
290,2 mn€
(222.1 mn € in 2023)

454
AGENCIES

70
PEOPLE
(60 in 2023)

BENEFIT COMPANY
since 2022

THE FARBENE FUND
to support solidarity initiatives in Africa

ARTE IN BENE
workplaces as temporary art galleries

Strategic Objectives

- Increase brand awareness of Bene Assicurazioni as a premium insurance technology company.
- Improve operational performance to increase technical profitability, particularly in the motor third-party liability segment.
- Consolidate the Company's digital leadership by investing in the further development of the technological platform and portal.

Profile

THE COMPANY

Bene Assicurazioni S.p.A. SB, founded in 2016 by Andrea Sabia, follows an approach that is strongly oriented towards process and product innovation, based on a truly multi-specialist business model, with an integrated omnichannel perspective, focusing on the digital insurer model or, rather, with a "full stack insurer" approach to enhance customer centrality and promote service to intermediaries, leveraging the most advanced technologies.

The company is characterised by the high level of automation and digitisation of all business processes and the flexibility of the application architecture that allows a lean, efficient, scalable and innovative business model.

Bene Assicurazioni has set up an omnichannel distribution model that combines the network of over 450 agencies present throughout Italy with direct online sales, both on its own website and through the main aggregators, allowing customers to interact with the company using the method that best suits their habits and needs. The company also operates in the "B2B" channel, through partnerships with companies and agreements with international operators.

RECENT DEVELOPMENTS

In 2022, Italmobiliare acquired 20% of Bene Assicurazioni with the aim of supporting the company's development, while strengthening the focus on security, transparency and simplicity which Bene offers its customers.

Over the last three years, the company has recorded excellent growth in volumes and significant expansion, made possible by the development of the company's omnichannel distribution model, achieving premium income of 290 million euro in 2024. For an increasingly widespread diffusion throughout Italy, the network of agencies has been strengthened, growing from 380 in 2022 to 454 at the end of 2024. New partnerships have been developed with important international companies and sector operators. Bene Assicurazioni, which operates in the insurance market through a technological approach based on continuous innovation, has also invested in further development of the technological platform and the online portal.

The automotive sector has grown significantly and remains predominant for the company's business. The company has recorded significant developments in all segments. In particular, the "sureties" segment has been strengthened and the "non-auto" accident segment has grown further, also thanks to expansion of the products on offer and the introduction of new policies such as "Bene Viaggi" and "Bene Pet". To support brand awareness, the Company continued its advertising campaign in 2024, with two "car" and "home" spots that alternated on the most important national broadcasters, in addition to digital platforms, and broadcast in all time slots, with greater frequency in prime time and late evening to gain more visibility.

The company has invested in expanding and modernising its offices and headquarters, where around 70 people now work, doubling the spaces available to the Company, with the aim of creating a workplace that intends to be synonymous with well-being and tranquillity. The colours, furnishings and character of each area, with a balance between modern/post-industrial design and traditional elements, represent the new concept of work communication, aimed at stimulating creativity and dynamism.

There have been numerous initiatives dedicated to the well-being and training of employees, such as the Progetto Arte in Bene and the Bene Family Club, and to cultivate the talent of young people, such as the 30 under 30 thinking about 2030 initiative. The company's attention and commitment to supporting the growth of young people is recognised and appreciated; not by chance Bene was one of the companies that won an award at the Best Stage 2024 event.

Sustainability is central to the company's development path. In 2022, Bene Assicurazioni took on the legal form of a Benefit Company, formally integrating the purposes of common benefit into its business objectives, with the aim of creating value in a responsible, sustainable and transparent way towards people, communities, local areas and the environment.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023
Premiums	290,2	222,1
Employees (headcount) at the end of the year	70	60

Figures as of December 31, 2024 were still not available at the date of preparation of this report. The figures referring to 2024 are based on the information provided by the company.

Bene Assicurazioni achieved an excellent level of premium income in 2024, equal to 290.2 million euro, up 30.7% on the previous year with positive results in all sales channels. In particular, the agency channel is growing, confirming its position as the most important for the Company and also the one that has registered the greatest increase in absolute value, also thanks to the opening of 29 new points of sale during the year. Partnerships have performed well, driven by agreements for insurance coverage of company fleets and by management of policies related to agribusiness. The direct channel also showed slight growth on the previous year.

Looking at the individual segments, it is worth mentioning the excellent performance of the automotive sector, which represents approximately 70% of the Company's business: it turned in growth of more than 30% compared with the previous year, benefiting from the steps taken to revise tariffs with a view to containing the effects of the increase in the average cost of claims linked to current inflationary trends.

The development of all the other segments also continues, recording an increase of 26% overall, mainly influenced by the excellent performance of the non-auto accident sector.

With reference to margins, the loss ratio of the entire insurance sector has been negatively impacted by the new tables issued by the Milan Court for the liquidation of non-pecuniary damages from permanent injury to psychophysical integrity. The dynamics of inflation and frequency of third-party liability claims, as well as the increase in the importance of the car pool segment for Bene Assicurazioni, have had a negative influence on margins, but this will be partially reabsorbed by reinsurance. These trends have been offset by an improvement in the expense ratio.

LITIGATION AND DISPUTES PENDING

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

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The Italian non-life insurance market is expected to maintain its growth momentum in 2025, thanks to the new regulatory requirements for companies in the field of catastrophe insurance and the increase in the average premium due to inflation.

Bene Assicurazioni expects to continue the growth trajectory of premium income, maintaining a high level of attention to the company's profit margins. The agency channel will remain the cornerstone of the company's growth strategy and will be further strengthened by opening new agencies and developing the existing agencies. The partnership channel will also continue to contribute significantly to Bene Assicurazioni's results.

Sustainability information

Bene Assicurazioni is well aware of the climate challenge. The company is moderately subject to physical risks, linked to the increase in claims paid as compensation for damages from extreme weather events, most of which were reinsured. Among the transition risks, legal risk is material, connected to transparency or information obligations on the climate (e.g. CSRD, IVASS requirements), as is reputational risk, connected to the adequacy of communication on the commitment to fight climate change.

In 2022, Bene Assicurazioni became a “Benefit Company”. This decision has directed the company towards an innovative and virtuous way of doing business, with the aim of creating a widespread and shared culture of the values pursued and the commitments made, responding to the needs of all stakeholders who are increasingly attentive to sustainability.

People are a key factor in the success of Bene Assicurazioni, where the development of human capital is based on principles of equality, respect and inclusiveness. On the one hand, the commitment is aimed at creating new job opportunities, especially for young people, by promoting inclusive hiring policies and professional development programmes. At the same time, the focus on employee well-being continues, offering a safe, respectful and stimulating work environment that fosters the personal and professional growth of each individual, supported by corporate welfare policies.

In order to promote the Benefit Company culture and sustainability, the company supports philanthropic initiatives, contributing to the improvement of people's living conditions and protection of the environment. In 2017, the “FarBENE 3” charitable fund was created as a tool for the redistribution of wealth, within which priority is given to micro-entrepreneurship initiatives that can combine lasting development and training opportunities for young people in their first jobs.

Since 2018, the *Arte in Bene* initiative has also been launched, which includes the exhibition of works of art at the Company's headquarters, followed by solo exhibitions of young emerging artists. In addition to being in line with the SDGs objectives, this initiative aims to enhance the culture and well-being of employees and to concretely support emerging artists, contributing to the creation of a vibrant and inclusive cultural ecosystem.

Clessidra Group

(100% INVESTMENT)

Highlights

3.2 bn€
INVESTED CAPITAL

93
PEOPLE
(78 in 2023)

75%
ESG FUNDS
AMONG THOSE UNDER MANAGEMENT

~1 bn€
FINANCING PROVIDED

4
GROUP COMPANIES

100%
EMPLOYEES INCLUDED IN TRAINING COURSES

80+
INVESTMENTS OF THE SGRs

5
MANAGED FUNDS

Zero
CO2 EMISSIONS SCOPE 2 SINCE 2022

Profile

THE COMPANY

Clessidra Group is an independent platform focused on the Italian alternative investment market, which provides small and medium-sized enterprises with financial resources, qualified skills, full membership and experience in ESG integration, generating rising and sustainable value for its investors.

Established in 2003 as an asset management company operating in private equity, Clessidra has undergone rapid development, quickly becoming one of the leading operators in the sector in Italy. In 2016 it was acquired by Italmobiliare and since 2019 it has started a development and diversification strategy, progressively expanding its business into other sectors with a view to offering a wide range of products and services for institutional investors and Italian medium-sized companies.

Today the Group employs around 100 people and operates through a holding company and three specialist companies, each with its own operational autonomy: Clessidra Private Equity SGR, Clessidra Capital Credit SGR and Clessidra Factoring.

Clessidra Private Equity builds diversified portfolios, investing in companies that are leaders in their particular sector with a high growth potential. The company works in close collaboration with the entrepreneurs and management of the businesses in its portfolio in order to pursue the shared growth plan in all phases of the investment management process, up to the identification of the most suitable exit path.

Clessidra Capital Credit is an independent asset management company that manages closed-end alternative investment funds. Clessidra Capital Credit operates in both the distressed and performing credit sectors and presents itself as a financial partner for small and medium-sized Italian companies with solid industrial fundamentals, supporting their growth, consolidation and turnaround projects.

Clessidra Factoring is a financial intermediary under art. 106 of the Consolidated Banking Law, established in November 2020 on the initiative of Clessidra SGR. Through dedicated financial solutions, it supports Italian SMEs in the management and guarantee of trade receivables, offering its customers a series of specialist services in the financing and management of receivables, such as credit financing and management, guarantees against insolvency and indirect factoring.

Clessidra Holding is the parent company of Clessidra Group. It coordinates the activities of Clessidra Group companies, while respecting the decision-making autonomy of the individual entities. It also plays a supporting role for the group in Operations, Compliance and Anti-Money Laundering activities, as well as coordinating the group's control functions. Clessidra fully recognises the importance of integrating environmental, social and governance (ESG) principles into its business and investment practices, acting in the long-term interest of investors, portfolio companies, the community and the environment.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Net interest income	**4.2**	**2.5**	***71%***
Net fees and commissions	**33.0**	**29.8**	***11%***
Income (expenses) from financial assets	-	0.2	*(114%)*
Brokerage margin	**37.2**	**32.5**	***14%***
Administrative expenses	(31.5)	(29.9)	*(5%)*
Other operating income and expenses	(1.9)	0.5	*(524%)*
Result of operations	**3.8**	**3.1**	***22%***
Income tax	(2.0)	(1.4)	*(37%)*
Profit/(loss) for the period	**1.8**	**1.7**	***2%***

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

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023
Total equity	39.8	38.0

At December 31, 2024, the Clessidra Financial Group was made up of the parent company Clessidra Holding S.p.A., which has direct control over 100% of the shares of Clessidra Private Equity SGR S.p.A., Clessidra Capital Credit SGR S.p.A. and Clessidra Factoring S.p.A., as well as indirect control of Società Semplice Clessidra CRF G.P., in which it holds 51% directly with the other 49% held indirectly through the subsidiary Clessidra Capital Credit SGR S.p.A.

For the Clessidra Group 2024 closed with a positive brokerage margin of 37.2 million euro (32.5 million euro at December 31, 2023), which includes 20.2 million euro in management fees for the Clessidra Funds (19.9 million euro at December 31, 2023) and 12.7 million euro in commissions from the factoring business (11.4 million euro at December 31, 2023).

Administrative expenses in 2024 amount to 31.5 million euro (29.9 million euro at December 31, 2023) and are made up of personnel costs of 19.7 million euro (17.8 million euro at December 31, 2023) and consulting and operating costs, classified under other administrative expenses, which total 11.7 million (12.1 million euro at December 31, 2023).

The consolidated result of the Clessidra Group at December 31, 2024, net of taxes of 2 million euro, comes to 1.8 million euro (1.7 thousand euro at December 31, 2023).

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

- During the year, Clessidra Holding, as the group leader, continued its activity of managing investments, and, as outsourcer, it undertook a reorganisation process, strengthening its role as group leader and in the provision of centralised services, such as Corporate Administration and Fund Administration, HR Administration, Management Control and Budget, and outsourcing essential functions such as Compliance and Anti-Money Laundering on behalf of its subsidiaries. Lastly, the Company is structuring itself to accompany the Clessidra Group in its international expansion, with the aim of increasing its presence in foreign markets, exploiting growth opportunities, creating synergies and accessing new customer segments;

- Clessidra Private Equity SGR has consolidated its management of the Clessidra Capital Partners 4 Fund by concluding a new direct investment, signed in October 2024 with the Molino Nicoli group, reaching 47% of the equity invested. During the period, it signed another investment agreement (which is expected to be concluded during the first half of 2025). With regard to handling the Clessidra Capital Partners 3 fund, during the year, Clessidra continued its management and valorisation of the companies in its portfolio and, in July 2024, sold its investment in the L&S chain, distributing the proceeds;

- Clessidra Capital Credit SGR continued its management of the Clessidra Restructuring Fund, which completed its investment period and closed the year with total assets of approximately 163 million euro. Management of the Clessidra Private Debt Fund continues with a view to satisfying the financing needs and supporting medium-sized Italian companies and their shareholders. As of December 31, 2024, the Fund has concluded 11 investments, 4 of which were concluded during the year. In December 2024, the 6 funds acquired by Value Italy SGR SpA were merged into a new fund called Clessidra Credit Recovery Fund, with new capital contributions of around 27 million euro during the year;
- Clessidra Factoring confirms the significant growth in terms of volumes (turnover, employment, outstanding) compared with the previous year, due to the consolidation of the customer portfolio acquired during the first four years of operation and the significant acceleration in commercial development, particularly with Large Corporate counterparts. At December 31, 2024, turnover for the year amounted to 952 million euro, total receivables amounted to 270 million euro, while gross loans at the end of the year amounted to 246 million euro. There were 284 active customers at December 31, 2024. In order to further strengthen the operational structure, the Company increased its workforce during the year, with the number of employees at the end of 2024 rising to 43. In December 2024, a 10 million euro increase in capital was completed; this strengthening of the capital is aimed at supporting growth and maximising the realisation of business opportunities.

RISKS AND UNCERTAINTIES

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

OUTLOOK

During 2025, the Group will pursue its objectives in the various business segments, in particular:

- Clessidra Private Equity SGR will continue its scouting and investment activity for the CCP4 Fund, taking advantage of the current pipeline that offers a fair amount of visibility on possible new deals; the new art. 9 SFDR "Green Harvest" fund is in the fundraising phase - its focus will be on small-cap companies operating as part of the agri-food value chain;
- Clessidra Capital Credit SGR will continue its scouting and investment activity for the Clessidra PD Fund, evaluating the possibility of launching a new art. 9 SFRD fund with the same strategy as the current Clessidra PD fund, but with a greater focus on unitranche markets, sustainability issues and broader geographical diversification. At the same time, the management and valorisation activity of Clessidra CRF, Clessidra CRF Parallel and Clessidra Credit Recovery Fund will continue, evaluating, in light of the experience gained, the launch of a new fund that should be able to provide equity-like returns, dedicated to underperforming SMEs with limited access to financing sources and ongoing relaunch plans;
- Clessidra Factoring plans to continue increasing the volumes that it handles in consideration of a market presence that is gradually consolidating, while still benefiting from significant growth potential. The target product will remain that of factoring, alongside the traditional "Crossover" segment, aimed at SMEs with little access to bank credit, greater intervention and rising volumes in "Distressed" factoring, aimed at companies with good fundamentals, but affected by crisis settlement procedures in- or out-of-court. The company will also continue to strengthen and diversify its funding sources, as well as reinforce its structure.

General and governance information

REPORTING

ESRS 2 - General information - Basis for preparation

The reporting includes performance, data and information relating to the Clessidra Group, i.e. Clessidra Holding and its subsidiaries Clessidra Private Equity, Clessidra Capital Credit and Clessidra Factoring, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance
ESRS G1 - Business conduct

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.

Position	Name and Surname	Gender
Chairman	Mirja Cartia d'Asero*	F
Executive Vice-Chairman	Federico Ghizzoni	M
Director	Francesca Bressani Doldi	F
Director	Carlo Pesenti	M
Director	Mario Fera	M
Director	Gabriele Piccini	M
Director	Andrea Ottaviano	M

* Filippo Macaluso until 23 January 2025

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. Two members are female.

Women participation in the Board of Directors of Clessidra Holding is at 29% (2 directors out of 7). It is at 40% for Clessidra Private Equity SGR (2 directors out of 5), 14% for Clessidra Capital Credit SGR (1 director out of 7) and 40% for Clessidra Factoring (2 directors out of 5).

The Boards of Directors define the strategic guidelines of their respective companies and are responsible for management with a view to sustainable success. To this end, they are vested with all powers of ordinary and extraordinary administration, overseeing all matters deriving from the law, the By-laws and the instructions received from the parent company.

Every year, the Board of Directors approves the Group's ESG action plan and assesses its progress. The ESG action plan is based on the impacts, risks and opportunities that have been identified, along with any other consideration that may be useful for implementing a business strategy that is consistent with the Vision and Mission expressed by the Company, with full integration of economic, governance, social and environmental components. The annual ESG action plan is continuously monitored by management and consolidated at periodic meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plan are included in the variable remuneration of the CEO and of top managers.

Over the years, Clessidra Group has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

Through the active participation of its subsidiaries in **AIFI**, the Italian Association of Private Equity, Venture Capital and Private Debt, and Invest Europe, the corresponding European sector association, and Assifact, the Italian Association for factoring, Clessidra Group supports numerous ESG-related initiatives and guidelines. In addition, Clessidra Group participates actively in the **Forum for Sustainable Finance**, a nonprofit association that promotes the knowledge and practice of responsible and sustainable investment.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships. In addition to these documents, which apply to the entire Clessidra Group, the Responsible Investment Policies adopted by the two SGRs and the Responsible Credit Policy adopted for factoring are also in place.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with the Clessidra Group in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Each company within Clessidra Group adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents.

All the mentioned documents are published on the company's website.

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 Codes, Policies and Organisational, Management and Control Models.

Not being subject to the management and control powers of Italmobiliare, Clessidra Holding performs this role with respect to its subsidiaries. Within the two SGRs and the Factoring company, the **Risk Management Function** has an independent position with respect to the operational structures and answers directly to the Board of Directors. It evaluates, manages and controls all financial and operational risks inherent to the assets under management, as well as strategic, operational and reputational risks and, with the support of the ESG & Sustainability Manager, climate risks. Specifically, the Risk Management function:

- updates the Boards 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.

Furthermore, for the two SGRs, the 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;

At an operational level, the **management procedures** adopted are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

The integration of the ESG approach in the management processes of Clessidra Group's companies in itself constitutes an element of risk mitigation.

Risks mitigated through the ESG approach

Description	Adopted mitigation actions and opportunities
GOVERNANCE	
ESG integration into business strategy and implementation of action plans	Adhesion to UN Global Compact and UN Principles for Responsible Investment Code of Ethics, Sustainability Policies and Responsible Investments Policies, and Responsible Credit Policies Negative screening (exclusion) for investments Positive screening (value creation) for investments ESG Due Diligence for investments ESG Plans / ESG objectives for investments
SOCIETY	
Organisational structure, internal processes and knowledge	Continuous training of the Board of Directors, Investment Team, and workforce. Adherence to the Science Based Targets Initiative (SBTi).
Health and safety	Active health and safety promotion within the Clessidra Group's companies and the Portfolio Companies
Products and services in line with the expectations of the Group, investors, and customers	New funds at least art. 8 SFDR Transparency over ESG performances and well-beyond applicable normative requirements
ENVIRONMENT	
Climate risks	Exclusion of carbon intensive industries from investments. Systemic assessment of climate risks for Clessidra Group's companies and Portfolio Companies Adherence to the Science Based Targets Initiative (SBTi).
Evolutions of the regulatory framework (elements not included within climate risks)	Regulatory follow-up and anticipation of risks related to Clessidra Group' companies and Portfolio Companies

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 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 illicit or anti-governance behaviour.

RESPONSIBLE INVESTMENTS

ESRS 2 - General information - Governance
ESRS G1 - Business conduct

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 involves investments in the private credit sector, with a focus on turnaround funds, growth capital and credit recovery. **Clessidra Factoring** provides Italian SMEs with a wide range of services specialising in financing and in the sale and management of trade receivables.

All the managed activities require careful assessment of market counterparties with which to undertake investments, partnerships, and contractual relationships. Each component, managed according to specific internal procedures, helps to achieve the objectives of return on investment, risk diversification and value creation. Among the various elements to be assessed, the prospects for improving the ESG positioning and alignment with the adopted sustainable strategy play a significant role. To this end, Clessidra Private Equity SGR and Clessidra Capital Credit SGR refrain from any investment or involvement, whether direct or indirect, with entities involved in the production, marketing, use or trade of illegal products or activities. Other ascertained direct or indirect practices also lead to exclusion: for example, corruption, money laundering, violations of human rights, violations of the fundamental principles of labour, production of goods harmful to health, the environment and morality, an obstacle to sustainability in general.

Clessidra Factoring adopts an approach aimed at ensuring the integration of ESG objectives into the strategies and policies pursued by the Company with reference to its portfolio. The Risk Management Function is actively involved in the process of defining and managing ESG risks, continuously monitoring the company's exposure to risk factors. In particular, ESG risk factors are integrated into the updated Risk Appetite Framework (RAF), monitored periodically and reported publicly.

Clessidra Private Equity SGR and Clessidra Capital Credit SGR assign priorities and mobilises financial resources in a targeted and selective manner, thereby contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of investors, shareholders, enterprises and all other stakeholders.

In line with the strategic vision of the entire Clessidra Group regarding responsible investment, the integration of environmental, social and governance (ESG) risks and opportunities is a fundamental element in all phases of the management process of all its investment activities of Clessidra Private Equity SGR and Clessidra Capital Credit SGR. In particular, in order to prevent or mitigate exposure to risks and benefit from opportunities of value creation, Clessidra Private Equity SGR and Clessidra Capital Credit SGR subjects all new investments to a verification of alignment with its own value references (Code of Ethics and Sustainability Policies), the requirements of its Responsible Investment Policy and the rules set by the Regulations of the Funds managed and a due diligence process which also assesses the environmental, social and governance aspects.

As a responsible investor, Clessidra Private Equity SGR and Clessidra Capital Credit SGR promote the evolution towards sustainable business models among all the companies in the portfolio of all the managed Funds, providing transformative capacity, specific expertise and full support in the management of risks and opportunities in ESG matters.

However, with reference to the level of detail and transparency required by the SFDR Regulation, Clessidra Private Equity SGR and Clessidra Capital Credit SGR adopt approaches differentiated by asset class of financial product, especially in consideration of the investment timeline of the individual Funds currently under management, as duly described in the SFDR Disclosure published on the web.

In 2024, significant ESG interactions took place with all the companies in the portfolio, in particular within Art.8 SFDR Funds. The ESG management methods differ according to the level of control, the maturity of the investee and the time spent in the portfolio.

Portfolio Companies at the end of 2024		Main ESG activities in 2024
Clessidra Private Equity SGR Funds (Art. 8 SFDR)		
CCP3 Fund	Nexi	• The stake held in the investee and the level of governance exercisable by Clessidra do not allow direct influence on sustainability issues. However, the company has a high-level commitment to sustainability and Clessidra records its progress annually. As a listed company, it fully complies with the obligations relating to non-financial transparency.
CCP3 / CCP4 Funds	Argea	• ISO 14001 and ISO 45001 certifications for all sites
		• "Supply Chain Pact", ESG qualification of wine's supply chain
		• Membership in the UN Global Compact, Women's Empowerment Principles, and Science Based Targets initiative (SBTi).
		• ESG Plan follow-up
		• ESG metrics and data collection, upon SFDR requirements, and update of the Sustainability Report
CCP4 Fund	Viabizzuno	• Membership in the UN Global Compact and Women's Empowerment Principles. • Promotion of high-energy-efficiency lighting projects.
		• ESG Plan follow-up
		• ESG metrics and data collection, upon SFDR requirements
	Impresoft	• Membership in the UN Global Compact and Women's Empowerment Principles.
		• Participation in the Ecovadis rating
		• ESG Plan follow-up
		• ESG metrics and data collection, upon SFDR requirements
	Everton	• Membership in the UN Global Compact, Women's Empowerment Principles, and Science Based Targets initiative (SBTi)
		• Participation in the Ecovadis rating
		• ESG Plan follow-up
		• ESG metrics and data collection, upon SFDR requirements
	Molino Nicoli	• Closing in October 2024 • Start of the adoption of the 231 Model • Improvements in worker and plant safety management • Enhancement of wastewater management

Portfolio Companies at the end of 2024		Main ESG activities in 2024
Clessidra Capital Credit SGR Funds (art. 8 SFDR)		
CPD Fund	Candy Factory MGM/Rekord Trime Groupack Holding Righi Elettroservizi Bracchi La Piadineria Alveo Group	• Definition of contractual ESG targets • Support for ESG integration • ESG metrics and date collection, upon SFDR requirements
	Errevi	• Closing completed in December 2024 ESG due diligence and definition of contractual ESG targets
CRF Parallel Fund	OMA Iscom SISMA	• Support for ESG integration ESG metrics and data collection, according to SFDR requirements.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

With the Partnership Charter, Clessidra Group aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter will be applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Clessidra Group promotes the same approach across all companies in its managed portfolios.

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Clessidra Group's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	**75%**	**2027**	--	--	**--**
Climate strategy	Definition of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	**2025**	--	--	**✓ ***
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	**0**	**2025**	0.0	0.0	**0.0**
Gender and human capital development	Training hours per employee	**40**	**2027**	12	11	**27**

* Objectives validate by SBTi in March 2025. Details can be found in the "Low-Carbon Transition" section.

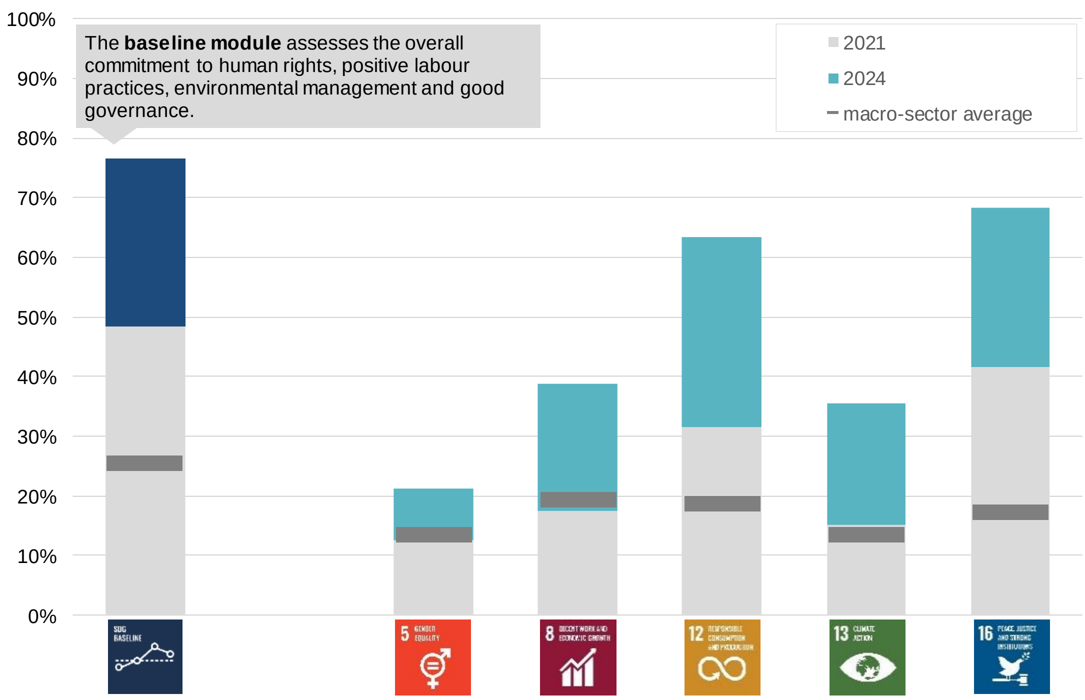
Furthermore, Clessidra Group adheres to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. This way, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Clessidra Group: Commitment to the SDGs *

Environment	Ensure sustainable production and consumption models.
	Promote actions at all levels to combat climate change.
	Protect, restore and promote sustainable use of the earth's ecosystem.
Society	Achieve gender equality and empower all women and girls.
	Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance	Peace, justice, and strong institutions.
	Strengthen implementation means and revitalise the global partnership for sustainable development.

* The portfolio companies set additional goals based on their specific business sectors.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



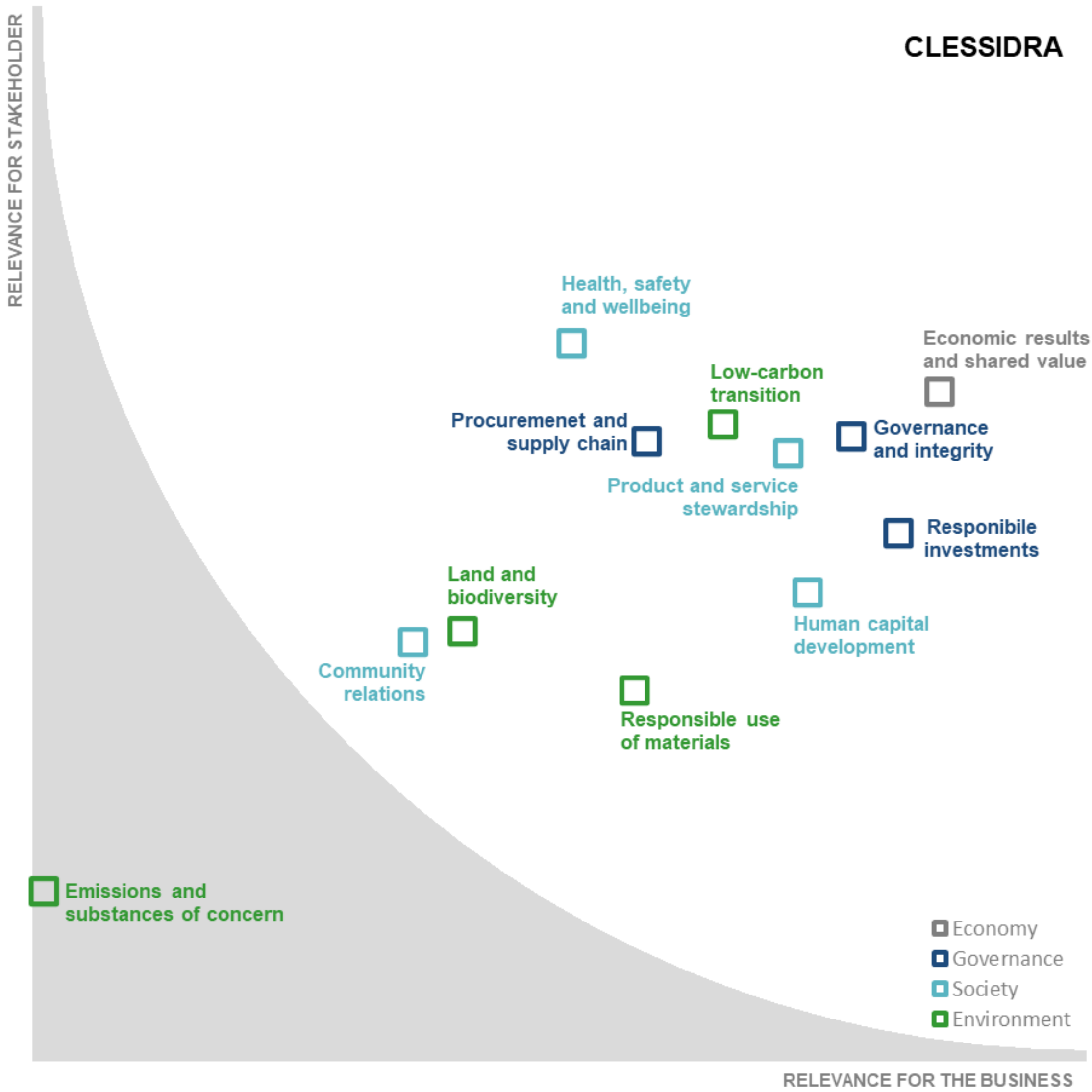
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management, the key management personnel and the majority shareholder, thanks to targeted questionnaires. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts relating to the individual macro-areas are systematically assessed, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts		Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Responsible investments	▲ Effective implementation of transformative power starting from investment decisions, through active management of portfolio companies on to the search for a buyer who can continue the sustainable development of the companies.	M	• Adoption of Responsible Investment Policies aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-respect for human rights, labour rights and equal opportunities along the raw material supply chain, particularly in coffee producing countries.	M	Promotion in portfolio companies of: • ESG pre-qualification and qualification of business partners. • Sharing governance documents with all partners and stakeholders. • Activation of a protected system of whistleblowing that is open to all stakeholders. • A progressive increase in the purchase of certified supplies. • Targeted partnerships and projects with strategic suppliers.
	▲ Promotion in portfolio companies of supply chains that respect the basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities for all people.	S	
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S	• Continuous and differentiated training for the various professional roles. • Gradual adoption of incentive plans • Corporate welfare
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S	• Continuous promotion of a safety culture.
	▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S	
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Definition of validated medium-term (2030) and net-zero (2050) reduction targets in line with the requirements of the Science Based Targets initiative. • Active investment selection and management.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	S	

S = Short term **M** = Medium term **L** = Long term

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Clessidra Group also joined the Science Based Targets initiative (SBTi). The identified objectives have been validated by the SBTi expert team.

Clessidra Group has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging. Moreover, since 2022 Clessidra Group and several portfolio companies of the managed funds only use renewable electricity, part of it self-produced.

The following table shows details of the decarbonisation objectives.

Objectives validated by SBTi (Near Term *)		Target	Year	2024
Scope 1+2 (MB)	Reduction of Scope 1 and Scope 2 emissions compared with 2023.	- 42%	2030	+ 3%
	Maintain annual renewable electricity supply from 2023.	100%	2030	100%
Scope 3 - Cat. 15 investments: • Direct or indirect investee companies with a total share >25%	Eligible Net Asset Value represented by companies with validated Science Based Targets.	50%	2027	3% **
	Eligible Net Asset Value represented by companies with validated Science Based Targets.	100%	2030	

* Clessidra has already formalised the Net-Zero 2050 commitment, but to validate the objective it has to wait for publication of the SBTi Guidelines for Financial Institutions.
** A further 50% of NAV has already formalised the SBTi commitment and is entering the process of validating the objectives.

The energy consumption and energy mix of Clessidra Group are shown in detail in the following table.

	Unit	2022	2023	2024
Therma energy consumption from fossil fuels	MWh	**162**	**449**	**316**
Natural gas		0	0	0
Diesel and LPG, for process		0	0	0
Automotive fuels		162	449	316
Thermal energy consumption from renewable sources		**0**	**0**	**0**
Biodiesel		0	0	0
Energy consumption from renewable sources		**218**	**220**	**249**
Hydroelectric		0	0	0
Solar		0	0	0
Wind		0	0	0
Other/Mix		218	220	249
Consumption of purchased renewable electricity		218	220	249
Consumption of self-produced renewable electricity		0	0	0
Total energy consumption		**380**	**669**	**565**
% of fossil fuels on total energy consumption		43%	67%	56%
% of renewable sources on total energy consumption		57%	33%	44%
Energy intensity	**MWh / M€ Revenue**	**12**	**17**	**13**
Electricity self-produced from renewable sources	MWh	**0**	**0**	**0**
Solar		0	0	0
Renewable electricity self-produced and fed into the grid		**0**	**0**	**0**

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its emissions, Clessidra Group adopts the "financial control" approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint*	Unit	2022	2023	2024
Market Based	t CO2e	929,688	1,032,160	693,118
Location based		929,761	1,032,233	693,226
Carbon Intensity - Market based	t CO2e / M€ Revenue	30,382	26,809	15,350
Carbon Intensity - Location based		30,384	26,811	15,352
Scope 1		1	3	3
Scope 2 - Location Based		2	2	2
Scope 2 - Market Based		0	0	0
Scope 3		30,381	26,806	15,347

Carbon footprint Details*	Unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	**929,688**	**1,032,160**	**693,118**	
Scope 3 - Upstream	t CO2e	**43**	**101**	**93**	0.01%
1 Purchased products and services		--	--	--	
2 Capital goods		--	--	--	
3 Fuel-and energy-related activities		14	32	24	0.004%
4 Upstream transportation and distribution		--	--	--	
5 Waste generated by the sites		--	--	--	
6 Business travel		29	26	19	0.003%
7 Employee commuting		--	43	50	0.01%
8 Upstream leased assets		--	--	--	
Scope 1	t CO2e	**44**	**112**	**116**	0.02%
Scope 2 - Market Based	t CO2e	**0**	**0**	**0**	0%
Scope 2 - Location Based		72	73	107	
Scope 3 - Downstream	t CO2e	**929,602**	**1,031,947**	**692,910**	99.97%
9 Downstream transportation and distribution		--	--	--	
10 Processing of sold products		--	--	--	
11 Use of sold products		--	--	--	
12 End-of-life treatment of sold products		--	--	--	
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		929,602	1,031,947	692,910	99.97%

Clessidra Group assesses climate risk with reference to specific scenarios. Physical climate risks are identified with respect to the "Current Policies" scenario, as defined by the Network for Greening the Financial System (NGFS). Transition risks are identified with respect to the "Net-Zero 2050" scenario, again as defined by the NGFS, consistent with the SBTi commitment.

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own Workforce

Clessidra has a team of 93 motivated and specialized people. Direct employees are all covered by a collective bargaining agreement. 39% 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.

			2022			2023			2024
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	**25**	**41**	**66**	**33**	**45**	**78**	**41**	**52**	**93**
Managers	4	16	20	3	17	20	5	17	22
Middle managers	9	18	27	17	19	36	21	23	44
Office workers	12	7	19	13	9	22	15	12	27
Turnover	**--**	**--**	**16**	**--**	**--**	**12**	**--**	**--**	**15**
+ Hirings	--	--	25	--	--	19	--	--	26
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	9	--	--	6	--	--	8
- Non-voluntary exits	--	--	0	--	--	1	--	--	3
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	100%	98%	98%	97%	98%	97%	98%	96%	97%
% contract: full time	100%	100%	100%	97%	100%	99%	93%	100%	97%
Training									
Hours per capita	11	13	12	12	9	11	27	27	27
Managers	11	13	13	8	4	5	15	28	25
Middle managers	11	13	12	12	15	14	28	27	27
Office workers	11	13	12	13	7	10	31	25	29
% hours of voluntary training	--	--	--	75%	63%	69%	77%	74%	75%
Managers	--	--	--	4%	50%	38%	57%	72%	70%
Middle managers	--	--	--	78%	67%	72%	77%	83%	80%
Office workers	--	--	--	82%	63%	77%	80%	60%	72%
	--	--	--	--	--	--	--	--	--
% with at least one training session									
Managers	--	--	--	63%	68%	66%	91%	96%	94%
Middle managers	--	--	--	75%	53%	57%	83%	95%	92%
	--	--	--	65%	82%	74%	96%	96%	96%
	--	--	--	57%	64%	60%	89%	100%	93%
% with performance appraisal									
Managers	**100%**	**100%**	**100%**	**85%**	**91%**	**88%**	**100%**	**100%**	**100%**
Middle managers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Office workers	100%	100%	100%	76%	95%	86%	100%	100%	100%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap *Difference between men's and women's average pay compared with men's average pay*	**54%**	**50%**	**49%**
Managers	**22%**	**14%**	**25%**
Middle managers	30%	23%	22%
Office workers	24%	7%	13%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Clessidra Group promotes the health, safety and wellbeing of all employees and a safety culture that is also shared with the companies in its portfolio. The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The main risk conditions that have been identified are external to the workplace and mainly concern the use of company cars. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

All employees benefit from health insurance: full cover for middle managers and white-collar workers and supplementary cover for managers. Managers are also entitled to an annual check-up at a leading hospital.

			2022			2023			2024
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	**--**	**--**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

Clessidra Private Equity SGR and Clessidra Capital Credit SGR offer their investors quality services, creating and maintaining solid relationships built on transparency and trust. Communicating with subscribers guarantees an adequate and equal level of information for all investors, safeguards the confidentiality of processed information and protects the successful outcome of investments and divestment in progress.

Within 60 days from the end of each year, Clessidra Private Equity SGR and Clessidra Capital Credit SGR prepares a management report on each of its funds in accordance with the Bank of Italy's Collective Savings Management Regulation. The report includes a balance sheet, income statement, notes and directors' report and is subject to certification by the Independent Auditors. On a voluntary basis and in agreement with investors and according to international practice, the two companies also prepare a quarterly report called the LP Report which contains information based on official data similar to that of the management report. Those in charge of drafting respond jointly to requests for clarifications or insights about the communications sent, assessing the advisability of providing additional information to the general public of investors.

In addition to the communications due by law and voluntary reporting, Clessidra Private Equity SGR and Clessidra Capital Credit SGR convey information in response to specific requests from investors in the event that they express the need to be aware of foreseeable developments in investment management, also in order to allow them to assess potential sales of their shares. The information provided to investors is checked periodically by the independent auditors and by internal control bodies and functions.

Clessidra Private Equity SGR and Clessidra Capital Credit SGR fully adopt the principle of transparency also in the reporting of ESG performance, preparing the communications to the market and investors required by the SFDR Regulation, responding annually to the UN PRI questionnaire, and publishing the Transparency Report. Furthermore, to ensure transparency towards investors, in the financial reports prepared in accordance with the Bank of Italy's instructions, there is a specific paragraph about responsible investments. In addition, there is a quarterly report, based on guidelines for the presentation of financial information (IPEV Reporting Guidelines) and for valuations (International Private Equity and Venture Capital Valuation Guidelines), which highlights any critical issues and management's approach, also to issues of responsible investment.

Clessidra Factoring, as a supervised financial intermediary, fulfils the information requirements provided for in the set of rules that transpose in the European Union the standards defined by the Basel Committee for Banking Supervision. In particular, under the so-called "Third Pillar", it shall prepare and make available to the public an information document ensuring an adequate level of transparency on exposure, control and management of the risks taken, integrating the relevant ESG aspects.

Clessidra pays the utmost care and attention to data protection and the protection of the rights and freedoms of natural persons and to this end applies the technical and organisational measures needed to ensure implementation of the ruling regulations. In particular, the SGR implements appropriate and specific measures to avoid the violation of personal data, above all the risk of data loss or access by unauthorised parties. The Policy on the Protection of Personal Data and Data Breach is constantly updated with respect to regulatory changes and amendments to internal processes.

Other significant information on the Group

Other significant information on the Group

TRANSACTIONS WITH RELATED PARTIES

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

- associates and their subsidiaries;
- other related parties.

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

Highlights at December 31, 2024 for transactions with related parties are provided in the notes.

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

TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND THEIR SUBSIDIARIES

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

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

TRANSACTIONS WITH OTHER RELATED PARTIES

Transactions with other related parties in 2024 were as follows:

- legal consultancy and assistance on judicial and extrajudicial matters provided to Italmobiliare S.p.A. by the LCA Studio Legale law firm, of which the director Luca Minoli is a partner, for fees totalling 29,110 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 272,000 euro;
- compensation for the work performed as an employee by Roberto Pesenti, son of Carlo Pesenti, paid by Italmobiliare for a total of 245,406 euro.
- compensation for the work performed as an employee by Roberto Pesenti, son of Carlo Pesenti, paid by Callmewine S.r.l. for a total of 3,000 euro.
- compensation for the work performed as an employee by Giulio Pesenti, son of Carlo Pesenti, paid by Clessidra Capital Credit SGR for a total of 161,442 euro.
- a donation of 800,000 euro and charge back of costs of staff on secondment for 17,776 euro to the "Fondazione Cav. Lav. Carlo Pesenti", whose Board of Directors is chaired by Carlo Pesenti;
- membership contributions and sponsorship activities for 62,200 euro to ISPI-Institute for Internal Policy Studies, of which Carlo Pesenti is a member of the board.

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

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

Highlights at December 31, 2024 for transactions with related parties are provided in the notes.

LEGAL AND TAX DISPUTES

As explained in previous financial reports, following the completion of various M&A transactions in recent years, the Company – as the seller – is subject to compensation claims, notified by the respective purchasing parties, for alleged violations of the declarations and guarantees given by the seller and/or non-fulfilment of obligations placed on it by the related contractual documentation. In this regard, no events occurred during the period that would require changes to the previously recorded risk provisions.

In 2024, the Italian Revenue Agency reimbursed the Company an amount of approximately 7.9 million euro following sentence no. 1237 of April 5, 2023, in which the Second-Instance Tax Court of Justice of Lombardy upheld the appeals presented by the Company against the assessment notices relating to CFCs for the years 2010 and 2011. Following this favourable outcome for the Company, the State Attorney's Office waived its right to appeal to the Court of Cassation; therefore, the aforementioned assessment notices are to be considered definitively closed, resulting in the reversal of the related provisions accounted for in the financial statements for approximately 4 million euro.

In July, the Company initiated discussions with the Italian Revenue Agency to explore the possibility of a penalty reduction settlement related to the Ansaldo dispute. In October, the Italian Revenue Agency confirmed the closure of the dispute, and Italmobiliare expects to receive a refund of approximately 4.8 million euro over the coming financial years.

Furthermore, on October 18, 2024, the Company was notified by post by the Municipality of Rome regarding a tax assessment for waste tax (TARI) covering the tax periods from 2018 to 2023 in relation to certain properties used as 'garages' located in Rome. The amount requested, including penalties, totals approximately 67 thousand euro. The Company promptly filed an appeal with the First-Instance Tax Court of Rome.

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

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

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

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

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

.

* * *

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

* * *

Outlook

Outlook

In 2024, the global economy turned in a solid expansion, with a growth rate of 3.2%. However, the dynamics highlighted both a sectoral and geographical divergence. As in recent years, the service sector has driven the expansion, particularly in all areas of developed countries. In the manufacturing sector, which has been stagnant overall since the end of 2022, there has been an increase in the percentage of recovering economies (especially in the emerging Asian area).

The greatest weakness in manufacturing persists in the Eurozone, structurally burdened by the cost of energy, which has been accelerating since the second quarter of the year, and by the loss of competitiveness (in favour of China). On the growth potential of the Eurozone, below 1%, there persists, in addition to the demographic effect, a decreasing rate of productivity growth, from 0.75% (2015-2019) to 0.25% (2020-2024), and a high savings rate, which has also been rising in the last two years. The Eurozone economy closed the year at 0.7%, versus 2.8% in the USA.

China, struggling with the vicious circle of debt-overcapacity-deflation, triggered by the real estate crisis and not yet definitively stabilized, has come close to the annual GDP target of 5%, benefiting from the support measures activated in the second half of the year. The global inflation rate fell further, albeit at a moderate pace: the contribution of goods disinflation, the main factor in the price decline since 2022, has gradually decreased, while energy prices have started to reverse their trend in recent months, with positive impacts on price indices.

The services price component decelerated with the slowdown in wage growth and housing spending, but remains sticky. The anchoring of medium-term inflation expectations in the main countries, close to the central banks' targets, and the decline in price dynamics, have allowed interest rates to be cut (by both Fed and ECB: -100 bps), supporting growth in the face of fiscal policy impulses that were mostly neutral or negative.

The 2025 scenario, on a global level, is characterised by a situation that remains expansive (average estimates +3%). In a context of generally stable or marginally increasing unemployment rates, growth in developed countries is supported both by the positive variation in real incomes (nominal wages are decelerating, but above the inflation trend) and by financial and credit conditions, with central banks' target interest rates gradually converging towards a level of neutrality. Japan is an exception in the international panorama, with the central bank in the process of normalizing by raising interest rates: despite inflation rising moderately, wage dynamics show a significantly positive gap versus inflation (i.e. real incomes are increasing).

The fiscal impulse remains generally neutral/negative, with the possible exception of the United States and especially some emerging countries, including China, where further expansionary measures are expected, not only in infrastructure but also in household consumption. The revival of consumption is part of the new Chinese development model, from export-led growth to one based on technology and domestic demand: the country's growth potential has been reduced by demographic effects and the decline in labour productivity. Global investment spending remains on the rise: in particular, capex to support the cross-industry diffusion of AI, in transition from hardware to software, with the development of applications and implementations. In the Eurozone, given positive consumption dynamics and investment growth rates, driven by general financial and credit conditions (a reduction in ECB interest rates discounted by the market of 75 bps), energy prices and fiscal consolidation, particularly in Italy and France, weigh on the situation, without being offset by the expenditure generated by the Recovery Fund.

Fiscal policy, at area level, could benefit from possible changes in debt constraints in Germany as well as, at a general level, from increased defence spending: however, it is likely that the effects on GDP will be reflected above all from next year. Italy's growth should remain below the overall Eurozone figure (estimated at 0.8% on average) as the effects of the superbonus have come to an end: since 2020, the weight of the construction sector (vs GDP) has increased by 1.5%, with the country's growth on average above that of France and Germany.

However, several factors of uncertainty weigh on the Eurozone and the global scenario. The multipolar world, the resulting reallocation of value chains and protectionism persist over the economic cycle: in particular, the announcement of tariffs by the new US administration against major trading partners. Tariffs in this second mandate are also being used as a political negotiating tool, with the possibility of a prolonged trade war and consequent repercussions on growth and inflation. In the geopolitical context, the possibility of a solution to the conflict in Ukraine has emerged. The effects, including positive ones, particularly for the Eurozone, will depend on the degree of stability of the new situation that could emerge. If these uncertainties are reflected in a worsening of expectations on macro variables, growth and inflation, they would be amplified by commodity volatility and financial instability.

OUTLOOK

In a context of high public debt vs. GDP in various developed countries, including Italy, economic growth is a key variable in the expected sustainability of debt, given the high interest expense: the increased risk of a global recession would impact both the stock markets and the bond markets of the countries most exposed.

The current context, characterized by deep geopolitical and macroeconomic uncertainties, together with the pressure and volatility of the prices of some raw materials, is influencing the performance of many manufacturing sectors, albeit to varying extents. The complexities of the scenario seem destined to continue throughout 2025, potentially aggravated by the risks of a possible trade war, whose perimeter and scope still have to be understood.

In 2024, Italmobiliare demonstrated remarkable resilience, reflected in the resilience of the NAV performance and in the aggregate results of the portfolio companies, as well as in the ability to remunerate shareholders with a significant dividend distribution. The valorisation of the stake in AGN Energia, at the end of a path that consolidated the company's leadership in the LPG business, and the sale of the shares in FiberCop and CRM Casa Della Piada in 2024, as well as the previous sale of the interest in the Florence Group in October 2023, confirmed Italmobiliare's ability to create value and seize opportunities for investment portfolio rotation.

In this context of profound uncertainty, it will be essential for Italmobiliare to maintain a firm focus on the two main axes of its development strategy. On the one hand, ensuring increasingly effective support to portfolio companies, providing them with the tools and resources needed to address the many challenges and intensify the path of organic and inorganic growth. On the other hand, seizing the opportunities offered by the market to enhance the value shareholdings and investments that have reached a mature stage of their development.

In line with the main challenges of the global context, Italmobiliare will focus its support to Group companies on two fundamental pillars. First of all, careful monitoring of production chains and international distribution channels, particularly affected by geopolitical and commercial tensions. This will have to happen through continuous improvements in production, commercial and financial planning capacity, diversification and control of distribution channels and supply sources, and implementation of hedging and pricing policies.

Lastly, the continuation and further intensification of transformative paths for the sustainability of the development of the portfolio companies, along all the main fronts through which this can be achieved: investments in technology, product innovation, brand positioning and strengthening the quality and skills of the management teams.

Milan, March 6, 2025

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

Annex

Annex

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

NET ASSET VALUE

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Portfolio companies	A	1,481	1,518	(37)
Other equity investments	B	138	167	(29)
Private equity funds	C	258	239	19
Properties and related assets	D	68	72	(4)
Financial assets, trading and cash and cash equivalents	E	270	205	65
Total Net Asset Value		**2,216**	**2,201**	**15**

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, 2024.

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Portfolio Companies as per NAV	**A**	**1,481**	**1,518**	**(37)**
Equity investments in subsidiaries and associates				
Caffè Borbone		144	144	0
Italgen		20	20	0
Fratelli Capitelli		14	14	0
FT2 Santa Maria Novella		194	194	0
FT3 S.r.l. Callmewine		8	11	(3)
SIDI Sport		63	61	2
CDS-Casa della Salute		72	48	24
Tecnica		43	43	0
Iseo		39	43	(4)
AGN Energia		-	60	(60)
Bene Assicurazioni		50	41	9
Clessidra Holding S.p.A.		33	33	0
Total amounts as per statement of financial position	**F**	**680**	**712**	**(32)**
Difference	**F-A**	**801**	**806**	**(5)**

The difference relates to the fact that in the statement of financial position of Italmobiliare S.p.A. the investments are measured at cost (except for Bene Assicurazioni), whereas in the NAV they are measured at fair value; moreover, the investment in Bene Assicurazioni (49 million euro at December 31, 2024) has been reclassified for NAV purposes to Portfolio Companies, whereas in the financial statements it is shown under investments in other companies; similarly, the investment in Sirap (2.2 million euro at December 31, 2024) has been reclassified for NAV purposes to Financial assets, trading and cash and cash equivalents, whereas in the financial statements it is shown under equity investments in subsidiaries.

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Other equity investments as per NAV	**B**	**138**	**167**	**(29)**
Heidelberg Materials		1	17	(16)
Total amounts as per statement of financial position	**G**	**1**	**17**	**(16)**
Archimede		17	14	3
Vontobel		8	7	1
Unicredit		0	0	0
Cairo Communication		0	0	0
Piaggio		0	0	0
Sesaab		1	1	0
Fin.Priv. Mediobanca shares		29	19	10
035 Investimenti		1	1	0
KKR Teemo CO-INVEST L.P.		0	12	(12)
Ariston		3	9	(6)
New Flour S.p.A.		2	6	(4)
CCC Holdings Europe		8	8	0
Compagnia Fiduciaria		1	1	0
Total	**H**	**70**	**78**	**(8)**
Equity investments in subsidiaries and associates				
Credit Mobilier de Monaco		6	6	0
SES		7	8	(1)
Franco Tosi Ventures		1	1	0
Farmagorà		19	16	3
ITM Bacco S.r.l.		12	12	0
Dokimè		0	0	0
Florence InvestCo		0	0	0
Total	**I**	**45**	**42**	**3**
Total amounts as per statement of financial position	**H+I**	**115**	**120**	**(5)**
Difference	**(G+H+I)-B**	**(22)**	**(30)**	**8**

The difference relates to the fact that in the statement of financial position of Italmobiliare S.p.A. the investments in ITM Bacco S.r.l., Florence InvestCo and Archimede are valued at cost, whereas in the NAV they are measured at fair value. Moreover, the loan to Archimede has been reclassified from "Financial assets, trading and cash and cash equivalents" to "Other equity investments" for NAV purposes.

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Private equity funds as per NAV	**C**	**258**	**239**	**19**
Bonds and mutual funds				
Clessidra (Funds)		112	101	11
BDT2		60	62	(2)
BDT3		13	11	2
Isomer		11	11	0
Isomer II		2	1	1
Isomer III		0	0	0
Isomer Opportunities		2	1	1
ICONIQ IV		13	16	(3)
ICONIQ V		11	10	1
LINDSAY		5	4	1
Lauxera		2	1	1
Expedition		3	3	0
Connect Ventures		2	2	0
Jab Consumer		19	15	4
Other		3	2	1
Total	**L**	**258**	**240**	**18**
Difference	**L-C**	**0**	**(1)**	**1**

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Properties and related assets	**D**	**68**	**72**	**(4)**
of which properties		21	16	5
of which subsidiaries		13	13	0
				0
Property, plant and equipment of Italmobiliare S.p.A.				
Property - Via Borgonuovo, Milan		7	5	2
Total	**M**	**7**	**5**	**2**
				0
Investment property of Italmobiliare S.p.A.				
Property - Via Borgonuovo, Milan app. 20-23		6	7	
Property - Via Sallustiana, Rome		6	6	0
Total	**N**	**12**	**13**	**(1)**
				0
Equity investments in subsidiaries and associates (which own properties)				
Punta Ala		2	2	(0)
Sepac		0	0	
ITM Servizi		11	11	0
Total	**O**	**13**	**13**	**0**
Investments in other companies				
Astra Immobiliare		0	0	0
Total	**P**	**0**	**0**	**0**
Total amounts as per statement of financial position	**(M+N+O+P)**	**32**	**31**	**1**
Difference	**(M+N+O+P)-D**	**36**	**41**	**(5)**

The difference relates for approximately 36 million euro to the fact that in the statement of financial position of Italmobiliare S.p.A. properties are valued at cost, whereas in the NAV they are shown at fair value (including the subsidiaries that own the buildings).

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Financial assets, trading and cash and cash equivalents as per NAV	**E**	**270**	**205**	**65**
Cash and bank balances		33	18	15
FV of derivatives receivable		0	0	(0)
Other current assets (1)		199	173	26
Non-current financial assets (2)		45	18	27
Total cash and cash equivalents		**277**	**209**	**67**
				0
Current loans and borrowings		0	0	0
Current financial liabilities		(2)	(4)	2
Current options on securities		0	0	0
Non-current lease payables (3)		(1)	0	(1)
Total financial position		**(3)**	**(4)**	**1**
Total net financial position ITM S.p.A.		**274**	**205**	**69**
Other assets FT2 (*)		0	0	0
Other current assets Sirap S.r.l. (*)		2	9	(6)
Other current assets Archimede (**)		(6)	(6)	0
Other current liabilities Florence InvestCo (***)			(3)	3
Total Financial assets, trading and cash and cash equivalents as per NAV (*)	**Q**	**270**	**205**	**65**
Difference	**Q-E**	**0**	**0**	**0**

(1) this item also includes mutual investment funds, bond loans, intercompany current accounts, accrued interest and commission income on loans and mutual funds.
(2) this item includes medium/long-term loans and cashes bonds.
(3) this item includes intercompany receivables/payables and short-term payables for lease contracts.
(*) note that the item "Financial assets, trading and cash and cash equivalents" includes the investment in Sirap Gema S.r.l. for 2.2 million euro (2.4 million euro at December 31, 2023 and the financial position of FT2 S.r.l. of 0.2 million euro (0.2 million euro at December 31, 2023).
(**) note that the item "Financial assets, trading and cash and cash equivalents" includes the loan granted to Archimede S.p.A., which has been reclassified from "Financial assets, trading and cash and cash equivalents" to "Other equity investments".
(***) note that at December 31, 2023 the item "Financial assets, trading and cash and cash equivalents" is expressed net of the charges to be paid on the sale of the investment in Florence InvestCo.

RECONCILIATION OF THE ITEMS IN THE STATEMENT OF FINANCIAL POSITION OF ITALMOBILIARE S.P.A.

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Equity investments in subsidiaries and associates				
Figure in the statement of financial position of ITM S.p.A.		689	727	(38)
Amount as per reconciliation	F+I+O	737	765	(28)
Difference		**(48)**	**(38)**	**(10)**

The difference at December 31, 2024 and December 31, 2023 is due to the fact that in the statement of financial position of Italmobiliare S.p.A. this item includes the investment in Sirap Gema S.r.l. of 1.9 million euro at December 31, 2024 (2.4 million euro at December 31, 2023), reclassified for NAV purposes as a financial asset, whereas it does not include the investment in Bene Assicurazioni of 50 million euro at December 31, 2024 (41 million euro at December 31, 2023), shown under "Investments in other companies" and reclassified for NAV purposes to Portfolio Companies.

The investment in Santa Maria Novella is shown net of FT2's NFP, equal to 0.2 million euro (0.2 million euro at December 31, 2023), reclassified for NAV purposes as a financial asset.

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Investments in other companies				
Figure in the statement of financial position of ITM S.p.A.		121	149	(28)
Amount as per reconciliation	G+H+P	70	108	(38)
Difference		**51**	**41**	**10**

The difference is due to the fact that in the statement of financial position of Italmobiliare S.p.A., this item includes the value of the interest in Bene Assicurazioni, acquired in 2022 and equal to 50 million euro at December 31, 2024 (41 million euro at December 31, 2023), reclassified for NAV purposes to Portfolio Companies.

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Other non-current assets				
Figure in the statement of financial position of ITM S.p.A.		308.6	274.2	34.4
Amount as per reconciliation	L	258.4	239.4	19.0
Difference		**50.2**	**34.8**	**15.4**
Bond loans	Included in NFP	0.0	0.0	0.0
CASHES	Included in NFP	2.5	1.8	0.6
Difference		**47.7**	**33.0**	**14.8**
Receivables due from subsidiaries	Included in NFP	42.2	16.0	26.2
Other assets	Not Included in NFP	0.8	2.7	(1.9)
Guarantee deposits	Not Included in NFP	0.0	0.0	0.0
Receivables on tax consolidation due from subsidiaries	Not Included in NFP	4.7	13.9	(9.2)
Difference		**(0.0)**	**0.4**	**(0.4)**

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Property, plant & equipment				
Figure in the statement of financial position of ITM S.p.A.		8.6	6.8	1.8
Amount as per reconciliation	M	7.2	5.5	1.7
Difference		**1.4**	**1.5**	**0.1**

The difference is due to the fact that in the statement of financial position of Italmobiliare S.p.A. this item also includes investments in plant and machinery for 0.7 million euro and the impact of applying the new IFRS 16 for 0.7 million euro.

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Investment property				
Figure in the statement of financial position of ITM S.p.A.		12.2	12.9	(0.7)
Amount as per reconciliation	N	12.2	13.0	(0.8)
Difference		**0.0**	**(0.1)**	**0.1**

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Net financial position				
Figure in the statement of financial position of ITM S.p.A.		270.1	204.6	65.5
Amount as per reconciliation	Q	273.8	204.7	69.1
Difference		**(3.6)**	**(0.1)**	**(3.5)**

Note that the item "Figure in the statement of financial position of ITM S.p.A." does not include the investment in Sirap Gema S.r.l. for 2.2 million euro (2.6 million euro at December 31, 2023), nor the financial position of FT2 S.r.l. for 0.2 million euro (0.2 million euro at December 31, 2023). Moreover, this item includes the loan of 6 million euro granted to Archimede S.p.A. at December 31, 2024, which has been reclassified from "Financial assets, trading and cash and cash equivalents" to "Other equity investments" for NAV purposes.

RECONCILIATION OF THE PERFORMANCE INDICATORS WITH THE FINANCIAL STATEMENTS

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Gross operating profit (EBITDA)	**A**	**157.2**	**99.2**	**58.0**
Revenue and income		701.4	585.8	115.6
Other revenue and income		4.0	5.2	(1.2)
Change in inventories		9.0	(1.4)	10.4
Internally produced and capitalised assets		3.4	2.6	0.8
Raw materials and supplies		(270.7)	(223.4)	(47.3)
Services		(136.1)	(120.1)	(16.0)
Employee benefits		(122.7)	(104.0)	(8.1)
Other operating income (expenses)		(31.1)	(45.5)	14.4
Total amounts as per statement of financial position	**B**	**157.2**	**99.2**	**58.0**
Difference	**A-B**	**0.0**	**0.0**	**0.0**

(in millions of euro)	Notes	31.12.2024	31.12.2023	Change
Operating profit (EBIT) as per report	**C**	**107.4**	**56.2**	**51.2**
Revenue and income		701.4	585.8	115.6
Other revenue and income		4.0	5.2	(1.2)
Change in inventories		9.0	(1.4)	10.4
Internally produced and capitalised assets		3.4	2.6	0.8
Raw materials and supplies		(270.7)	(223.4)	(47.3)
Services		(136.1)	(120.1)	(16.0)
Employee benefits		(122.7)	(104.0)	(18.7)
Other operating income (expenses)		(31.1)	(45.4)	14.3
Amortisation and depreciation		(46.4)	(37.4)	(9.0)
Impairment losses on non-current assets		(3.4)	(5.6)	2.2
Total amounts as per statement of financial position	**D**	**107.4**	**56.3**	**51.1**
Difference	**C-D**	**0.0**	**(0.1)**	**0.1**

(in millions of euro)		Notes	31.12.2024	31.12.2023	Change
Net financial position		**E**	**(138.4)**	**(32.4)**	**(106.0)**
Caption	**Financial statement class**				
Cash and bank balances	Cash and bank balances		138.1	121.9	16.2
Short-term derivatives	Other current assets including derivative financial instruments		0.1	0.2	(0.1)
Equity investments measured at FVTPL	Investments, bonds and current financial receivables		22.0	16.7	5.3
Financial assets at amortised cost	Investments, bonds and current financial receivables		0.0	29.7	(29.7)
Funds and other financial instruments	Investments, bonds and current financial receivables		175.5	124.5	51.0
Other receivables	Investments, bonds and current financial receivables		3.6	3.0	0.6
Other loan assets and financial instruments	Other current assets including derivative financial instruments		11.8	11.6	0.2
Prepaid expenses	Other current assets including derivative financial instruments		0.0	0.0	0.0
Total current financial assets			**351.1**	**307.6**	**43.5**
Bank loans and overdrafts	Bank loans and overdrafts		(218.4)	(118.8)	(99.6)
Borrowings	Borrowings		(102.7)	(48.6)	(54.1)
Due to financial and private equity companies	Other liabilities		(7.1)	(6.8)	(0.3)
Derivatives	Other liabilities		(0.1)	(0.2)	0.1
Total current financial liabilities			**(328.3)**	**(174.4)**	**(153.9)**
Non-current receivables	Trade receivables and other non-current assets		6.0	7.7	(1.7)
Other	Trade receivables and other non-current assets		1.4	1.5	(0.1)
Financial assets measured at amortised cost	Trade receivables and other non-current assets		0.0	0.0	0.0
Financial assets at FVTPL in NFP	Trade receivables and other non-current assets		2.5	2.5	0.0
Derivative financial instruments	Trade receivables and other non-current assets		0.0	0.1	(0.1)
Total non-current financial assets			**9.9**	**11.8**	**(1.9)**
Borrowings	Borrowings		(171.0)	(177.3)	6.3
Derivatives payable on loans	Other non-current payables and liabilities		(0.1)	(0.1)	0.0
Total non-current borrowings			**(171.1)**	**(177.4)**	**6.3**
Financial assets held for sale	**Financial assets held for sale**				**0.0**
Liabilities directly associated with assets classified as held for sale	Liabilities directly associated with assets classified as held for sale		0.0	0.0	0.0
Total NFP held for sale			**0.0**	**0.0**	**0.0**
Total net financial position		**F**	**(138.4)**	**(32.4)**	**(106.0)**
Difference		**E-F**	**0.0**	**0.0**	**0.0**

ITALMOBILIARE
INVESTMENT HOLDING

REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE 2024

TRADITIONAL ADMINISTRATION AND CONTROL MODEL

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 6, 2025

Italmobiliare S.p.A.
REGISTERED OFFICE:
Via Borgonuovo 20, Milano
www.italmobiliare.it

REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE 2024

Introduction

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

The Report contains information on the ownership structure and on the methods of application of the Corporate Governance Code approved by the Corporate Governance Committee in January 2020, (the "**Corporate Governance Code**" or the "**Code**", available on the Italian Stock Exchange website at https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020-eng.en.pdf), to which the Company resolved to adhere in 2021, subsequently implementing its principles and recommendations. For the purposes of applying the Code, Italmobiliare qualifies, with reference to the definitions of the Code, as a **"large company"** with **"diffused ownership"**. With regard to this last aspect, it is worth noting that, based on communications pursuant to Article 120 of the Consolidated Law On Finance (CLF), approximately 49% of the share capital is owned, directly and indirectly, by Mr. Carlo Pesenti.

The Report refers to the year ended December 31, 2024 but has been updated for any significant subsequent events that took place up to the date of its approval. The information required by the European Sustainability Reporting Standards is included in the sustainability reporting section.

I. General information and the ownership structure

1. PROFILE OF THE ISSUER

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

The profile of Italmobiliare and its activities is defined by

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

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

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

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 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 to the Company's Directors, Statutory Auditors and all employees.

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

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

Italmobiliare's share capital as of December 31, 2024 amounts to Euro 100,166,937, fully subscribed and paid in, divided into 42,500,000 ordinary shares with no par value, that give a right to vote at the Company's Ordinary and Extraordinary Shareholders' Meetings.

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

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

There are currently no stock option plans.

b) Restrictions on share transfers

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

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

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

SIGNIFICANT SHAREHOLDINGS AT 31.12.2024

Shareholder	Number of shares	% of the share capital	% of voting capital
Carlo Pesenti	20,857,509	49.076%	49.328%
(indirectly through Efiparind BV, Efiparind BV & CIE SCPA, Cemital Privital Aureliana S.p.A. and with fiduciary registration to CFN Generale Fiduciaria S.p.A.)	*20,419,250*	*48.045%*	*48.292%*
Directly in a personal capacity	*438,259*	*1.031%*	*1.036%*
Serfis S.p.A.	4,765,000	11.212%	11.269%
Mediobanca S.p.A.	2,894,044	6.81%	6.844%
Morgan Stanley	2,733,835	6.433%	6.467%

d) Shares that confer special control rights

No shares conferring special control rights have been issued.

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

e) Employee shareholdings: mechanism for exercising voting rights

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

f) Restrictions on voting rights

There are no restrictions on the exercise of voting rights.

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

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

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

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

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

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

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

There are no mandates to increase the share capital.

The Shareholders' Meeting of April 23, 2024, 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 17, 2025, convened for the approval of the 2024 financial statements, will also be called to resolve on the renewal of the authorisation to purchase treasury shares pursuant to art. 2357 of the Italian Civil Code, subject to revocation of the previous Shareholders' resolution.

j) Management control and coordination

The Board of Directors of the Company, most recently on February 20, 2025 assessed and confirmed that neither Efiparind B.V. (the company at the top of the investment chain of Italmobiliare, where Mr. Carlo Pesenti asserts effective control through dominant influence in the ordinary Shareholders' Meeting) nor any other entity or company in the Italmobiliare investment chain exercises management control and coordination over the Company pursuant to arts. 2497-2497-septies of the Italian Civil Code. In fact:

a) Italmobiliare does not receive from companies or entities in the investment chain that leads to Efiparind 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.

***

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

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

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

II. Relations with the Shareholders

1. DIALOGUE WITH THE SHAREHOLDERS AND OTHER STAKEHOLDERS

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

Since 2021, the Company has adopted 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;
- The Investor Relations Officer who, on specific topics or for special events, is supported by other business functions (principally the Sustainability Department, the Communication Department, the Corporate Affairs Department and the Investment Management Department).

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

The Investor Relations Officer (IRO) supervises communication between the Company and its shareholders, including historical institutional investors and potential investors interested in entering the Company’s capital. The Board of Directors is periodically informed by the IRO about his activities and significant contents of the dialogue with current as well as potential shareholders.

As part of these activities, during 2024 the Investor Relations function held a total of 105 meetings with Italian and foreign institutional investors, both in dedicated meetings and by participating in various conferences reserved for listed companies, such as the *Euronext STAR Conference*, the *Italian Sustainability Week,* the *Italian Investment Conference*, the *Virgilio Equity Conference London,* the *Virgilio Mid & Small Milan and the Degroof Petercam Investment Company Conference*; in this context, presentation roadshows were organised in London and New York with 18 investors participating. During these meetings, the topics covered concerned the performance of the portfolio companies, particularly in relation to the slowdown in GDP growth and discretionary consumption. The investors were also interested in the consolidation of Italmobiliare's portfolio and the evolution of the investment strategy in light of the exits made between 2023 and early 2024. Looking ahead, attention remains on further exits from more mature investments, as well as the opportunity to increase the stock's liquidity to reduce the implicit NAV discount inherent in Italmobiliare's stock performance, which remains high despite the positive portfolio performance.
The meetings included those organised following requests and at the initiative of potentially interested institutional investors and Company shareholders.

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

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

2. SHAREHOLDERS' MEETING

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

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

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

All those who have the right to vote as certified by the legally required communication received by the Company by the end of the third trading day prior to the date set for the Shareholders' Meeting at a single calling are entitled to attend the Shareholders' Meeting. The right to attend and vote is retained if the communications are received by the Company after the deadline, as long as they are received before proceedings of the Shareholders' Meeting begin. There are no shares with multiple voting rights, and no voting premium is envisaged.

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

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

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

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

In 2024, the Shareholders' Meeting was held in person on April 23 to deliberate on the following agenda:

1. Financial statements for the year ended December 31, 2023.
2. Proposal for the distribution of the dividend and of an additional extraordinary dividend, also out of retained earnings.
3. Report on the Remuneration Policy and on the Compensation Paid, pursuant to art. 123-ter of the Consolidated Law on Finance: remuneration policy for 2024.
4. Report on the Remuneration Policy and on the Compensation Paid, pursuant to art. 123-ter of the Consolidated Law on Finance: consultation on the compensation paid in 2023.
5. Authorisation to buy and sell treasury shares, subject to revocation of the authorisation given by the Ordinary Shareholders' Meeting held on April 27, 2023.

Seven out of twelve Directors and the entire Board of Statutory Auditors were present.

III. Board of Directors

1. ROLE AND DUTIES

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

In consideration of Italmobiliare's role as the holding company of the Group's equity investments, the Board of Directors pursues its sustainable success through the flow of investments and disposals and the management over time of the equity investments held in portfolio. In particular, it evaluates and approves all possible investments with reference to: *i)* the Company's mission; *ii)* the strategic guidelines approved by the Board during the annual budget review; *iii)* the Code of Ethics, Sustainability Policies and Responsible Investment Policy; *iv)* the additional ESG commitments adopted in line with the Group's strategic response to global challenges.

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

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

The Board of Directors is entrusted with the examination and approval of the Company's strategic objectives, and with the regular oversight of their execution.

Strategic investment guidelines are typically reviewed and approved by the Board every three years. The Board is regularly updated on the implementation of these guidelines during the annual budget approval process and subsequent reviews of performance.

Furthermore, 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 and conditions 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 the reports provided in 2024 by the Chief Executive Officer and the Control and Risk Committee, the Board of Directors acknowledged that the Company's organisational, administrative and accounting structure was substantially adequate, particularly the internal control and risk management system.

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

2. PROCEDURES AND DOCUMENTATION

In order to regulate the functioning of the Board of Directors and its internal Board Committees – with the exception of the Committee for Transactions with Related Parties which is governed by a specific procedure – as well as the management of supporting information, the Board of Directors Regulation was enacted in 2021.

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

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

The Chairman ensures that the documentation related to the agenda items for Board meetings is made available to Directors and Statutory Auditors, through a dedicated software, with sufficient advance notice, typically two days prior to the meeting date, except in urgent cases where the documentation is made available as soon as possible. Where deemed appropriate in relation to the nature of the topic and the related resolution, the documentation can be made available with less notice or provided directly at the meeting. All necessary insights are provided to enable the Board to deliberate in an informed and knowledgeable manner.

The minimum notice for the distribution of documentation was generally observed during 2024 for the transactions submitted for the Board's approval. In the few cases when the supporting documentation (presentation of the results for the period of the portfolio companies) was made available with a shorter deadline, all clarifications and insights were made during the meeting, also in the presence of the managers concerned, to allow the Board to decide in an informed manner. The period of notice has never been waived merely for reasons of confidentiality. On certain occasions, documents providing additional information have been made available to the Board shortly before the meeting, as well as draft press releases to be disseminated following the meeting. The Chairman ensured that the requested in-depth analyses were provided at each meeting, also following the activities of the Committees. At the meeting on February 20, 2025, the Board of Directors carried out its usual evaluation of the pre-meeting documentation, which was deemed complete and adequate. The self-assessment process highlighted appreciation for the information documents prepared for the Board of Directors.

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

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

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

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

In 2024, the Board of Directors held 8 meetings, lasting for about an hour and a half on average, with the Board of Statutory Auditors always in attendance; the attendance records of individual Directors and Statutory Auditors are shown in a table at the end of this Report. As can be seen from the attendance records for Board and Committee meetings, the Directors ensured that adequate time was available for the performance of their duties.

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

In December 2024, the Company issued a calendar of corporate events for 2025, which can be found on www.italmobiliare.it. The Board of Directors has met three times in 2025 up to the date of approval of this Report.

The Board of Directors and the Board of Statutory Auditors were promptly informed about the recommendations made in a letter from the Chairman of the Corporate Governance Committee dated December 17, 2024. The recommendations were discussed by the Remuneration and Nominations Committee in its meeting on January 27, 2025, and in the Board of Directors' meeting on February 20, 2025.

3. APPOINTMENT AND REPLACEMENT OF DIRECTORS

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

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

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

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

At the time they are filed, slates must include:

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

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

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

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

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

In the event of more than one slate being filed:

a. all of the Directors on the slate that obtains the highest number of votes at the Shareholders' Meeting are elected in the order in which they are listed, except for the minimum number reserved by law for the minority shareholders' slate;
b. the minimum number of Directors reserved by law for the minority shareholders are elected from the minority shareholders' slate that obtains the highest number of votes and is not connected in any way, directly or indirectly, with the majority shareholders;

should more than one slate obtain the same number of votes, a run-off is held between these slates by all the shareholders entitled to vote present at the Shareholders' Meeting, and the candidates are elected from the slate that obtains a relative majority of the share capital represented at the Shareholders' Meeting.

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

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

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

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

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

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

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

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

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

4. COMPOSITION

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

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

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

The minimum shareholding required by CONSOB to submit a slate was 1%. The slates and supporting documentation, filed and published by the deadlines laid down by law, are available on the website www.italmobiliare.it 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 and quoted in the introduction to the Annual Financial Report. The offices held by them in other listed companies or companies of significant size are indicated later in this Report.

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

Of the twelve Directors currently in office, eleven are non-executive; six of these are independent according to both the CLF and the Code, and two are independent only according to the CLF. In compliance with the provisions on gender quotas, 40% of the positions are reserved for the less-represented gender. The Board of Directors' composition embodies a suitable blend of professional experience, skills, gender, and age, adhering to the criteria outlined in the guidance opinion concerning the quantitative and qualitative composition of the Board of Directors, issued prior to the calling of the Appointment Shareholders' Meeting. As of the approval date of this Report, the average age of the Directors stands at 55.

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

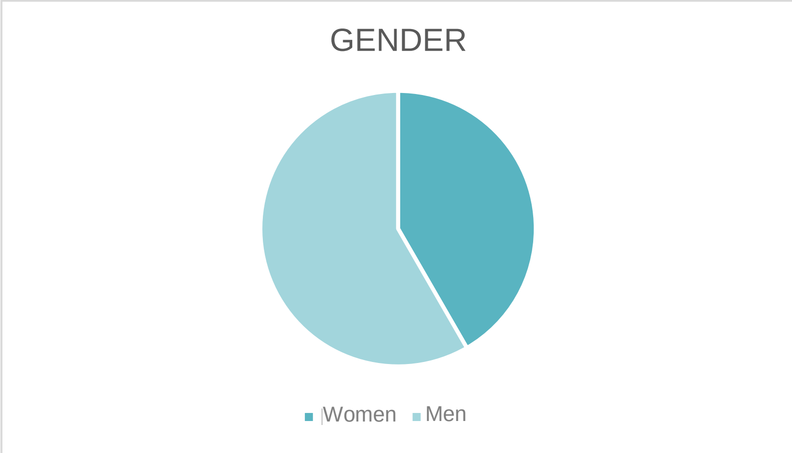
Laura Zanetti*	Chairman, Member of the Committee for Sustainability and Social Responsibility
Livio Strazzera*	Deputy Chairman
Carlo Pesenti	Chief Executive Officer, Chairman of the Committee for Sustainability and Social Responsibility. Until December 31, 2024, also serving as the Chief Operating Officer
Giorgio Bonomi	Member of the Control and Risk Committee
Mirja Cartia d'Asero**	Chairman of the Control and Risk Committee, Member of the Committee for Transactions with Related Parties and of the Committee for Sustainability and Social Responsibility
Valentina Casella**	Chairman of the Committee for Transactions with Related Parties, Member of the Remuneration and Nominations Committee
Marco Cipelletti**	Member of the Remuneration and Nominations Committee
Elsa Fornero**	Member of the Committee for Transactions with Related Parties and of the Committee for Sustainability and Social Responsibility
Luca Minoli	
Chiara Palmieri**	Chairman of the Remuneration and Nominations Committee, Member of the Control and Risk Committee
Roberto Pesenti	
Pietro Ruffini**	Member of the Committee for Sustainability and Social Responsibility

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

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

GENDER

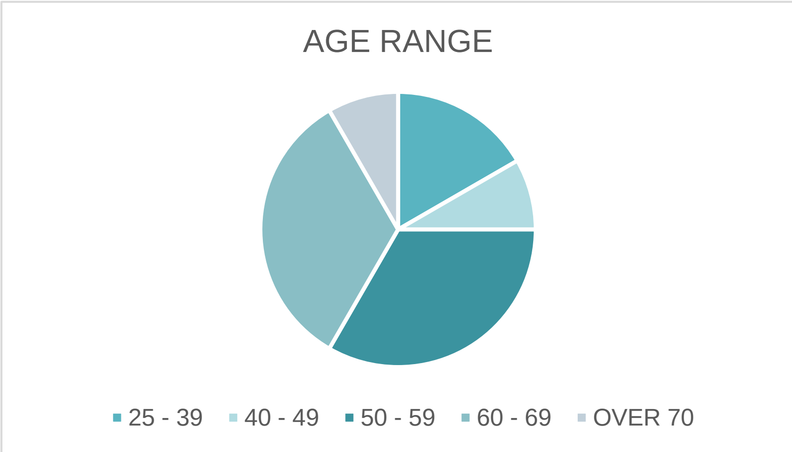
Women	5
Men	7



AGE RANGE

(MARCH 2025)

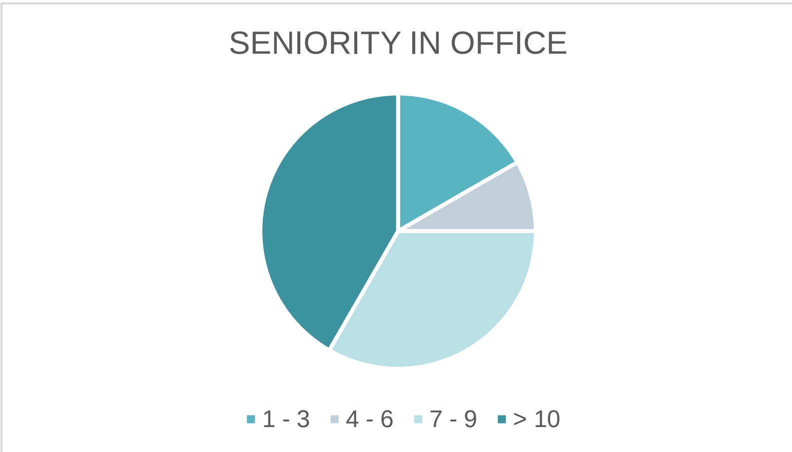
25 - 39	2
40 - 49	1
50 - 59	4
60 - 69	4
OVER 70	1



SENIORITY IN OFFICE

(MARCH 2025)

1 – 3 years	2
4 – 6 years	1
7 – 9 years	4
> 10 years	5



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

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

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

Laura Zanetti	Allianz Bank Financial Advisors S.p.A. WeBuild S.p.A. (listed)	Director Director
Livio Strazzera	Serfis S.p.A. Bormioli Luigi S.p.A.	Sole Director Director
Carlo Pesenti	Caffè Borbone S.r.l. Tecnica Group S.p.A.	Deputy Chairman Director
Mirja Cartia d'Asero	Il Sole 24 Ore S.p.A. (listed) Tecma Solutions S.p.A. (listed)	CEO Director
Valentina Casella	Riso Gallo S.p.A. Banco di Desio and Brianza S.p.A. (listed)	Director Director
Luca Minoli	Cemital Privital Aureliana S.p.A.	Chairman
Chiara Palmieri	Guala Closures S.p.A. La Doria S.p.A. Snaitech S.p.A.	Director Director Director
Pietro Ruffini	Double R S.r.l. OuR Group S.r.l. Ruffini Partecipazioni Holding S.r.l. Industries S.p.A.	Director CEO CEO Director

6. EXECUTIVE DIRECTORS

Of the twelve Directors in office, only Carlo Pesenti, Chief Executive Officer, qualifies as an Executive Director.

7. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

The Chairman is not granted managerial powers.

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

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

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

At its meeting on December 17, 2024, the Board of Directors granted a new dual mandate to Carlo Pesenti, integrating the powers delegated in April 2023. The Board assigned him the mandate to: i) supervise and oversee the operations of Italmobiliare and its directly and indirectly controlled companies to ensure full ESG integration at all stages of investments, promoting value creation founded on sustainable economic growth that respects human and labour rights; ii) evaluate and explore initiatives to promote the international expansion of Italmobiliare and its directly and indirectly controlled companies.

Until December 31, 2024, Carlo Pesenti also served as the Company's Chief Operating Officer.
His responsibilities in this role primarily included executing financial and administrative transactions for the Company’s ordinary management, overseeing taxation, insurance, and real estate assets, procuring goods, services and consulting, and managing human resources. Following Carlo Pesenti’s resignation as an executive employee of Italmobiliare, submitted on December 17, 2024, with effect from January 1, 2025, most of the aforementioned powers have been reassigned to Administrative Director Mauro Torri, who exercises them within a commitment limit of 20 million euro for the Company.

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

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

8. SUCCESSION PLANS

The Board of Directors has assigned the Remuneration and Nominations Committee the task of drawing up succession plans for Executive Directors, which the Board of Directors has to decide whether to adopt.

Considering the nature of Italmobiliare as a Holding Company and its organisational structure, which has been kept flexible over the years, on the Committee's recommendation, having reviewed the situation most recently in 2023, the Board of Directors did not adopt a formal succession plan for the CEO and key management personnel. The Board of Directors has ascertained that, in the event of an extraordinary situation, all the safeguards are in place, in the form of an Emergency Plan, to ensure that the Company will continue to be managed, while starting the selection of a new management team.

9. INDEPENDENT DIRECTORS

Following its appointment in April 2023, the Board of Directors assessed the independence of its members based on the provisions of the CLF and the criteria laid down in the Corporate Governance Code. The results of the assessments were disclosed to the market following the Appointment Shareholders' Meeting on April 27, 2023.

The Board of Directors recently verified the ongoing fulfilment of the requirements, based on the information received from each Director, at the meeting held on February 20, 2025. The Board of Statutory Auditors has checked correct application of the criteria and the procedures adopted by the Board of Directors to assess its members' independence.

In this connection, note that the amount above which a Director cannot qualify as independent pursuant to letter c) of recommendation 7 of the Code has been set at Euro 200,000 per year and the additional amount above which a Director cannot qualify as independent pursuant to letter d) of recommendation 7 of the Code has also been set at Euro 200,000 per year.

Given the rigorous application of the quantitative criteria and, in general, of the parameters indicated in the Code, which up to now have not highlighted any uncertainties, the Board did not consider it necessary to introduce qualitative criteria on which to assess whether the independence requirements were still being met in accordance with letters c) and d) of recommendation 7 of the Code.

There are no commercial, professional or financial relationships of any kind between the Company and/or its subsidiaries and the directors who qualify as independent under both the CLF and the Code's criteria.

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

The six Directors who qualified as independent according to both the Code and the CLF met once during 2024 in the absence of the other Directors.

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

10. LEAD INDEPENDENT DIRECTOR

At the time of renewal, at the meeting on April 27, 2023, the Board of Directors resolved not to appoint a "Lead Independent Director" for the 2023-2025 term of office. The conditions envisaged by the Code do not exist and the Independent Directors did not ask for one to be appointed.

11. SELF-ASSESSMENT

In accordance with the provisions of the Board Regulation, the Directors are asked to make an annual assessment of the composition, role and functioning of the Board and of its Committees. The Board of Statutory Auditors also participates in the self-assessment process.

The Chairman supervises and coordinates the process, with the support of the Remuneration and Nominations Committee and the Corporate Affairs Department. The Chairman ensures its adequacy and transparency, considering together with the Committee whether they need assistance from an independent consultant.

At the end of the 2024 financial year, an internally prepared questionnaire was distributed to all Directors and Statutory Auditors, previously shared with the Chairman of the Board of Directors and the Remuneration and Nominations Committee, who did not consider it necessary to involve an external consultant. The questionnaire concerns the overall assessment of the functioning and composition of the Board of Directors and the individual Committees and contemplates the possibility of making recommendations or comments. Each recipient was asked to make their assessment based on a scale of values ranging from 1 to 6.

The questionnaire was returned anonymously by twelve 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.

Overall, the opinions of the Directors and Statutory Auditors confirmed their appreciation of the procedural and operational aspects, particularly the role of the Chairman and her relations with the other Directors, the information provided to the Board, the Board’s high level of attention to ESG matters, and the effectiveness of information flows between the Board of Directors, the Board of Statutory Auditors, the Committees, and the auditors.

12. INDUCTION PROGRAMME

With the help of the various company departments, the Chairman works to ensure that the Directors and Statutory Auditors participate in initiatives aimed at increasing their knowledge of the Company's situation and dynamics and are informed about the main legislative and regulatory changes that concern the Company and its corporate bodies.

In 2024, several induction sessions were held: one dedicated to the subsidiary Caffè Borbone, which took place at its headquarters in Caivano (Naples); one at the beginning of the financial year focused on the evolution of the macroeconomic scenario, as well as two specific sessions dedicated to Bene Assicurazioni and Officina Profumo-Farmaceutica di Santa Maria Novella.

13. INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has set up a Remuneration and Nominations Committee, a Control and Risk Committee, a Committee for Sustainability and Social Responsibility, all with advisory and propositional functions towards the Board of Directors, as well as a Committee for Transactions with Related Parties in accordance with Consob's RPT Regulation. The responsibilities and functions of the first three Committees are laid down in the Regulation governing the Board of Directors of Italmobiliare. The responsibilities of the Committee for Transactions with Related Parties, on the other hand, are included in a specific procedure.

In carrying out their functions, the Committees are entitled to access the corporate information and functions that they need to perform their duties. They can also use external consultants at the Company's expense. At the invitation of the Chairman of each Committee, the meetings may be attended by persons who are not members and therefore managers of the Company or of associate companies and consultants.

Each Committee appoints a Secretary, who does not have to be a member of it. The Secretary's main task is to draw up minutes of the meetings. The Chairman of each Committee reports back to the Board of Directors at the next Board meeting.

Detailed information on the Remuneration and Nominations Committee, the Control and Risk Committee and the Committee for Sustainability and Social Responsibility is provided below, whereas details of the Committee for Transactions with Related Parties can be found in the section entitled "Codes of conduct, procedures and other corporate governance practices”.

With regard to the provision of supporting documentation, the same deadlines established for the Board of Directors apply to the Committees.

14. REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nominations Committee is made up of Chiara Palmieri, Chairman, Valentina Casella and Marco Cipelletti, all Independent Directors meeting the requirements laid down in the Code and the CLF.

The members have adequate experience in accounting, financial and remuneration policy matters, as assessed by the Board at the time of appointment and which was disclosed to the market accordingly.

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 Chairman and the Chief Executive Officer are informed about the Company representatives or consultants invited to attend the Committee meetings.

The Committee has regular access to the Company's information and departments needed to perform its tasks; it has an annual budget of 50,000 euro assigned by the Board of Directors. The Committee can seek assistance from independent consultants.

The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors

In its role as the Remuneration Committee, it performs the following functions, among others:

a) makes proposals to the Board about remuneration policy;

b) periodically assesses the adequacy and overall consistency of remuneration policy, monitoring its application in practice;

c) presents proposals to the Board of Directors, or expresses opinions, about the remuneration of the executive Directors and the other Directors vested with special powers, as well as on the setting of performance objectives;

d) assesses proposed short- and long-term incentive schemes, both cash- and share-based, prior to submission to the Board of Directors for approval;

e) proposes performance objectives to the Board, linked to the variable component of the remuneration of Executive Directors, Directors vested with special powers and key management personnel;

f) checks whether the performance objectives linked to the long-term incentive plans and the variable remuneration have been achieved, in part by using information received from the relevant business functions;

g) prepares opinions on how to determine the indemnities payable on the early termination of employment relationships with key management personnel; assesses the possible effects of termination on the rights assigned under incentive plans based on financial instruments.

The Remuneration and Nominations Committee also:

h) helps the Board to apply the self-assessment process to the Board and its Committees;

i) expresses opinions on the size and composition of the Board and the Committees;

j) without prejudice to the provisions of the By-laws, proposes candidates to be co-opted onto the Board, if needed;

k) performs analyses for the preparation and revision of succession plans for top management roles that the Board of Directors has decided to adopt;

l) carries out any additional tasks assigned by the Board of Directors.

In 2024, the Committee met four times with the Board of Statutory Auditors in attendance; meetings lasted less than an hour on average. In two out of four meetings it also performed the functions of the Nominations Committee.

All supporting documentation was made available at least two days in advance, with the exception of a single presentation that was provided one day in advance.

Meetings are regularly minuted by the Committee Secretary.

The Committee made use of the independent consultant Willis Tower Watson, among other things, in the preparation of the Remuneration Policy for 2024 and 2025.

During 2024, the Committee carried out the following activities involving remuneration matters:

- it examined the Company's report on the remuneration policy for 2024 and on the compensation paid in 2023 to be submitted to the Board of Directors and subsequently to the Shareholders' Meeting;

- it checked the achievement of the performance objectives in order to determine the short-term variable remuneration to be paid to the Chief Executive Officer-Chief Operating Officer and key management personnel (2023 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 2024 (2024 MBO);
- it verified the conditions for the assignment of the “Value Creation Sharing Incentive” and submitted proposals to the Board of Directors for the disbursement of the incentive to the beneficiaries in relation to liquidity events represented by the sale of portfolio holdings.
- it reviewed the implications of Carlo Pesenti’s resignation from the position of Chief Operating Officer, confirming, among other things, the continued right to participate in the short-term incentive system for the 2024 fiscal year, the continued right to participate in the long-term incentive system (Phantom Stock Grant Plan 2023-2025), as well as the maintenance of non-monetary benefits, subject to the subsequent evaluation by the Board of Directors.

As regards the functions of the Nominations Committee, in 2024 it: preliminarily reviewed the results of the 2023 self-assessment process, which were then submitted to the Board of Directors; reviewed the questionnaire to be used for the 2024 self-assessment process, after agreeing not to use an independent consultant.

In 2025, up to the date of approval of the Report, the Committee has met twice, also performing the functions of the Nominations Committee in one of the meetings. Among its activities involving remuneration, it has examined the Company's report on the remuneration policy for 2025 and on the compensation paid in 2024 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 for the recently closed financial year to be assigned to the Chief Executive Officer and key management personnel (2024 MBO); it examined the objectives of the 2025 MBO of key management personnel, subsequently approved by the Board of Directors.

In its capacity as the Nominations Committee, it examined the results of the 2024 self-assessment, subsequently submitted to the Board of Directors.

The Committee also reviewed the recommendations contained in the letter from the Chairman of the Corporate Governance Committee dated December 17, 2024.

For further information on the duties of the Remuneration and Nominations Committee, and in general on the remuneration policy for 2024, approved by the Board of Directors on the Committee's proposal, please refer to the remuneration report drawn up in accordance with art. 123-ter of the CLF.

15. COMMITTEE FOR SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Board of Directors appointed the members of the Committee for Sustainability and Social Responsibility: the Chief Executive Officer Carlo Pesenti – who assumed the office of Chairman – Laura Zanetti, and the Independent Directors, Mirja Cartia d’Asero, Elsa Fornero and Pietro Ruffini. The Committee is headed up by the Chief Executive Officer to ensure that ESG issues are fully integrated with the Company's strategies. At each meeting, the Sustainability Department is in attendance, with one of its members serving as secretary, along with the Director of Investment Management and the Director of Strategic Development.

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) it reviews the sustainability reporting, verifying the methodology applied and the consistency of the identified strategies and objectives. In coordination with the Control and Risk Committee—also through Directors who serve on both Committees—it assesses the adequacy of the sustainability reporting in accurately representing the business model, the Company's strategies, the impact of its activities, and its overall performance, as well as its integration into the ESG framework within the internal control and risk management system.

The Committee has regular access to the necessary corporate information and functions to carry out its duties and has an annual budget of 50,000 euro allocated by the Board of Directors.

In 2024, the Committee met 3 times in the presence of the Board of Statutory Auditors and representatives of the Sustainability Department. Meetings lasted less than two hours on average. Key activities included: review of the 2023 ESG Plan outcomes, examination of the 2023 Sustainability Report, definition of the 2024 ESG Plan and monitoring of its implementation, review of the ESG ratings assigned to the Company, analysis of regulatory developments and oversight of the implementation of the CSRD Directive, and updating of the materiality matrix. Before approval by the Board of Directors, the Committee reviewed the revisions made to the Code of Ethics, the Sustainability Policies, the Sustainable Investment Policy, and the Partnership Charter.
Supporting documentation was consistently made available at least two days in advance.

The Committee has met once in 2025, up to the approval of this Report, in the presence of the Board of Statutory Auditors and the Sustainability Department to review the 2024 sustainability reporting, assess the 2024 ESG Plan outcomes (which, as for last year, is linked to a variable remuneration target for all the members of top management) and examine the 2025 ESG Plan.

16. CONTROL AND RISK COMMITTEE

Following its appointment in April 2023, the Board of Directors set up the Control and Risk Committee, which currently consists of Mirja Cartia d'Asero, Chairman, Chiara Palmieri, both Independent Directors, and Giorgio Bonomi, non-Executive Director.

All of the members have adequate experience in finance, accounting and risk management, as assessed by the Board at the time of its appointment and disclosed to the market. The Committee as a whole has adequate expertise in the sector of activity in which the Company operates.

The Committee has a duty to provide the Board with advice and proposals on: *i)* the Internal Control and Risk Management System and *ii)* periodic financial reporting; on the renewal of the corporate bodies, the duties on social sustainability matters connected with the Company's business were attributed to the Committee for Sustainability and Social Responsibility, which was described above and with which the Control and Risk Committee coordinates.

The Control and Risk Committee also performs its duties on the basis of information flows received from the Head of Internal Audit of the Company, as regards Italmobiliare S.p.A. and its subsidiaries that do not have autonomous third-level control systems and structures. As regards the other subsidiaries, which may also include entities subject to monitoring by control authorities, the Committee uses the information flows laid down in the guidelines of the ICRMS and, in particular, information received from their equivalent departments, where present.

The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors. In particular, the Control and Risk Committee, in assisting the Board of Directors:

a) after consulting the Financial Reporting Officer, the Board of Statutory Auditors and the Independent Auditors, considers whether the reference accounting standards were applied in a proper and consistent manner when preparing consolidated financial statements;

b) assesses whether the periodic financial disclosures appropriately represent the business model and the Company's strategies, the impact of its activities, and the results achieved;

c) coordinates with the Committee for Sustainability and Social Responsibility—also through Directors who serve on both Committees—to assess whether the sustainability reporting appropriately represents the business model, the Company's strategies, the impact of its activities, and the results achieved, also for the purposes of the internal control and risk management system;

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 Committee regularly invites the Board of Statutory Auditors, as well as the relevant managers of the Company for the topics on the agenda, to attend its meetings and 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 regular access to the necessary corporate information and functions to carry out its duties and has an annual budget of 50,000 euro assigned by the Board of Directors.

The Chairman and the Chief Executive Officer are informed of the participation of representatives from the company functions in the Committee meetings.

In 2024, the Committee held a total of six meetings, each lasting approximately an hour and a half on average, with all of its members in attendance. The Board of Statutory Auditors consistently attended these meetings.

During 2024, the Committee, among other things:

- examined and approved the Company's approach to carrying out impairment tests; it also reviewed and took note of the results;
- assessed correct use of the accounting standards and their consistency in drawing up the period financial report, together with the Financial Reporting Officer, after consulting the Board of Statutory Auditors and the Independent Auditors;
- reviewed the Audit Plan for 2024, which was subsequently approved by the Board of Directors, and monitored its implementation;
- analysed the results of risk management; received updates from the Investment Management Department and the Finance Director, also in relation to the macroeconomic scenarios;
- examined the reports prepared by the Head of Internal Audit to check the adequacy, efficiency and effective functioning of the Internal Control and Risk Management System;
- met the equivalent departments at the main subsidiaries, as well as the Independent Auditors, before the Board of Directors examined the draft financial statements and the interim report;
- reviewed the sustainability report, previously submitted to the Committee for Sustainability and Social Responsibility, verifying its suitability for the internal control and risk management system.
- received periodic updates on the state of outstanding disputes;
- exchanged information with the Board of Statutory Auditors and the Supervisory Body on their activities.

Supporting documentation was generally made available two or more days in advance, except for a few limited cases where it was provided one day in advance. In these instances, all clarifications and further details requested by the Committee were provided during the meeting.

In 2025, up to the date of approval of this Report, the Committee has met three times in the presence of the Board of Statutory Auditors to examine: the impairment test methodology applied in 2024 and its results; the results of risk management; the accounting policies used in drawing up the 2024 annual financial report; updates on outstanding disputes; the results of the 2024 Audit and the 2025 Audit Plan.

The Committee met the Independent Auditors before the Board of Directors examined the 2024 draft financial statements; reviewed the 2024 sustainability reporting, which had been previously submitted to the Committee for Sustainability and Social Responsibility, verifying its suitability to the ICRMS; reviewed the section of this Report concerning the description of the ICRMS, sharing its content.

A total of six meetings are scheduled for 2025.

IV. The Internal Control and Risk Management System

1. DEFINITION AND OBJECTIVES

The Internal Control and Risk Management System ("**ICRMS**") of Italmobiliare is an essential part of the Corporate Governance system. It is a set of organisational rules, procedures and structures intended to enable the identification, measurement, management and monitoring of the main risks facing the Company and its subsidiaries.

The Board of Directors has defined and continuously updated the Internal Control and Risk Management System Guidelines ("**Guidelines**"), in compliance with the recommendations of the Code, having obtained the favourable opinion of the Control and Risk Committee. Taking into account the specific structure of the Group, which includes companies – among which there may be entities subject to the supervision of Supervisory Authorities – with internal control systems and structures in turn responsible for overseeing the ICRMS of their respective sub-groups (so-called "Group of groups"), the Guidelines seek to ensure consistency and harmonisation between the various control tools that exist. This entails establishing the roles and departments involved in the identification, measurement, management and monitoring of the main risks of the Company and its subsidiaries.

The Guidelines have been sent to the subsidiaries so that they could take account of them in the definition and maintenance of their own ICRMS, without prejudice to each company's autonomy and independence.

The ICRMS must contribute to the running of the Company in line with the corporate objectives laid down by the Board of Directors, encouraging informed decision-making. It helps to ensure the safeguarding of company assets, the efficiency and effectiveness of company processes, the reliability of financial reporting, compliance with laws and regulations and with the By-laws and internal procedures.

The ICRMS is broken down into three levels of control, in line with the best national and international standards and with the provisions of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001:

1st level: represented by line checks designed to ensure that operations are performed correctly, in line with the Company's business and governance objectives; these checks are carried out by the heads of the operating areas who identify and assess the risks and lay down specific steps for managing them;

2nd level: functions in charge of establishing the methodologies and tools for risk management and performance of risk monitoring activities;

3rd level: the Internal Audit function, as well as any others who provide objective and independent assurance as to the design and functioning of the overall System.

The Guidelines provide for the involvement of the following corporate bodies and functions:

the **Board of Directors**, with the following tasks:

a) to assess and approve investments that are consistent with the mission of the Company and the strategic guidelines approved by the Board during the annual budget review, having regard for the indications provided by the Committee for Sustainability and Social Responsibility (see below) regarding the generation of long-term value;

b) to determine the nature and level of risks compatible with the strategic objectives of the Company, considering all elements that may be significant in terms of sustainable success;

c) to define the corporate governance system of the Company and the structure of the Group headed by it and assess the adequacy of the organisational, administrative and accounting structure of the Company and of subsidiaries that are of strategic importance, with particular reference to the internal control system and risk management;

d) to examine at least once a year the main corporate risks as well as the set of control processes implemented and planned for their prevention, reduction and effective and efficient management;

the **Board of Directors**, with the support of the Control and Risk Committee, with the following tasks:

e) to set guidelines for the system of internal control and risk management, consistent with the strategies of the Company, and assess at least once each year the adequacy of the system, having regard for the characteristics of the business and its risk profile, as well as its effectiveness;

f) to appoint and revoke the Head of Internal Audit, establishing remuneration for the role that is consistent with corporate policies and ensuring that sufficient resources are made available for performance of the duties assigned; if it decides to entrust the Internal Audit function, as a whole or by segments of activity, to an external entity, it ensures that it meets the requisites of professionalism, independence and organisation and provides adequate reasons for this choice in the report on the corporate governance;

g) to approve, at least once a year, the work plan prepared by the Head of Internal Audit, after consulting the control body and the Chief Executive Officer;

h) to appoint the Supervisory Body pursuant to art. 6, paragraph 1, letter b) of the Legislative Decree no. 231/2001;

i) to assess the introduction of measures to guarantee the effectiveness and impartiality of the business functions that perform control activities;

j) to evaluate, after consulting the control body, the results presented by the Independent Auditors in any letter of recommendations and in the additional report addressed to the control body;

k) to describe in the report on corporate governance the main characteristics of the internal control and risk management system and the methods of coordination between the parties involved in it, to express its overall assessment of the system's adequacy and to explain the choices made regarding the composition of the supervisory body.

The Board of Directors, with the assistance of the Control and Risk Committee and the Committee for Sustainability and Social Responsibility based on their feedback, evaluates the adequacy, effectiveness and effective functioning of the ICRMS with respect to the characteristics of the business.

With reference to subsidiaries with autonomous internal control structures that have similar duties to those assigned by the Code to the Control and Risk Committee, the activities performed by the Control and Risk Committee of Italmobiliare essentially involve reviewing and assessing the reports received from these structures.

During the course of the year, when the Board of Directors carried out its investment analyses, it did not find any risk profiles that were incompatible with the Company's strategic objectives, also with a view to their sustainability over the medium to long-term.

The Board of Directors approved the work plan prepared by the Head of Internal Audit, having consulted the Board of Statutory Auditors and the Chief Executive Officer.

This process is operating in the main subsidiaries.

2. CHIEF EXECUTIVE OFFICER IN CHARGE OF SETTING UP AND MAINTAINING THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Chief Executive Officer, Carlo Pesenti, was identified as the "Chief Executive Officer in charge of setting up and maintaining the internal control system" (**Chief Executive Officer**).

As such, he has the task of:

a) identifying the main risks, taking into account the characteristics of the business activities carried on by the Company and its subsidiaries, and submitting them periodically to review by the Board of Directors;

b) implementing the Guidelines, taking care of the planning, implementation and management of the ICRMS, constantly verifying its adequacy and effectiveness, adapting it to the dynamics of the operating conditions and the legislative and regulatory situation;

c) reporting promptly to the Control and Risk Committee, the Committee for Sustainability and Social Responsibility (or to the Board of Directors) issues and problems identified during his activity or of which he becomes aware, so that they can take appropriate action.

He can also entrust the Internal Audit Department to carry out reviews of specific operational areas and whether business operations comply with the rules and internal procedures, giving simultaneous notice to the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors.

He has the task, together with the Financial Reporting Officer, of issuing statements regarding the adequacy and effective application of the administrative and accounting procedures, the compliance of the documents with international accounting standards, that the documents correspond to the contents of the accounting books and records, and the suitability of the documents to provide a true and fair view of the key financial data of the Company and of the Group.

3. HEAD OF INTERNAL AUDIT

The Board of Directors, on the proposal of the then "Director in charge of the internal control and risk management system", and after consulting the Board of Statutory Auditors, appointed Delia Strazzarino as the Head of Internal Audit, establishing her remuneration in line with the Company's policies and ensuring that she had adequate resources to perform her duties.

The Head of Internal Audit has the task of verifying that the ICRMS is functioning, adequate and consistent with the Guidelines laid down by the Board of Directors, providing an objective assessment of its suitability to the corporate bodies and to top management. She therefore has direct access to all information needed to carry out her role, she is not responsible for any operating area and reports hierarchically to the Board of Directors.

The Head of Internal Audit verifies how the ICRMS operates in practice, both on an ongoing basis and in relation to specific needs in compliance with international standards, through an Audit Plan approved by the Board of Directors, based on a structured process of analysis and assessment of the main risks. Once a year, as part of the Audit Plan, the Head of Internal Audit explains to the Board of Directors how her department is structured and whether or not it is suitable, in numerical and professional terms, to perform the tasks assigned to it. She prepares periodic reports containing pertinent information on her department's activities, the methods used to manage risk and compliance with the plans to mitigate risk, in addition to an assessment of the appropriateness of the ICRMS and any reports on particularly important events, and sends them to the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Directors, as well as to the Chief Executive Officer. She also verifies the reliability of the information systems, including the accounting systems.

As part of its "Quality Assurance and Improvement Programme", the Internal Audit Department undergoes a Quality Assurance Review by an independent external body at least once every five years; the last review, which was completed in 2020, ended with an assessment of substantial compliance with the international standards for professional practice and the Code of Ethics of Internal Audit.

After obtaining the opinion of the Control and Risk Committee and having consulted with the Chief Executive Officer and the Board of Statutory Auditors, the Board of Directors approved:

- the mandate of the Internal Audit Department, last amended by resolution on March 2, 2017, which formally defines the mission, objectives, organisational context and responsibilities of the department in line with the definition of Internal Auditing, with the Code of Ethics and the international standards as per the International Professional Practices Framework of the Institute of Internal Auditors;
- the work plan for the year 2024 prepared by the Head of Internal Audit.

The Internal Audit Department carries out its duties directly in all areas of the Italmobiliare Group, except for the subsidiaries that have an independent Internal Audit function.

At Group level, the Internal Audit Department coordinates with the equivalent functions at the subsidiaries in order to encourage a uniform approach to the operational and adequacy checks of the ICRMS, taking into account the autonomy, independence and responsibilities of the subsidiaries and their corporate bodies.

4. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001 AND THE SUPERVISORY BODY

In order to make the internal control and corporate governance system more effective, to prevent the perpetration of corporate offences and those against the Public Administration, since 2004 the Company has adopted an Organisation, Management and Control Model (the "**Model**"), in application of Legislative Decree 231/2001, updated over the years and last amended on June 25, 2024.

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.

The General Section of the Model is available on the Company's website (www.italmobiliare.it), in the "Governance/Organization, management and control model" section.

The main subsidiaries of Italmobiliare also have an organisation, management and control model pursuant to Legislative Decree 231/2001.

The task of continuously supervising effective functioning and compliance with the Model, as well as proposing updates to it, is assigned to the Supervisory Body, appointed by the Board of Directors to which it reports directly, and given adequate resources to ensure autonomy, professionalism and independence in the exercise of its duties.

The Supervisory Body itself, in implementation of Legislative Decree 24/23 on whistleblowing, was identified as the Person in Charge of the Management of Whistleblowing Reports, as described in the dedicated procedure, updated in December 2023 in compliance with the law.

The Supervisory Body, appointed by the Board of Directors on May 10, 2023, in accordance with the recommendation of the Control and Risk Committee and as provided by the Model itself, is made up of Paolo Sfameni (Chairman), an external consultant, Antonia Di Bella, Standing Auditor, and Delia Strazzarino, the Company's Head of Internal Audit.

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 7 times during the year 2024.

5. INTERNAL CONTROL AND FINANCIAL REPORTING

The Internal Control and Risk Management System relating to the process of financial reporting is made up of a series of company rules and procedures adopted by the various operating structures to ensure the soundness, accuracy, reliability and timeliness of financial reports.

Italmobiliare has defined its own operating model to comply with the Law No. 262/2005 and its subsequent amendments ("**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. 262/2005 and subsequent corrective decrees, issued by the legislator for the purpose of increasing transparency in corporate reporting and strengthening the internal control systems of listed issuers.

From the 2024 financial year onwards, the financial disclosure includes the sustainability reporting, as required by Legislative Decree No. 125/2024, which implements Directive 2022/2464/EU (Corporate Sustainability Reporting Directive or CSRD) on sustainability reporting.

Over the years, Italmobiliare has progressively enhanced its ability to report, according to international standards, its commitments, strategies, objectives, and performance, addressing the structural complexity of its scope, which requires solid information flows from all consolidated companies. The mandatory disclosure elements derive from the ESRS (European Sustainability Reporting Standards) reporting principles and the transparency requirements of the sustainable finance taxonomy. In addition, voluntary commitments made (e.g., UNGC, WEPs, SBTi), participation in major ESG ratings (e.g., S&P Global, CDP, Sustainalytics), and, more generally, the expectations of shareholders and stakeholders, require further disclosure elements, for which, where applicable, reference is made to the latest version of the Global Reporting Initiative (GRI) standards.

A specific internal procedure defines the rules for the entire sustainability report consolidation and drafting process, ensuring its completeness, accuracy, and transparency. The adopted procedure is an integrated component of the Company's internal control and risk management system and addresses the direct need to mitigate the key specific risks identified, namely the completeness and integrity of direct data, the representativeness of estimates used, the collection of data and information from indirect sources, and the timelines for making the information available. More generally, the procedure is integrated into the risk oversight responsibilities outlined in the adopted Organization, Management, and Control Model.

The governing bodies and auditors are periodically informed about the entire process. In particular, the Board of Directors, after discussion in the Committee for Sustainability and Social Responsibility, is informed in advance about the scope, methodology, and content of the new reporting cycle, aimed at better representing the Group's sustainable commitment and responding to the evolution of regulations in this area.

Following the parent company's model and in support of and integration with it, the portfolio companies have adopted a similar structured process.

6. INDEPENDENT AUDITORS

The auditing of the Company's accounts, as required by current law, has been entrusted to a firm of independent auditors appointed by the Shareholders' Meeting on the proposal of the Board of Statutory Auditors. The assignment to audit the separate financial statements of Italmobiliare and the consolidated financial statements of the Group and to perform a limited audit of the condensed half-year consolidated financial statements of the Group for the years 2019-2027 was awarded to Deloitte & Touche S.p.A. by the Shareholders' Meeting on April 17, 2019 on the Board of Statutory Auditors' recommendation. Deloitte & Touche also provides the assurance of compliance on the sustainability report.

7. FINANCIAL REPORTING OFFICER

The Financial Reporting Officer identified, pursuant to art. 154-bis of the CLF and art. 28 of the By-laws, in the person of Mauro Torri, has to be a manager and meet the integrity requirements established by law for members of the Board of Directors; he must also have acquired at least three years' experience in administration, accounting, finance or control at the Company or its subsidiaries or at other joint-stock companies.

At the time of his appointment, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, the Board of Directors established the compensation of the Financial Reporting Officer and granted him full spending autonomy to exercise the powers conferred on him, with the obligation to report to the Board of Directors on a half-yearly basis on how funds have been spent.

In view of the Law No. 262/2005, the Company has adopted a specific Regulation, which in compliance with the law, the By-laws and following current best practices:

a) defines the responsibilities and powers of the Financial Reporting Officer of Italmobiliare;

b) identifies the responsibilities and method for the appointment, removal and termination of office of the Financial Reporting Officer, the term of office and requirements in terms of professional skills and integrity;

c) lays down the principles of conduct which the Financial Reporting Officer has to observe in the event of conflicts of interest, as well as the confidentiality that has to be maintained while carrying out their activities;

d) indicates the responsibilities, powers and resources granted to the Financial Reporting Officer for the exercise of their duties, identifying the financial and human resources needed to carry out the mandate;

e) defines dealings with other Company entities and functions, with the corporate bodies, the internal and external control bodies and with subsidiaries, regulating the information flows between them;

f) explains the process of internal and external attestation with reference to: the Financial Reporting Officer's statements that the Company's acts and communications disclosed to the market agree with the supporting documentation, books of account and accounting entries and the sustainability report; statements made by the Financial Reporting Officer and delegated administrative bodies relating to the financial statements, the condensed interim financial statements, the consolidated financial statements and the sustainability report.

Furthermore, following the amendment of Article 154-bis of the CLF (paragraph 5-ter) in 2024, the delegated administrative bodies and the Financial Reporting Officer must certify, through a specific certification, that the sustainability report included in the Directors’ Report is prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU and Legislative Decree No. 125/2024, and with the specifications adopted pursuant Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and Council of June 18, 2020.

The Regulation 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) establishing 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 communication, ensuring their regular updating, promoting their dissemination, awareness, and compliance, and verifying their actual application;

b) establishing adequate administrative and accounting procedures for the drafting of the sustainability report, as well as any other non-financial communication, ensuring their regular updating, promoting their dissemination, awareness, and compliance, and verifying their actual application;

c) 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;

d) reporting periodically to top management and the Board of Directors on the activities performed;

e) overseeing the periodic review of the activities related to the assessment and updating of the risk map concerning the economic, financial, and sustainability reporting;

f) contributing to the design of IT systems that have an impact on the Company's economic, financial, and sustainability position.

8. RISK MANAGEMENT

The Company develops and maintains a risk management model aimed at identifying, assessing and managing the main business risks on the basis of the guidelines defined periodically by the Board of Directors, also with a view to pursuing the Company's sustainable success.

Within the context of the ICRMS, the Head of Risk Management:

- proposes a system of governance of enterprise risk management to the Board of Directors;
- coordinates the risk assessment activities carried out by the other corporate functions involved (the "risk experts") for specific insights, to the extent of their sphere of competence;
- coordinates the process of analysis and management of the risks that are considered relevant to the Group, consolidating the results of the risk assessment carried out by the associate companies;
- ensures the definition, evolution and updating over time of the methodology to support the risk management process, providing methodological support to the individual functions involved.
- prepares a system of periodical risk reporting for top management, the Control and Risk Committee and the Board of Directors;
- at least once every six months, monitors implementation of the strategies adopted to mitigate the main risks that have emerged.

Responsibility for risk management is entrusted to the Head of Internal Audit, who does not take any decisions regarding risk management, but carries out work that involves assessment and monitoring. Specific actions to handle risks are decided by management.

Analysis of risk events that could affect achievement of the objectives of the Company and the Group continued in 2024 and up to the date of approval of this Report, as did monitoring of the mitigating action taken for the main risks.

In 2024, the risk assessment methodology was aligned with the provisions of the CSRD Directive.

For the purposes of conducting the Financial Materiality assessment, risks were associated with their respective sustainability/ESRS themes, and the time horizon for the assessment was extended:

- in the short term, in line with the long-established ERM methodology, the assessment is carried out using probability and impact scales;
- in the medium term (within five years) and long term (over five years), the outlook assessment was introduced, allowing for the monitoring of the risk exposure evolution over time.

Furthermore, the assessment was also extended to opportunities, understood as the possibility of improving the Company’s economic performance by seizing business opportunities and adapting to changes in the external, market, and/or technological context.

9. COORDINATION BETWEEN PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The various parties involved in the Internal Control and Risk Management System (the Board of Directors, Chief Executive Officer, Control and Risk Committee, Committee for Sustainability and Social Responsibility, the Head of Internal Audit, the Financial Reporting Officer, the Board of Statutory Auditors, Supervisory Body and other roles and company departments with specific duties regarding internal control and risk management) are coordinated through an exchange of information and meetings scheduled ad hoc or at meetings of the individual bodies.

10. ASSESSMENT OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

On the basis of the assessments and information received, with the support of the activities carried out by the Control and Risk Committee and with the contribution of the Chief Executive Officer, the Head of Internal Audit and the Financial Reporting Officer, the Board of Directors acknowledged that there had been no reports of problem areas that could invalidate the overall adequacy and effectiveness of the Internal Control and Risk Management System with respect to the structure of the Company and the Group and the characteristics of the business. In fact, the Internal Control and Risk Management System is subject to ongoing improvement by means of systematic monitoring and planning of improvement initiatives, in line with international standards.

V. Board of Statutory Auditors

1. APPOINTMENT OF THE STATUTORY AUDITORS

The members of the Board of Statutory Auditors are appointed on the basis of slates submitted by the Shareholders, according to a system designed to allow the minority to appoint a Standing Auditor, who assumes the office of Chairman, and an Alternate Auditor. The appointment is made in accordance with current regulations on gender balance.

The slates must be filed at the Company's registered office or sent to the certified email address indicated in the notice of calling of the Shareholders' Meeting, at least 25 days prior to the date set for the Shareholders' Meeting; this is mentioned in the notice of calling along with the procedures and shareholding required for their submission.

Only Shareholders who, alone or with others, can provide evidence that they have a stake in the share capital with voting rights not lower than the level set by Consob pursuant to current regulations for the appointment of the Board of Directors are entitled to present slates.

No shareholder may file or participate in the filing of more than one slate, directly or through a nominee or trust company, or vote for different slates. Shareholders belonging to the same group and shareholders who join a shareholders' agreement involving the Company's shares may not file or vote for more than one slate, not even through a nominee or trust companies. Slates filed in violation of these restrictions will not be accepted.

Each candidate can only be on one slate under penalty of ineligibility.

Slates that have a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, to an extent that complies with current regulations on gender balance. This applies to candidates for the office of Standing Auditor, as well as to candidates for the office of Alternate Auditor.

At the time they are filed, slates must include:

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

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

In the event that, by the deadline of 25 days prior to the date of the Shareholders' Meeting, only one slate has been filed, or only slates presented by shareholders who are connected to each other pursuant to current regulations, further slates can be presented up to the third day subsequent to that date and the threshold indicated in the notice of calling is halved.

At least 21 days prior to the date set for the Shareholders' Meeting called to resolve on the appointment of the control bodies, the Company shall make the slates of candidates filed by shareholders and the relative documentation available to the public at the registered offices, the market management company and on its website.

In the event of more than one slate being filed:

- the slate that obtains the highest number of votes at the Shareholders' Meeting elects two Standing Auditors and two Alternate Auditors, in the order in which they are listed in the sections of the slate;
- the minority shareholders' slate that obtains the highest number of votes among the slates presented and voted by shareholders who are not connected in any way, directly or indirectly, with the majority shareholders, elects the third Standing Auditor and the third Alternate Auditor, in the order in which they are listed in the sections of the slate;
- if more than one slate obtains the same number of votes, a run-off is held between these slates by all the shareholders with voting rights present at the Shareholders' Meeting, and the candidates are elected from the slate that obtains a majority of the share capital represented at the Shareholders' Meeting.

If a party connected to a majority shareholder votes for a slate of the minority shareholders, the connection is only considered significant for the purposes of excluding the minority shareholders' elected Statutory Auditor if this vote was crucial for the election of the Auditor in question.

If only one slate is filed, all the candidates included on that slate are elected with a simple majority vote of the share capital represented at the Shareholders' Meeting.

If, as a result of voting several slates or voting the only slate presented, the composition of the Board of Statutory Auditors, as to its standing members, does not meet the current regulations on gender balance, the necessary replacements will be made choosing from among candidates to the office of Standing Auditor on the slate that has obtained the highest number of votes or from within the only slate presented, starting from the last candidate on that slate.

If no slates are filed, the Shareholders' Meeting appoints the Board of Statutory Auditors with a simple majority vote of the share capital represented at the Shareholders' Meeting, providing gender balance is ensured in accordance with current legislation.

The Chairmanship of the Board of Statutory Auditors lies with the person indicated in first place on the slate presented and voted by the minority shareholders, or with the first person listed if only one slate is filed, or with the person appointed as such by the Shareholders' Meeting if no slates are presented.

Pursuant to the By-laws, those who find themselves in an incompatible situation as defined by law, or those who have exceeded the limit on the accumulation of appointments established by current regulations may not be elected as Statutory Auditors, and if they have been elected shall fall from office. Should an elected Statutory Auditor during their term of office no longer meet the requirements envisaged by the law or the By-laws, they fall from office.

When it is necessary to replace a Standing Auditor, the Alternate Auditor belonging to the same slate as the outgoing Auditor takes over. In their absence, in accordance with the original order of presentation, the candidate from the same slate as the outgoing Auditor takes over, without taking the initial section into account. If the replacement involves the Chairman of the Board of Statutory Auditors, the position will be taken over by the Auditor representing the minority shareholders. The Statutory Auditors appointed in this way as replacements remain in office until the following Shareholders' Meeting.

If it is necessary to integrate the Board of Statutory Auditors:

- to replace a Statutory Auditor elected from the majority shareholders' slate, the appointment takes place with a simple majority vote of the share capital represented at the Shareholders' Meeting, choosing from among the candidates indicated in the original majority shareholders' slate;
- to replace a Statutory Auditor elected from the minority shareholders' slate, the appointment takes place with a simple majority vote of the share capital represented at the Shareholders' Meeting, choosing from among the candidates indicated in the original minority shareholders' slate;

- for the simultaneous replacement of Auditors elected in both the majority and minority shareholders' slates, the appointment takes place with a simple majority vote of the share capital represented at the Shareholders' Meeting, choosing from among the candidates indicated on the slate to which each Statutory Auditor to be replaced belonged, with a number of Statutory Auditors equal to the number of outgoing Statutory Auditors belonging to the same slate.

Where it is not possible to proceed as described above, the Shareholders' Meeting called to integrate the Board of Statutory Auditors decides by relative majority of the share capital represented at the Shareholders' Meeting, without prejudice to the principle according to which the minority will always be entitled to appoint one Standing Auditor and one Alternate Auditor. In any case, the Chairmanship of the Board of Statutory Auditors must be assigned to the Statutory Auditor representing the minority shareholders. The procedures on replacements as indicated in the previous paragraphs must in any case ensure compliance with current legislation on gender balance.

Pursuant to the Code, the Statutory Auditors are chosen from among people who would also qualify as independent under the criteria laid down for Directors.

The Statutory Auditors annually verify the continued compliance with independence requirements. There are no commercial, professional, or financial relationships of any kind involving the Company and/or its subsidiaries and the Statutory Auditors.

2. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors, in office for the duration of three years up to approval of the financial statements at December 31, 2025, was appointed by the Shareholders' Meeting on April 27, 2023 and is made up of Pierluigi De Biasi, Chairman, Antonia Di Bella and Gabriele Villa. The Alternate Auditors are Maria Maddalena Gnudi, Michele Casò and Maria Francesca Talamonti.

The Board of Statutory Auditors was appointed using the slate voting system: Gabriele Villa, Antonia Di Bella, Maria Maddalena Gnudi and Michele Casò were selected from the majority slate submitted by CFN Generale Fiduciaria S.p.A.; Pierluigi De Biasi and Maria Francesca Talamonti were selected from the minority slate submitted by institutional investors. The slates are available in the “Governance/Shareholders' Meeting/Shareholders' Meeting Archive/” section of the Company's website. Further detailed information on the Board of Statutory Auditors is provided in the table set out at the end of this Report.

All of the members are independent according to the CLF and meet all of the independence requirements of the Code for Directors, as well as the integrity and professionalism requirements needed for the exercise of their functions. Immediately after their appointment, the Board of Statutory Auditors verified that they met the independence requirements and informed the Board accordingly. Meeting the requirements of the Code was last assessed in February 2025 and the Board was informed of the results.

Furthermore, following the renewal of the mandate resolved by the April 2023 Shareholders' Meeting, the Board of Directors verified that the Statutory Auditors met the specific requirements of integrity, correctness and professionalism required by law for corporate officers of legal entities that, like Italmobiliare, hold qualified shareholdings in companies in the financial and insurance sectors.

The *curriculum vitae* of each Standing Auditor is available in the “Governance/Statutory Auditors” section of the website (www.italmobiliare.it) and is also in the incipit of the Annual Financial Report, together with the offices that they hold.

During 2024, the Board of Statutory Auditors held a total of 15 meetings – six of which together with the Control and Risk Committee – lasting about one hour and a half on average, with attendances shown in the tables at the end of this Report, in addition to having participated in all meetings of the Company's other Board Committees. The Independent Auditors, the Financial Reporting Officer, the Head of Internal Audit and other heads of department were invited on various occasions to meetings of the Board of Statutory Auditors to provide appropriate insights into the items on the agenda. During the year, the Board also met the Supervisory Body and the representatives of the control bodies of the main associate companies.

In accordance with the CLF, the Board of Statutory Auditors oversees: *i)* compliance with the law and the By-laws; *ii)* compliance with the principles of correct administration; *iii)* the adequacy of the Company's organisational structure for the aspects within its sphere of competence, the internal control system and the administrative-accounting system, as well as its reliability in giving a true and fair view of the Company's operations; *iv)* the ways in which the rules laid down in the Corporate Governance Code adopted by the Company are implemented in practice; *v)* the adequacy of the instructions that the Company issues to its subsidiaries to ensure the correct fulfilment of the reporting obligations laid down by law.

Moreover, pursuant to art. 19 of Legislative Decree 39/2010, the Board of Statutory Auditors, as the “Internal Control and Auditing Committee” is responsible for:

a) informing the Board of Directors of the outcome of the external audit and the sustainability reporting assurance process, and transmitting to the Board the additional report prepared by the Independent Auditors, accompanied by any observations;

b) monitoring the financial reporting process, the sustainability reporting, the procedures implemented by the Company for compliance with the reporting standards adopted by the European Commission, as well as presenting recommendations or proposals intended to ensure its integrity;

c) checking the effectiveness of the Company's internal quality control and risk management systems, as well as internal auditing, as regards the financial reporting and sustainability reporting, without infringing upon their independence;

d) monitoring the independent audit of the financial statements and consolidated financial statements, as well as the assurance process for the sustainability reporting, also taking into account the results and conclusions of any quality checks carried out by CONSOB, where available;

e) checking and monitoring the independence of the independent auditors and sustainability auditors, particularly as regards the adequacy of services provided other than audit;

f) the procedure for selecting the Independent Auditors to be recommended to the Shareholders' Meeting for appointment.

The Chairman of the Board of Directors has arranged for the Statutory Auditors to participate in the most appropriate forms in initiatives designed to provide them with adequate knowledge of the sectors in which the Company operates, the corporate dynamics and their evolution, the principles of correct risk management and the regulatory and self-regulatory framework of reference. In particular, during 2024, the Statutory Auditors participated in the induction meetings organised by the Company for the Directors.

The remuneration of the Statutory Auditors is commensurate with the commitment required, the relevance of their role and the size and sector-related characteristics of the business. Please refer to the “Report on the Remuneration Policy and Compensation Paid” for further information.

Any Statutory Auditor who, on their own behalf or on behalf of third parties, has an interest in a specific Company transaction, is required to inform the other Statutory Auditors and the Chairman of the Board of Directors promptly and in detail about the nature, terms, origin and extent of such interest.

In performing its activities, the Board of Statutory Auditors coordinated with Internal Audit and with the Control and Risk Committee. This coordination is guaranteed by the Board of Statutory Auditors attending all meetings of the Control and Risk Committee, continuous exchanges of information between the Chairmen of the two corporate bodies as necessary, regarding issues of interest to both, and frequent meetings with the Head of Internal Audit at meetings of the Board of Statutory Auditors and those of the Control and Risk Committee.

For the activities carried out during the 2024 financial year, please refer to the report prepared pursuant to Article 153 of the Consolidated Law on Finance.

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

1. CODE OF ETHICS, SUSTAINABILITY POLICIES AND RESPONSIBLE INVESTMENT POLICY

The Company introduced the Code of Ethics in 1993, modifying and updating it periodically. The current text was last amended in 2024.

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

The Sustainability Policies, similarly updated in 2024, extend and integrate the Code of Ethics. The “Guiding Principles” are the cornerstone, with further details contained in six dedicated policies referring to health and safety, diversity and inclusion, environment and resources, energy and climate, rights and society, quality and responsibility.

The Responsible Investment Policy, adopted in 2021 and last updated in 2024, describes all phases of the investment management process: sector-related principles and criteria, pre-investment, active management and disposal.

Based on these three documents, which, taken together, constitute a solid point of reference for the sustainable success of the Group, the Supplier Charter was adopted in 2022 and became the Partnership Charter in 2024. This charter requires suppliers of goods and services, contractors, distributors, customers, and any other business partners to effectively and demonstrably align with the principles expressed in the Code of Ethics and the Sustainability Policies.

The Group's subsidiaries in turn adopt their own Code of Ethics, Sustainability Policies and Partnership Charter, harmonised with those of Italmobiliare.

Code of Ethics, Sustainability Policies, Responsible Investment Policy and Partnership Charter are available on the Company's website (www.italmobiliare.it) in “The Company/Vision and Mission” and “Sustainability” sections.

2. DIVERSITY POLICIES IN THE COMPOSITION OF CORPORATE BODIES

The Sustainability Policies, most recently amended by the Board of Directors on December 17, 2024, and available on the website under the ‘Sustainability/Documents’ section, include diversity policies related to the composition of the governing and control bodies.

These policies were adopted on the premise that the Board of Directors, as a forum for open dialogue and constructive discussion, is essential for fostering sound decision-making, overseeing business management, and driving sustainable success.

In compliance with applicable legal and statutory provisions, gender diversity, professional profiles, educational background, experience, and age inform the advisory opinion on composition, which the outgoing Board prepares for shareholders at the end of its term, taking into account recommendations from the self-assessment process. The same principles apply to the composition of the Board of Statutory Auditors, ensuring constructive and effective interaction with the Board of Directors. Both directors and statutory auditors must possess skills and experience that, considering Italmobiliare's portfolio composition, enable them to contribute meaningfully to board discussions. Shareholders, when submitting candidate lists, and directors, when co-opting a new director, assess candidate profiles without any form of discrimination.

All this considered, it is worth noting that the composition of the Board of Directors and Board of Statutory Auditors of Italmobiliare has constantly evolved over time in accordance with best practice, in order to ensure adequate representation in terms of experience, age and gender. A balanced gender representation is ensured on the current Board of Directors, with the presence of 5 female Directors out of 12, i.e. 42%. Thanks to the variety of their professional training and careers, the members currently in office guarantee the contribution of qualified and complementary skills to the Company's governance.

Diversity in composition was recommended in the advisory opinion on the qualitative and quantitative composition and the professional skills required on the board, which the outgoing Board of Directors issued in 2023 in view of the shareholders' meeting for the renewal of the corporate bodies.

Likewise for the current Board of Statutory Auditors: one out of three Standing Auditors and two out of three Alternate Auditors are female.

As from 2021, the Board of Directors has strengthened efforts to protect and enhance the value of the Company's employees. The Code of Ethics identifies the levers of success in the creation of an inclusive work environment, continuous training, the promotion of health, safety and well-being and the enhancement of diversity. In confirmation of the specific commitment to gender equality, considered an essential element for the professional growth of the Company, Italmobiliare has signed and promotes in all Group companies the “Women’s Empowerment Principles” laid down by the United Nations' UN Women and Global Compact. Accordingly, the Sustainability Policies aim to implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value. Lastly, the new Responsible Investment Policy explicitly includes in its value creation objectives the contribution to Sustainable Development Goal no. 5 (SDG 5 – Gender Equality), dedicated to achieving gender equality and empowering all women.

For completeness, it should be noted that in its portfolio companies as well, Italmobiliare, as a consolidated practice and in line with its commitment to gender equality, adheres to criteria of competence, independence, and gender representation in the appointment of corporate body members.

3. PROCEDURES FOR MANAGING INSIDER INFORMATION AND THE INSIDER LIST

The Company has adopted a procedure for the management of insider information, i.e. information of a precise nature, not yet made public, directly or indirectly concerning Italmobiliare or its financial instruments, which, if made public, could have a significant effect on the price of the listed financial instruments issued by Italmobiliare, or on the prices of related derivatives.

The 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) in the “Governance/Documents and Procedures” section.

The rules contained in the procedure bind all Company employees, the members of the Board of Directors and the Board of Statutory Auditors, and all those who have advisory or collaboration relationships with the Company and/or the Group.

The Company has also adopted a new procedure for registering individuals with access to inside information (the so-called “insider list” procedure) which is strictly linked to internal regulations on the management and publication of inside information. The procedure was adopted in order to fulfil the obligation to draw up a list of people who, based on their work or professional activities, or on the basis of the functions they perform, have access to inside information concerning Italmobiliare. It is available on the Company's website (www.italmobiliare.it) in the “Governance/Documents and Procedures” section.

4. THE CODE OF CONDUCT ON INTERNAL DEALING

According to the relevant European and national regulations, the internal dealing framework concerns market transparency regarding transactions involving financial instruments issued by Italmobiliare, as well as derivatives or other related financial instruments, carried out by "relevant persons" (including the Company's Directors, Statutory Auditors, and key management personnel) and specific categories of closely related persons.

The Code of Conduct on Internal Dealing is an essential component of the Company's Internal Control and Risk Management System and of the overall system for preventing the offences mentioned in Legislative Decree 231/2001 and, in particular, of the Organisational Model adopted by Italmobiliare for this purpose.

According to the Code, the reporting requirement applies if the overall amount of the transactions involving Italmobiliare shares comes to more than 20,000 euro in a year.

The Code of Conduct also stipulates that relevant persons and persons closely related to them, during the course of the year, must abstain from carrying out transactions in the listed financial instruments issued by Italmobiliare in the 30 days prior to the Board of Directors' review of the results, up until publication of the press release containing the results.

The Code is available on the Company's website (www.italmobiliare.it) in the “Governance/Documents and Procedures” section. All reports on internal dealing made during the year are available in the “Governance” section.

5. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

Since 2010, the Board of Directors has adopted the Procedure for Transactions with Related Parties in accordance with Consob's RPT Regulation of March 12, 2010. The Procedure has been modified over time, most recently in 2021 to adapt to the changes introduced by Consob Resolution no. 21624 of December 10, 2020, on the proposal of the Committee for Transactions with Related Parties made up of the independent directors Valentina Casella, Chairman, Elsa Fornero, Mirja Cartia d'Asero, appointed on April 27, 2023.

In 2024, the Committee held two meetings, each lasting less than one hour: it examined an operation of minor significance, issuing a favourable opinion for its finalisation; it was informed of the remuneration-related consequences of Carlo Pesenti’s resignation from his position as Chief Operating Officer and, in that context, verified compliance with the Remuneration Policy adopted by the Company. Supporting documentation was made available 1 day and 5 days before each meeting, respectively.

During the year, the Committee and the Board of Statutory Auditors were informed by the Financial Reporting Officer on a quarterly basis about any related-party transactions carried out during the reporting period and exempted from the control safeguards of the Procedure, including transactions with subsidiaries and associates and transactions of minor amounts. The Procedure aims to ensure that transactions with related parties and subjects comparable to them, directly or through the subsidiaries of Italmobiliare, are carried out transparently and in compliance with criteria of substantial and procedural correctness, also to facilitate the identification and allow adequate management of situations in which a Director has an interest, on their own behalf or on behalf of third parties.

The Procedure distinguishes “transactions of greater importance” from those of “lesser importance” on the basis of specific criteria predetermined by Consob. This distinction serves to determine the transparency rules that are applicable: simpler in the case of transactions of lesser importance and tighter for those of greater importance.

The main changes introduced by the RPT Regulation and implemented in the Procedure with effect from July 1, 2021 concern:

- an updated definition of “related party” which is now in line with the definition given in IAS 24;
- a new and broad definition of “director involved in the transaction” required to abstain from voting on the related party transaction;
- the timing with which the independent directors who are members of the Committee for Transactions with Related Parties: *i)* receive, at least once a year, information on the application of exemptions, at least for transactions of “greater importance”; *ii)* verify correct application of the exemptions for transactions of “greater importance” defined as “ordinary and concluded at market or standard conditions”;
- timely involvement in transactions of “greater importance” of the Committee for Transactions with Related Parties in the negotiation phase and in the preliminary phase, through the receipt of a flow of information that is not only complete but also “up-to-date“;
- the express obligation to attach the Committee's opinion to the minutes of the Committee meeting for transactions of “greater” and “lesser” importance;
- express automatic non-application of the RPT Regulation to transactions involving minor amounts;
- an express exemption from application of the procedural safeguards for transactions approved by the Company and addressed to all shareholders on equal terms;
- subordination of the exemption of “ordinary transactions concluded at market or standard conditions” to the communication to Consob – and to the directors or independent directors who express opinions on related party transactions – of a structured reasoning regarding the existence of such elements, in which it is also required to include objective evidence (art. 13, paragraph 3, letter c), i), RPT Reg.).

The Procedure governing how related party transactions should be carried out is available on the Company's website (www.italmobiliare.it) in the “Governance/Documents and Procedures” section.

6. GENERAL DATA PROTECTION

The Company has implemented the provisions of Regulation (EU) 2016/679 – General Data Protection Regulation (GDPR) and monitors its application constantly. The Data Controller is the Company, in the person of the Chief Executive Officer, assisted by a Privacy Coordinator who defines, updates and manages the model for the protection of personal data. The Privacy Coordinator, designated by the Board of Directors, is Lawyer Mr. Giacomo Cardani who has an obligation to report, on an annual basis, on the activities carried out in relation to the privacy organisational model.

During 2024, the Company, with the support of the privacy coordinator, intervened on various issues relating to the protection of personal data. Specifically: (i) the Records of Processing Activities kept by the Company, both as Data Controller and Data Processor, have been updated; ii) in-depth analyses have been carried out on the collection and storage of data pertaining to the commencement of employment; (iii) relations with certain suppliers who process personal data in the execution of their services have been regulated in accordance with the GDPR; (iv) the format for appointing the intercompany Data Controller has been revised; (v) an in-depth analysis has been carried out on the collection and storage of employee email metadata.

***

The Board of Directors and the Board of Statutory Auditors were informed about the recommendations made in a letter from the Chairman of the Corporate Governance Committee. The measures taken by the Company based on these recommendations, where applicable, are mentioned in the Report.

***

Unless otherwise indicated in the preceding sections, at the end of 2024, no changes have occurred that might significantly affect the contents of this Report.

STRUCTURE OF THE BOARD AND ITS COMMITTEES

Board of Directors

Board of Directors													Control and Risk Committee		Remuneration and Nominations Committee		Committee for Transactions with Related Parties		Committee for Sustainability and Social Responsibility	
Position	**Members**	**Year of birth**	**Date of first appointment ***	**In office since**	**In office until**	**Slate ****	**Exec.**	**Non-exec.**	**Indep. Code**	**Indep. CLF**	**No. of other offices *****	**(*)**	**(*)**	**(**)**	**(*)**	**(**)**	**(*)**	**(**)**	**(*)**	**(**)**
Chairman	Laura Zanetti	1970	14.11.2013	27.04.2023	Fin. Stats. 2025	M		•		•	2	8/8							3/3	M
Deputy Chairman	Livio Strazzera	1961	03.05.2002	27.04.2023	Fin. Stats. 2025	M		•		•	2	8/8								
CEO-COO ◊	Carlo Pesenti	1963	17.06.1999^	27.04.2023	Fin. Stats. 2025	M	•				2	8/8							3/3	C
Director	Giorgio Bonomi	1955	03.05.2002	27.04.2023	Fin. Stats. 2025	M		•			0	8/8	6/6	M						
Director	Mirja Cartia d'Asero	1969	19.04.2017	27.04.2023	Fin. Stats. 2025	M		•	•	•	2	8/8	6/6	C			2/2	M	3/3	M
Director	Valentina Casella	1979	19.04.2017^	27.04.2023	Fin. Stats. 2025	M		•	•	•	2	8/8			3/4	M	2/2	C		
Director	Marco Cipelletti	1965	27.01.2021	27.04.2023	Fin. Stats. 2025	m		•	•	•	0	8/8			4/4	M				
Director	Elsa Fornero	1948	27.07.2017	27.04.2023	Fin. Stats. 2025	M		•	•	•	0	8/8					2/2	M	3/3	M
Director	Luca Minoli	1961	03.05.2002	27.04.2023	Fin. Stats. 2025	M		•			1	8/8								
Director	Chiara Palmieri	1970	19.04.2017	27.04.2023	Fin. Stats. 2025	M		•	•	•	3	8/8	6/6	M	4/4	C				
Director	Roberto Pesenti	1994	27.04.2023	27.04.2023	Fin. Stats. 2025	M		•			0	8/8								
Director	Pietro Ruffini	1989	27.04.2023	27.04.2023	Fin. Stats. 2025	M		•			4	8/8							3/3	M

Number of Board meetings held during the year: 8 Control and Risk Committee: 6 Remuneration and Nominations Committee: 4 Committee for Transactions with Related Parties: 2 Committee for Sustainability and Social Responsibility: 3

Quorum required for minorities to submit slates to elect one or more members (pursuant to Art. 147-ter CLF): 1%

NOTES

◊ This symbol indicates the main person responsible for managing the issuer (Chief Executive Officer or CEO).

* Date of first appointment of each director means the date on which the director was appointed for the very first time to the Board of the issuer.

** This column indicates the slate from which each director was chosen ("M": majority slate; "m": minority slate).

*** This column indicates the number of offices as director or statutory auditor held by the person concerned in other companies listed in regulated markets or other large companies.

(*) This column indicates the attendance of directors at the meetings respectively of the Board and of Board Committees.

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

^ Carlo Pesenti served as the Chief Operating Officer until December 31, 2024; Valentina Casella was a Director of Italmobiliare in the period 2017-2020; subsequently, she was co-opted onto the Board in 2021.

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	27.04.2023	Fin. Stats. 2025	m	•	15/15	8/8	3
Standing Auditor	Gabriele Villa	1964	21.04.2020	27.04.2023	Fin. Stats. 2025	M	•	13/15	6/8	4, of which 2 in listed companies
Standing Auditor	Antonia Di Bella	1965	27.04.2023	27.04.2023	Fin. Stats. 2025	M	•	14/15	7/8	11, of which 2 in listed companies
Alternate Auditor	Maria Maddalena Gnudi	1979	21.04.2020	27.04.2023	Fin. Stats. 2025	M	N.A.	-	-	-
Alternate Auditor	Michele Casò	1970	21.04.2020	27.04.2023	Fin. Stats. 2025	M	N.A.	-	-	-
Alternate Auditor	Maria Francesca Talamonti	1978	27.04.2023	27.04.2023	Fin. Stats. 2025	m	N.A.	-	-	-

Number of meetings held: 15 (of which 6 jointly with the Control and Risk Committee).

Quorum required in 2023 for minorities to submit slates to elect one or more members (pursuant to Art. 148- CLF): 1%.

NOTES

* Date of first appointment of each statutory auditor means the date on which the statutory auditor was appointed for the very first time to the Board of Statutory Auditors of the issuer.

** This column indicates the slate from which each statutory auditor was chosen ("M": majority slate; "m": minority slate).

*** This column indicates the attendance of statutory auditors at the meetings of the Board of Statutory Auditors, during the reference period.

**** This column indicates the number of offices as director or statutory auditor held by the person concerned pursuant to Article 148-bis of the CLF and the relative implementing provisions contained in Consob's Issuers' Regulation.

ANNEX

Corporate Governance Code TOPICS	Italmobiliare S.p.A. Corporate Governance Report REPORTING AND REFERENCES	
COMPANY TYPE	➢ Large company with dispersed ownership	Introduction
ROLE OF THE BOARD OF DIRECTORS	➢ Pursuit of sustainable success	Section III, para. 1
	➢ Verification of the level of risk compatible with the Company's strategic objectives	Section IV, para. 1 and 8
	➢ Adoption of a policy of dialogue with shareholders and investors	Section II, para. 1
	➢ Establishment of the Committee for Sustainability and Social Responsibility, which is responsible, among other things, for examining the non-financial report.	Section III, para. 1 and 15
COMPOSITION OF THE BOARD OF DIRECTORS	➢ Adequate proportion of non-executive directors. Clear definition of the management powers of the CEO and the non-executive role of the Chairman	Section III, para. 6 and 7
	➢ 1/2 of the independent directors	Section III, para. 9
	➢ Annual meeting of the independent directors	Section III, para. 9
	➢ Assessment of independence and publication of results	Section III, para. 9
	➢ Criteria for assessing independence (adoption of quantitative, not qualitative parameters)	Section III, para. 9
	➢ Gender balance	Section VI, para. 2
OPERATION OF THE BOARD OF DIRECTORS, ROLE OF THE CHAIRMAN AND REPORTING	➢ Adoption of Regulation for the functioning of the BoD and its Committees	Section III, para. 2
	➢ Identification of the reporting deadline	Section III, para. 2
	➢ Identification of the Chairman's prerogatives	Section III, para. 2
	➢ Holding periodic induction sessions	Section III, para. 12
	➢ Regular attendance of managers at meetings	Section III, para. 2
	➢ Lead Independent Director (lack of conditions for appointment)	Section III, para. 10
	➢ Identification of the limit on the accumulation of offices	Section III, para. 5
	➢ Definition of the tasks and composition of the committees	Section III, para. 13-16
	➢ Appointment of the Secretary	Section III, para. 2
REMUNERATION AND NOMINATIONS COMMITTEE	➢ Composition and functions	Section III, para. 14
	➢ Internal Self-Assessment Process (without support from consultants)	Section III, para. 11
	➢ Orientation opinion on the composition of the corporate bodies published before the meeting is called	Section III, para. 3, 4, 14
	➢ Emergency plan for the CEO's succession	Section III, para. 8

REMUNERATION POLICY	➢ Adequate balance between the fixed and variable component of remuneration, consistent with the company's risk management objectives and policy ➢ Cap and clawback clause for the variable component (MBO, LTI, Value Creation Sharing Incentive) ➢ Three-year LTI aligned with shareholder interests, linked to pre-determined and measurable performance targets (80% NAV, 20% ESG) ➢ Remuneration of executive directors and statutory auditors adequate considering their expertise and professionalism and consistent with benchmark analysis ➢ Severance indemnity not envisaged ex ante and aligned with the provisions of the CCNL applicable from time to time	Re: Report on the 2024 Remuneration Policy and Report on the 2025 Remuneration Policy
INTERNAL CONTROL SYSTEM	➢ Involvement of the corporate bodies (BoD, CEO, Board of Statutory Auditors, Control and Risk Committee, Sustainability Committee, Internal Audit Manager, Financial Reporting Officer) in the internal control system, each according to their responsibilities	Section IV, para. 1, 2, 3, 7, 9
	➢ Board of Directors' assessment of the adequacy of the internal control system	Section IV, para. 10
	➢ Identification of the CEO as the person in charge of setting up and maintaining the internal control and risk management system	Section IV, para. 2
	➢ Establishment of the Control and Risk Committee	Section III, para. 16
	➢ Establishment of the Internal Audit function, not responsible for any operational area	Section IV, para. 3
	➢ Adoption of 231 Model and appointment of a SB made up of the Internal Audit Manager, a Statutory Auditor and an external professional	Section IV, para. 4
BOARD OF STATUTORY AUDITORS	➢ Assessment of the Statutory Auditors' independence according to the same criteria as the directors and publication of the results	Section V, para. 2
	➢ Participation of the Board of Statutory Auditors at meetings of all the Committees, including Board meetings and periodic discussions with the SB	Section V, para. 2

ITALMOBILIARE
INVESTMENT HOLDING

ITALMOBILIARE GROUP

CONSOLIDATED FINANCIAL STATEMENTS 2024

FINANCIAL STATEMENTS

Statement of financial position

(in thousands of euro)	Notes	31.12.2024	31.12.2023	Change
Non-current assets				
Property, plant and equipment	1	335,071	276,466	58,605
Investment property	2	16,989	15,913	1,076
Goodwill	3	291,451	287,980	3,471
Intangible assets	4	327,809	329,193	(1,384)
Investments in equity-accounted associates	5	154,856	152,445	2,411
Other equity investments	6	161,712	182,621	(20,909)
Trade receivables and other non-current assets	7	271,935	256,968	14,967
Deferred tax assets	23	12,088	11,582	506
Non-current receivables from employees				
Total non-current assets		**1,571,911**	**1,513,168**	**58,743**
Current assets				
Inventories	8	116,744	49,665	67,079
Trade receivables	9	340,800	256,531	84,269
Other current assets including derivative financial instruments	10	29,977	37,809	(7,832)
Tax assets	11	16,604	12,010	4,594
Equity investments, bonds and current financial receivables	12	201,047	173,914	27,133
Cash and cash equivalents	13	138,083	121,915	16,168
Total current assets		**843,255**	**651,844**	**191,411**
Assets classified as held for sale	14	**1,200**	**74,643**	**(73,443)**
Total assets		**2,416,366**	**2,239,655**	**176,711**
Equity				
Share capital	15	100,167	100,167	
Share premium reserve	16	55,607	55,607	
Reserves	16	40,486	42,698	(2,212)
Treasury shares	17	(5,166)	(5,166)	
Retained earnings		1,290,340	1,305,985	(15,645)
Equity attributable to owners of the parent company		**1,481,434**	**1,499,291**	**(17,857)**
Non-controlling interests	18	191,668	192,624	(956)
Total equity		**1,673,102**	**1,691,915**	**(18,813)**
Non-current liabilities				
Financial liabilities	20	170,976	177,250	(6,274)
Employee benefits	19	9,460	8,533	927
Provisions	21	21,957	23,019	(1,062)
Non-current tax liabilities	22	67	4,489	(4,422)
Other non-current payables and liabilities		9,019	5,091	3,928
Deferred tax liabilities	23	21,756	18,894	2,862
Total non-current liabilities		**233,235**	**237,276**	**(4,041)**
Current liabilities				
Financial liabilities	20	321,127	167,401	153,726
Trade payables	24	102,240	69,655	32,585
Provisions	21	2,795	3,795	(1,000)
Tax liabilities	25	11,916	1,070	10,846
Other liabilities	26	71,951	68,543	3,408
Total current liabilities		**510,029**	**310,464**	**199,565**
Total liabilities		**743,264**	**547,740**	**195,524**
Liabilities directly associated with assets classified as held for sale	14			
Total equity and liabilities		**2,416,366**	**2,239,655**	**176,711**

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

(in thousands of euro)	Notes	2024	%	2023	%	Change	%
Revenue and income	27	**701,370**	**100.0**	**585,750**	**100.0**	**115,620**	**19.7**
Other revenue and income		3,984		5,201		(1,217)	
Change in inventories		8,985		(1,380)		10,365	
Internally produced and capitalised assets		3,375		2,606		769	
Raw materials and supplies	28	(270,704)		(223,440)		(47,264)	
Services	29	(136,055)		(120,083)		(15,972)	
Personnel expenses	30	(122,671)		(103,965)		(18,706)	
Other operating income (expense)	31	(31,065)		(45,524)		14,459	
Gross operating profit (EBITDA)		**157,219**	**22.4**	**99,165**	**16.9**	**58,054**	**58.5**
Amortisation and depreciation	32	(46,437)		(37,400)		(9,037)	
Impairment losses on non-current assets	33	(3,417)		(5,647)		2,230	
Operating profit (EBIT)		**107,365**	**15.3**	**56,118**	**9.6**	**51,247**	**91.3**
Finance income	34	3,267		1,538		1,729	
Finance costs	34	(12,759)		(10,501)		(2,258)	
Exchange-rate difference and net gain (loss) on derivatives	34	54		(431)		485	
Impairment of financial assets	35						
Share of profit/(loss) of equity-accounted associates	36	29,639		57,278		(27,639)	
Profit/(loss) before tax		**127,566**	**18.2**	**104,002**	**17.8**	**23,564**	**22.7**
Income tax	37	(20,235)		(19,323)		(912)	
Profit/(loss) from continuing operations		**107,331**	**15.3**	**84,679**	**14.5**	**22,652**	**26.8**
Profit/(loss) from discontinued operations, net of tax							
Profit/(loss) for the year		**107,331**	**15.3**	**84,679**	**14.5**	**22,652**	**26.8**
Attributable to:							
Owners of the parent company		93,636	13.4	66,596	11.4	27,040	40.6
Non-controlling interests		13,695	1.9	18,083	3.1	(4,388)	-24.3
Earnings per share	39						
Basic ordinary shares		2.215 €		1.575 €			
Diluted ordinary shares							

Statement of comprehensive income

(in thousands of euro)	Notes	2024	%	2023	%	Change	%
Profit/(loss) for the year		**107,331**	**15.3**	**84,679**	**14.5**	**22,652**	**26.8**
Other comprehensive income (expense) from continuing operations, net of tax	38						
Items that will not be reclassified subsequently to profit or loss, net of tax							
Remeasurement of net defined benefit liability/(asset)		(257)		(450)		193	
Remeasurement of net defined benefit liability/(asset) - investments in equity-accounted associates		(105)		(166)		61	
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		20,840		27,456		(6,616)	
Total items that will not be reclassified to profit or loss, net of tax		**20,478**		**26,840**		**(6,362)**	
Items that may be reclassified subsequently to profit or loss, net of tax							
Foreign exchange differences on translation of foreign operations		327		61		266	
Foreign exchange differences on translation of foreign operations - investments in equity-accounted associates		1,060		(359)		1,419	
Fair value gain/(loss) on cash flow hedging derivatives		(256)		(571)		315	
Fair value gain/(loss) on cash flow hedging derivatives - investments in equity-accounted associates		(4,637)		348		(4,985)	
Total items that may be reclassified subsequently to profit or loss, net of tax		**(3,506)**		**(521)**		**(2,985)**	
Other comprehensive income for the year from discontinued operations, net of tax							
Total other comprehensive income for the year		**16,972**		**26,319**		**(9,347)**	
Total comprehensive income for the year		**124,303**	**17.7**	**110,998**	**18.9**	**13,305**	**12.0**
Attributable to:							
Owners of the parent company		107,928		91,845		16,083	
Non-controlling interests		16,375		19,153		(2,778)	

Consolidated statement of changes in equity

	Attributable to owners of the parent company										Non-controlling interests	Total equity
			Reserves									
(in thousands of euro)	Share capital	Share premium	FVTOCI fair value reserve	Fair value hedging reserve	Actuarial gains/ losses on defined benefit plans	Other reserves	Treasury shares	Translation reserve	Retained earnings	Total share capital and reserves		
Balances at December 31, 2022	**100,167**	**55,607**	**4,876**	**3,210**	**1,459**	**1,843**	**(5,166)**	**1,317**	**1,263,441**	**1,426,754**	**183,316**	**1,610,070**
Profit/(loss) for the year									66,596	66,596	18,083	84,679
Total other comprehensive income from continuing operations			26,295	(199)	(546)			(301)		25,249	1,070	26,319
Total other comprehensive income from discontinued operations												
Total comprehensive income			**26,295**	**(199)**	**(546)**			**(301)**	**66,596**	**91,845**	**19,153**	**110,998**
Dividends									(29,598)	(29,598)	(12,300)	(41,898)
Stock options exercised												
Other			6,180		(54)	(366)		7	4,523	10,290	2,455	12,745
Balances at December 31, 2023	**100,167**	**55,607**	**37,351**	**3,011**	**859**	**1,477**	**(5,166)**	**1,023**	**1,304,962**	**1,499,291**	**192,624**	**1,691,915**

	Attributable to owners of the parent company										Non-controlling interests	Total equity
			Reserves									
(in thousands of euro)	Share capital	Share premium	FVTOCI fair value reserve	Fair value hedging reserve	Actuarial gains/ losses on defined benefit plans	Other reserves	Treasury shares	Translation reserve	Retained earnings	Total share capital and reserves		
Balances at December 31, 2023	**100,167**	**55,607**	**37,351**	**3,011**	**859**	**1,477**	**(5,166)**	**1,023**	**1,304,962**	**1,499,291**	**192,624**	**1,691,915**
Profit/(loss) for the year									93,636	93,636	13,695	107,331
Total other comprehensive income from continuing operations			18,182	(4,886)	(359)			1,355		14,292	2,680	16,972
Total other comprehensive income from discontinued operations												
Total comprehensive income			**18,182**	**(4,886)**	**(359)**			**1,355**	**93,636**	**107,928**	**16,375**	**124,303**
Dividends									(126,849)	(126,849)	(20,500)	(147,349)
Stock options exercised												
Other			(15,191)	(395)	149	288		44	16,169	1,064	3,169	4,233
Balances at December 31, 2024	**100,167**	**55,607**	**40,342**	**(2,270)**	**649**	**1,765**	**(5,166)**	**2,422**	**1,287,918**	**1,481,434**	**191,668**	**1,673,102**

Statement of cash flows

(in thousands of euro)	Notes	2024	2023
A) Cash flows from operating activities			
Profit/(loss) before tax		127,566	104,002
Adjustments for:			
Amortisation, depreciation and impairment		49,854	43,161
Reversal of share of profit/(loss) of equity-accounted associates		(29,639)	(12,569)
(Gain)/loss on non-current assets		(394)	(45,840)
Change in employee benefits and other provisions		(1,135)	316
Reversal of net finance costs and income		(9,539)	(1,199)
Inventories		(67,079)	9,029
Trade receivables		(84,293)	(49,193)
Trade payables		32,272	3,665
Other receivables/liabilities, accruals and deferrals		29,889	28,568
Net finance costs paid/received		(1,670)	(4,895)
Dividends received		9,133	4,032
Income tax paid		(36,761)	(7,621)
Other financial cash flows			
Total A)		**18,204**	**71,456**
B) Cash flows from investing activities			
Capital expenditure:			
Property, plant, equipment and investment property		(61,975)	(66,261)
Intangible assets		(9,339)	(9,572)
Financial assets (equity investments and funds) net of cash acquisitions (*)		(32,612)	(42,278)
Proceeds from disposal of net non-current assets		174,249	121,551
Change in financial assets		(61,648)	(45,526)
Change in current equity investments		(5,300)	(189)
Cash flow from investing activities relating to discontinued operations		(78)	
Total B)		**3,297**	**(42,275)**
C) Cash flows from financing activities			
Change in financial payables		144,219	32,299
Increases in capital shares subscribed by third parties			1,533
Dividends paid		(147,349)	(41,898)
Other (non-monetary) changes		417	(48)
Total C)		**(2,713)**	**(8,114)**
D) Translation differences and other changes			
Translation differences and other changes		(2,620)	(793)
Total D)		**(2,620)**	**(793)**
E) Cash flows for the year (A+B+C+D)		**16,168**	**20,274**
F) Cash and cash equivalents at the beginning of the year		**121,915**	**101,641**
Cash and cash equivalents at the end of the year (E+F)	13	**138,083**	**121,915**

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

Changes in the Statement of Cash Flows of certain items do not correspond to changes in the Statement of Financial Position due to changes in the Group's consolidation area.

NOTES

The consolidated financial statements of Italmobiliare S.p.A. for the year ended December 31, 2024 were approved by the Board of Directors on March 6, 2025. During the meeting, the Directors authorised also the publication of a press release dated March 6, 2025, containing the abovementioned financial statements' key information.

The financial statements have been presented on a going-concern basis.

Core businesses

Italmobiliare S.p.A. is a legal entity established in accordance with the laws of the Republic of Italy and listed on the Milan Stock Exchange since 1980.

Italmobiliare S.p.A. operates as an investment holding company and consequently manages a diversified portfolio of investments and equity investments.

Accounting policies

These consolidated financial statements have been prepared in compliance with the accounting standards issued by the International Accounting Standard Board and endorsed by the European Union, applicable at December 31, 2024. The term "IFRS Accounting Standards" includes also the "International Accounting Standards" ("IAS®") still applicable and all the interpretation documents issued by the *IFRS Interpretation Committee*, previously called *International Financial Reporting Interpretations Committee* ("IFRIC®"), and before *Standing Interpretations Committee* ("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 Accounting Standards. Consequently, these financial statements are compliant with the Italian Civil Code and the corresponding indications of the Consolidated Law on Finance (CLF) for listed companies with regard to the Directors' report, the independent statutory audit and the publication of the financial statements. The consolidated financial statements and related notes also set out the details and additional disclosures required under the articles of the Italian Civil Code governing financial statements, since such requirements are not in conflict with the IFRS, and under other Consob regulations and dispositions governing financial statements.

Directive 2013/50/EU, which amended Directive 2004/109/EC (Transparency Directive), established that all Annual Financial Reports of Issuers, whose securities are admitted to trading on a regulated market, must be drawn up in a single electronic reporting format. The European Commission has implemented these rules in the Delegated Regulation 2019/815 (European Single Electronic Format - ESEF Regulation). This is 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 the IFRS Accounting Standards must prepare and publish their annual financial report in the eXtensible HyperText Markup Language ("XHTML") format, using the Inline eXtensible Business Reporting Language ("iXBRL") for marking up the Consolidated Financial Statements (Statement of financial position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows) from the financial year starting on January 1, 2021 and for marking up also the information contained in the consolidated explanatory notes from the financial year starting on January 1, 2022, which is why this financial report has been prepared using XHTML and the consolidated financial statements have been marked up using XBRL.

In January 2025, the alignment of the ESEF taxonomy ("2024 ESEF Taxonomy") with the IFRS taxonomy updates and the new XBRL specifications was completed. The 2024 ESEF Taxonomy (including alignment amendments to the new XBRL specifications) must be applied to annual financial reports containing financial statements for financial years beginning on or after January 1, 2025, with the possibility of early adoption.

Italmobiliare has decided to use the 2022 ESEF Taxonomy for the preparation of the European Single Electronic Format, postponing the adoption of the 2024 ESEF Taxonomy to the 2025 financial year.

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, 2024 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, 2024

The following accounting standards, amendments and IFRS interpretations were applied for the first time by the Group starting from January 1, 2024.

- On January 23, 2020 the IASB published an amendment called "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on October 31, 2022 an amendment called "Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants". These amendments aim to clarify how to classify payables and other short or long term liabilities. Furthermore, the amendments also enhance the disclosures required of an entity when its right to defer the settlement of a liability for a minimum of twelve months hinges on adherence to specific parameters (i.e., covenants). The adoption of these amendments did not have any effect on the Group's consolidated financial statements.
- On September 22, 2022 the IASB published an amendment called "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise income or loss that relates to the retained right of use. The adoption of this amendment did not have any effect on the Group's consolidated financial statements.
- On May 25, 2023 the IASB published an amendment called "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of the financial statements to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and understand the impact of such arrangements on the entity's exposure to liquidity risk. The adoption of these amendments did not have any effect on the Group's consolidated 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 Group at December 31, 2024

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, but these principles are not yet compulsorily applicable and have not been adopted in advance by the Group at December 31, 2024:

- On August 15, 2023, the IASB published an amendment called "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". This amendment mandates that an entity adopts a consistent methodology to assess the exchangeability of one currency into another, determine the spot exchange rate to be utilised, and provide corresponding disclosure in the notes when exchangeability is not feasible. The amendment will apply starting from January 1, 2025, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Group's consolidated financial statements.

Accounting standards, amendments and IFRS interpretations published at December 31, 2024, but not endorsed by the European Union at that date

At the date of these financial statements the competent bodies of the European Union have not yet completed the approval process necessary for adoption of the amendments and principles described below.

- On May, 30 2024 the IASB published an amendment called "Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS9 and IFRS 7". The document clarifies some issues identified during the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon achievement of ESG objectives (i.e., green bonds). In particular, the amendments aim to:
    - clarify the classification of financial assets with variable returns and linked to ESG objectives, as well as the criteria to be used for the assessment of the SPPI test;

- determine that the date of settlement of the liabilities through electronic payment systems is that on which the liability is extinguished. Nevertheless, an entity is permitted to adopt an accounting policy to allow for the write-off of a financial liability before delivering liquidity on the settlement date in the presence of certain specific conditions.

With these amendments, the IASB has also introduced additional disclosure requirements with regard, in particular, to investments in equity instruments designated to FVTOCI.

The amendments shall apply from the financial statements for years beginning on or after 1 January 2026. The directors are currently assessing the possible effects of the introduction of these amendments on the Group's consolidated financial statements.

- On 18 July 2024 the IASB issued a standard called “Annual Improvements to IFRS Accounting Standards—Volume 11”. This standard includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The standard amends the following:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

Amendments will apply starting from January 1, 2026, but early application is permitted. The directors are currently assessing the possible effects of the introduction of these amendments on the Group's consolidated financial statements.

- On December 18, 2024, the IASB published an amendment called “Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7”. The document aims to support entities in reporting the financial effects of electricity purchase contracts generated from renewable sources (often structured as Power Purchase Agreements). Based on such contracts, the quantity of electricity generated and purchased may vary due to uncontrollable factors, such as weather conditions. The IASB has introduced targeted amendments to IFRS 9 and IFRS 7 standards. The amendments include:

- a clarification regarding the application of the "own use" requirements to this type of contract.
- criteria to allow the accounting of such contracts as hedging instruments.
- new disclosure requirements to enable financial statement users to understand the impact of these contracts on an entity's financial performance and cash flows.

The amendment will apply starting from January 1, 2026, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Group's consolidated financial statements.

- On April 9, 2024, the IASB published a new standard “IFRS 18 Presentation and Disclosure in Financial Statements”, which will replace “IAS 1 Presentation of Financial Statements”. The new standard aims to improve the presentation of the financial statements, with specific regard to the income statement format. In particular, the new standard requires:

- the classification of revenues and costs into three new categories (operating, investing, and financing), in addition to the existing categories for taxes and discontinued operations in the income statement format.
- the presentation of two new subtotals: operating profit and profit before interest and taxes (i.e., EBIT).

Additionally, the new standard:

- requires more detailed information on management-defined performance measures.
- introduces specific new criteria for aggregating and disaggregating information.
- implements changes to the cash flow statement layout, including the requirement to use operating profit as the starting point for the cash flow statement prepared under the indirect method, and the removal of certain existing classification options (e.g., interest and dividends paid and interest and dividends received).

The new standard will apply starting from January 1, 2027, but early adoption is permitted. The directors are currently assessing the possible effects of the introduction of these amendments on the Group's consolidated financial statements.

MEASUREMENT CRITERIA AND BASIS OF PRESENTATION

The consolidated financial statements adopt the cost method, with the exception of derivatives and financial assets which are measured at fair value. The carrying amounts of hedged assets and liabilities are adjusted to reflect changes in fair value on the basis of the hedged risks. The consolidated financial statements are presented in euro, which is the functional currency of the parent Italmobiliare S.p.A. All amounts in the accounting schedules and in the notes are rounded to thousands of euro, unless otherwise specified.

The basis of presentation of the Italmobiliare Group financial statements is as follows:

- current and non-current assets and current and non-current liabilities are presented as separate classifications on the statement of financial position. Current assets, which include cash and cash equivalents, are assets that the Group intends to realize, sell or consume during its normal business cycle; current liabilities are liabilities that the Group expects to settle during the normal business cycle or in the twelve months after the end of the reporting period;
- on the income statement, costs are analysed by nature;
- with regard to comprehensive income, the Group presents two statements. The first statement reflects traditional income statement components and the profit (loss) for the year, while the second statement, beginning with the profit (loss) for the year, presents other comprehensive income, net of tax: fair value changes on financial assets measured at FVTOCI and fair value changes of derivative financial instruments designated in hedge accounting, translation differences and effects of the remeasurement of defined benefit plans, presenting separately the elements that can subsequently be recycled to profit or loss for the year from those that will not be reclassified;
- the indirect method is used for the statement of cash flows, with separate reporting of any cash flows by operating, investing and financing activities associated with discontinued operations. In particular, although the Group does not diverge from the provisions of IAS 7 in the classification of items, please note:
  - cash flows from operating activities report cash flows from core operations, interest on loans granted and obtained and dividends received from associates;
  - investing activities comprise investments in property, plant and equipment and intangible assets, shareholdings, private equity funds and disposals of such assets. They include, also, the effects of business combinations in which the Group acquires or loses control of companies, as well as other minor investments;
  - cash flows from financing activities include cash flows generated by liability management transactions and leases, dividends and interim dividends paid to owners of the Parent Company and non-controlling interests, and the effects of transactions in non-controlling interests that do not change the status of control of the companies involved;
  - a separate item is used to report the impact of exchange rates on cash and cash equivalents and their impact on profit or loss is eliminated in full in order to neutralize the effect on cash flows from operating activities.

USE OF ESTIMATES

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

The investment in Bacco (held indirectly through the subsidiary ITM Bacco) is measured in the consolidated financial statements of Italmobiliare at FVTOCI as management believes that there is no significant influence on the part of Italmobiliare.

Considering that:

- the stake held directly by the Group is 13.69%, that held by CCP3 is 56.71% and that held by CCP4 is 17.48%;
- Italmobiliare has 100% control over Clessidra, but does not have direction and coordination over it;
- the members of the Board of Directors of Bacco (which has control over the company's relevant activities) are appointed by CCP3 (Italmobiliare is unable to use its power over the Clessidra Group to direct the relevant activities of CCP3 which is neither controlled nor consolidated by Italmobiliare or Clessidra Holding). 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 the Clessidra Group as a fund manager, and that relating to Italmobiliare as an investor), which leads to the conclusion that Italmobiliare does not have control over the fund as there is no link between decision-making power and exposure to the variability of returns (similar considerations apply to CCP4).

It should be noted that Italmobiliare has the right to appoint an "observer", who has the right to participate in meetings of the Board of Directors of Bacco and the right to be informed in advance of the matters under discussion, without having any right to vote on the resolutions passed by the Board of Directors, nor be considered a member of Bacco's Board of Directors (so IAS 28.6 does not apply, as it assumes that an investor has significant influence if it appoints a member of the Board).

As for the investment in Bacco, also the investment in Archimede is measured in the consolidated financial statements of Italmobiliare at FVTOCI as the stake held is 17.24% and Italmobiliare does not have significant influence over it.

The investment in Bene Assicurazioni is measured at FVTOCI. On 29 April 2022, Italmobiliare finalised its investment in Bene Assicurazioni S.p.A. with an outlay of 40 million euro for a 19.99% stake, having received authorisation from IVASS, the Supervisory Authority for the Italian Insurance Sector. Notwithstanding the Company has the right to appoint a Director, at December 31, 2024 the Group management excludes the presence of a significant influence over the investee, because the controlling shareholder owns a 55% stake in the company and the remaining stake is owned by a second investor (Nurberger at 25%). As a consequence, the director appointed by Italmobiliare does not have a significant influence over the decision to be taken by Bene Assicurazioni's Board of Directors (in the absence of shareholders agreements among the parties).

The estimates that have had a significant effect on the amounts recognised in the financial statements are shown below.

The main assumptions regarding the future and the main causes of uncertainty in the estimate at the end of the reporting period that present a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities during the next financial year are shown below:

- indefinite useful life of trademarks (for further details, see the paragraph on intangible assets, note 4);
- provisions (for further details, see the paragraph on current and non-current provisions, note 21);
- impairment of goodwill (for further details, see the paragraph on goodwill, note 3);
- fair value of financial assets: as regards investments in listed companies, the fair value is calculated on the basis of the stock market price at the reporting date and could undergo significant changes during the following year; while for financial assets valued with a level 2 and 3 fair value, there is a high degree of judgement due to the elements of complexity inherent in the valuation techniques and significant inputs.

SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are based on the financial statements for the year ended December 31, 2024 of the parent Italmobiliare S.p.A. and the consolidated companies, in compliance with the Group accounting policies.

RELATED PARTIES

Related parties are mainly those that share the same parent with Italmobiliare S.p.A., the companies that directly or indirectly are controlled by Italmobiliare S.p.A., the associates (including their subsidiaries) of Italmobiliare S.p.A., or the associates (including their subsidiaries) of any Group company. Related parties also include statutory auditors, and their immediate family, and the key management personnel, and their immediate family, of Italmobiliare S.p.A. and its parent company. Key management personnel comprises management personnel who have the power and direct or indirect responsibility for the planning, management and control of the activities of the Company. They include directors (whether executive or not).

SUBSIDIARIES

Subsidiaries are companies in which the Group is exposed to variable returns, or holds rights to such returns, by virtue of its relationship with the companies in question, and simultaneously has the ability to affect such returns by exercising its power.

The Group ascertains the existence of control on the basis of the existence of three elements:

- power: the current ability of the Group, arising from substantial rights, to decide on the relevant activities that have a material impact on the company's returns;
- the exposure of the Group to the variability of the returns of the investee;
- correlation between power and returns, the Group has the ability to exercise its power to affect the returns arising from the relationship.

Basis of consolidation

ASSOCIATES

Associates are companies in which the Group has significant influence over administrative and management decisions even though it does not hold control. Generally speaking, significant influence is assumed to exist when the Group holds, directly or indirectly, at least 20% of voting rights at ordinary shareholders’ meetings or, even if it holds a lower percentage of voting rights, when it is entitled to take part in financial and management policy decisions by virtue of a specific juridical status including, but not limited to, participation in shareholders' agreements or other forms of material exercise of rights of governance.

Investments in associates are measured using the equity method, whereby they are recognized initially at cost, and subsequently adjusted to reflect changes in the value of the Group's interest in the associate's equity. The Group's share of an associate's profit or loss is recognized in a specific income statement caption from the date at which the Group exerts significant influence until it relinquishes such influence.

The same item includes the gain or loss resulting from the sale of associates, net of any compensation paid on the basis of the Value Creation Sharing Incentive (or other incentive programmes for the management of the parent company).

BASIS OF CONSOLIDATIONS AND ELIMINATIONS

Subsidiaries are consolidated on a line-by-line basis as from the date at which control is obtained and until control is transferred out of the Group.

All intragroup balances and transactions, including any unrealized gains in respect of third parties, are eliminated in full. Unrealized losses in respect of third parties deriving from intragroup transactions are eliminated, except in cases where it will not subsequently be possible to recover such losses.

Unrealized gains in respect of third parties deriving from transactions with associates are eliminated against the equity investment carrying amount. Losses are eliminated proportionately to the Group's interest, unless it will not subsequently be possible to recover such losses.

CONSOLIDATION AREA

A list of companies and how they are consolidated (line-by-line, proportionately or under equity method) is provided in the annex to these notes.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets and liabilities held for sale and discontinued operations are classified as such when their carrying amount will be recovered mainly through sale rather than through continuing use; such operations must be separate major line of business or geographical area of operation.

The conditions indicated are deemed to exist when the sale is considered highly probable and the assets and liabilities are immediately available for sale in their current condition.

Assets held for sale are recognized at the lower of their net carrying amount and fair value, less costs to sell.

PURCHASE PRICE OF BUSINESS COMBINATIONS

According to IFRS 3, the purchase price is the sum of the acquisition-date fair value of the consideration transferred and the amount of any non-controlling interests in the acquired entity. For each business combination, any non-controlling interests in the acquired entity must be measured at fair value or in proportion to their non-controlling interest in the identifiable net assets of the acquired entity.

In details, in all non-total acquisitions, the non-controlling interest was measured at fair value.

IFRS 3 provides that costs relating to the acquisition be expensed in the periods in which they are incurred and the services are received.

ALLOCATION OF THE CONSIDERATION OF BUSINESS COMBINATIONS

Goodwill is measured as the positive difference between:

- the sum of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquired entity and the fair value at the acquisition date of the equity interest in the acquired entity that the acquirer held previously; and
- the net fair value of assets and liabilities identifiable at the acquisition date.

If on initial recognition the purchase price allocation can only be determined provisionally, the allocated amounts are adjusted within twelve months of the acquisition date (measurement period).

PURCHASE OF NON-CONTROLLING INTERESTS

Acquisitions of additional shares after acquisition of control do not require re-determination of identifiable asset and liability amounts. The difference between the consideration and the acquired equity interest is recognized as equity attributable to owners of the parent. Transactions that reduce the percentage interest held without loss of control are treated as sales to non-controlling interests and the difference between the interest sold and the price paid is recognized in equity attributable to the owners of the parent.

COMMITMENTS TO PURCHASE NON-CONTROLLING INTERESTS

A put option granted to non-controlling interests of a company controlled by the Group is initially recognized by recording the purchase value as a liability, since the value in question is the present value of the put option exercise price.

The complementary acquisition of non-controlling interests with put options is recognized in the financial statements:

- the non-controlling interests to which the put option refers are eliminated from equity and reclassified under liabilities and the difference between the fair value of the purchase commitment liabilities and the carrying amount of the non-controlling interests is recognized under equity attributable to owners of the parent;
- subsequent changes in liabilities are recognized to the income statement.

TRANSACTIONS IN CURRENCIES OTHER THAN THE FUNCTIONAL CURRENCY

The functional currency of the subsidiaries located outside the Eurozone is usually the local currency.

Foreign currency transactions are initially translated into the functional currency using the exchange rate at the transaction date. At the reporting date, foreign currency monetary assets and liabilities are translated into the functional currency at the closing rate. Exchange-rate gains and losses are taken to the income statement.

Non-monetary foreign currency assets and liabilities measured at cost are translated at the exchange rate ruling at the transaction date; those measured at fair value are translated with the exchange rate at the date fair value was determined.

TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

At the reporting date, the assets, including goodwill and liabilities of consolidated companies that report in currencies other than the euro are translated into the presentation currency of the Group's consolidated accounts at the closing rate. Income statement items are translated at the average rate for the year. Gains and losses arising from the translation of opening equity at the closing rates and those arising from the different method used to translate profit or loss for the year are recognized in a specific equity item. In the event of subsequent disposal of a foreign operation, the cumulative translation differences are taken to the income statement.

PROPERTY, PLANT & EQUIPMENT

Recognition and measurement

Property, plant and equipment are recognized at cost, less accumulated depreciation and any impairment losses. Cost includes the purchase or production cost and the directly attributable costs of bringing the asset to the location and the conditions required for its operation. Production cost includes the cost of materials and direct labour costs. Finance costs relating to the purchase, construction and production of qualifying assets are capitalized. The carrying amount of some assets existing at the IFRS first-time adoption date of January 1, 2004, reflects revaluations applied in prior periods in connection with specific local laws, based on the real economic value of the assets in question. The revalued amount recognized in accordance with IFRS 1 was assumed as cost at the IAS/IFRS transition date.

Assets acquired through business combinations are stated at fair value, determined on a provisional basis at the acquisition date and subsequently adjusted where necessary within the following twelve months.

Subsequent to initial recognition, property, plant and equipment are carried at cost and depreciated over the asset's useful life, less any impairment losses.

Assets under construction are recognized at cost; depreciation begins when the assets are available for use.

When an asset consists of components with a significant cost and different useful lives, initial recognition and subsequent measurement are carried out separately for each component.

Subsequent expense

Repair and maintenance expense is normally recognized as incurred. Component replacement costs are treated as separate assets and the carrying amount of the replaced component is eliminated with a balancing entry in the income statement.

Amortisation and depreciation

Depreciation is generally calculated on a straight-line basis over the estimated useful life of each component of property, plant and equipment. Land is recognized separately from buildings erected on it and is not depreciated.

Useful life determines the depreciation rate until such time that the residual useful life is revised. The useful life range adopted for the various categories of property, plant and equipment is disclosed in the notes.

Lease

The Group must assess whether the contract is or contains a lease on the date it was entered into. The Group recognises the Right of Use and the related Lease Liability for all the lease contracts in which it acts as a lessee, with the exception of short-term ones (lease contracts with a duration of twelve months or less) and leases relating to low-value goods (i.e. goods with a value of less than 5,000 euro when new). The contracts for which this exemption has been applied fall mainly into the following categories:

- Computers, telephones and tablets;
- Printers;
- Other electronic devices;
- Furniture and fittings.

With regard to these exemptions, the Group recognises the related payments in the form of operating costs on a straight-line basis over the duration of the contract.

The lease liability is initially recognised at the present value of future payments at the start date of the contract. Since there is no implicit interest rate in most of the rental contracts entered into by the Group, the discount rate to be applied to future payments of rents was determined as the risk-free rate of each country in which the contracts are entered into, with maturities in line with the duration of the specific rental contract, increased by the credit spread that is specific to the subsidiary or Group.

Lease payments included in the Lease Liability include:

- The fixed component of lease payments, net of any incentives received;
- Payments of variable lease fees based on an index or rate, initially valued using the index or rate on the date the contract begins;

After initial recognition, the book value of the Lease Liability increases due to the interest accrued (using the effective interest method) and decreases to take into account the payments made under the lease contract.

If the contract provides for a renewal option in favour of the lessee, the SMN Group includes the lease instalments for the renewal period in the calculation of the right of use, if renewal is considered highly probable. The Group has decided to adopt some simplifications, provided for in the Standard, excluding from the treatment contracts with a duration of 12 months or less (so-called “short-term contracts”, calculated according to the residual duration on first-time adoption).

With regard to CDS-Casa della Salute Group, if a contract provides for a renewal option in favour of the lessee, the lease instalments for the renewal period are included in the calculation of the right of use, but only if there is reasonable certainty that this option will be exercised. Generally speaking, unless proven otherwise, this certainty does not exist if the investment associated with the contract envisages full repayment within the first lease period. Starting from 1 July 2024, for all lease agreements entered into, the company carries out a review to see if there is reasonable certainty that any renewal options will be exercised, for the purposes of determining the duration of the agreement and calculating the right of use in accordance with IFRS 16. There is an exception involving the contract for the central offices located in the MSC Tower (Via Balleydier, Genoa). It was agreed in previous years, so it was considered appropriate to reduce the contractual duration and exclude the renewal option.

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 recognised in accordance with IFRS 3 is allocated to the cash-generating units that are expected to benefit from the synergies created by the acquisition. Goodwill is stated at the original value less any impairment losses identified through tests carried out on an annual basis or more frequently if there are signs of impairment.

When goodwill is allocated to a cash-generating unit part of whose assets are disposed of, the goodwill associated with the sold assets is taken into account when determining any gain or loss arising from the transaction.

INTANGIBLE ASSETS

Intangible assets acquired separately are capitalized at cost, while those acquired through business combinations are recognized at fair value.

Subsequent to initial recognition, intangible assets are carried at cost amortized over the asset's useful life, less any impairment losses.

Other than goodwill, the Group has identified the trademarks of Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella and SIDI Sport as intangible assets with an indefinite useful life.

Impairment

Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment on an annual basis or more frequently if there are signs of impairment.

Property, plant and equipment and investment property, as well as intangible assets subject to amortisation, are tested for impairment if indication of impairment will emerge, in accordance with IAS 36.

Investments in associates are tested for impairment if indications of impairment emerged and in any case when there is a goodwill, in the measurement of the equity of the associate, arising from the acquisition of the associate by the Group.

An impairment loss is the difference between the asset carrying amount and its recoverable amount. Recoverable amount is the higher of fair value, less costs to sell, of an asset or cash-generating unit and its value in use, determined as the present value of future cash flows. Fair value less costs to sell is determined through application of suitable valuation models. These calculations are carried out adopting appropriate income multipliers, quoted share prices on an active market for similar enterprises, comparable transactions on similar assets or other available fair value indicators applicable to the assets being measured.

In determining value in use, assets are measured at the level of cash-generating units, on the basis of their operating allocation. For the expected cash flow approach, the discount rate is determined using the weighted average cost of capital method (WACC).

If an impairment loss on an asset other than goodwill subsequently reverses in full or in part, the asset carrying amount is increased to reflect the new estimated recoverable amount, which may not exceed the amount that would have been reflected in the absence of the impairment loss. Impairment losses and reversals of impairment losses are taken to the income statement.

Impairment losses on goodwill cannot be reversed.

FAIR VALUE MEASUREMENT

For all fair value measurements and disclosures of fair value, that are either required or permitted by IFRS, the Group applies IFRS 13. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date (i.e., an exit price). The fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the principal market, i.e., the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market to which the Group has access, i.e., the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, knowledgeable sellers and buyers who are able to enter into a transaction for the asset or the liability and who are motivated but not forced or otherwise compelled to do so. When measuring fair value, the Group considers the characteristics of the asset or liability, in particular:

- for a non-financial asset, a fair value measurement takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use;

- for liabilities and own equity instruments, the fair value reflects the effect of non-performance risk, i.e., the risk that an entity will not fulfil an obligation, including among others the credit risk of the Group itself;
- in the case of groups of financial assets and financial liabilities with offsetting positions in market risk or credit risk, managed on the basis of an entity's net exposure to such risks, it is permitted to measure fair value on a net basis.

In measuring the fair value of assets and liabilities, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

FINANCIAL ASSETS

All financial assets are recognized initially at cost at the trade date. Cost corresponds to fair value plus additional costs attributable to the purchase with the exception of financial assets held for trading (FVTPL).

All financial assets must subsequently be recognised at amortized cost or fair value based on the entity's business model for the management of financial assets and the characteristics of the financial asset's contractual cash flows.

Specifically:

- Debt instruments held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows, and which have cash flows represented only by payments of principal and interest on the amount of principal to be returned, are subsequently valued at amortised cost;
- Debt instruments held as part of a business model whose objective is achieved both through the collection of contractual financial flows and through the sale of financial assets, and which have cash flows represented only by payments of principal and interest on the amount of principal to be returned, are subsequently measured at fair value with changes recorded through other comprehensive income (FVTOCI);
- All other debt instruments and investments in equity instruments are subsequently valued at fair value with changes recognised through profit or loss (FVTPL).

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 investment funds managed by Clessidra Capital Credit SGR S.p.A. are valued at FVTPL. Although Clessidra Capital Credit SGR S.p.A. has the power to manage the fund, the variable returns on the investment for the Italmobiliare Group are linked to the shares directly owned by Italmobiliare S.p.A., in addition to those deriving from the activity of fund manager. So, in a broad sense, the Italmobiliare Group does not hold control as there is no link between the management power and the exposure to the variability of the fund's returns. Consequently, the fund manager is considered to be an agent in its management of the fund for the benefit of the unitholders of the fund.

Impairment of financial assets

As regards the impairment of financial assets, the Group has applied a model based on expected credit losses, with reference to:

- Investments in debt instruments subsequently valued at amortised cost or FVTOCI;
- Trade receivables and contract assets.

In particular, the Group measures the provision to cover losses of a financial asset at an amount equal to lifetime expected credit losses (or Lifetime ECL) if the credit risk of this financial asset has significantly increased after initial recognition, or if the financial instrument is an impaired financial asset that has been purchased or originated. However, if the credit risk of a financial instrument has not increased significantly after initial recognition, the Group has to measure the provision to cover losses for the financial instrument at an amount equal to the expected losses on receivables deriving from a default event in the next twelve months (or "12-months expected credit losses").

The Group adopts the simplified method to measure the provision to cover losses for trade receivables and contract assets by estimating the expected losses throughout the life of the receivables, also using a Group procedure that requires customer-by-customer analysis of past due loans that are unlikely to be collected.

The financial assets included in the net financial position (also "NFP") are those that accrue interest and/or have a financial counterparty (thus excluding Clessidra Factoring receivables, which are included in trade receivables). The net financial position is therefore made up of all financial assets and liabilities, with the exception of equity instruments valued at FVTOCI and Private Equity funds (also referred to below as "non-NFP"), and cash and cash equivalents.

Derecognition of financial assets

The Group derecognizes financial assets in whole or in part when:

- the contractual rights attributable to the assets in question have expired;
- it transfers the risks and rewards incidental to ownership of the asset or does not transfer and does not even substantially maintain all the risks and rewards but transfers control of the assets;
- receivables sold as a result of factoring transactions are eliminated from the statement of financial position, but only if transferred without recourse and if substantially all of the risks relating to the receivables are transferred. Receivables sold without recourse, or in any case without the transfer of all the risks, remain in the financial statements and a financial liability of the same amount is recorded under liabilities for the advance received.

INVENTORIES

Inventories are measured at the lower of purchase/production cost (using the weighted average cost method) and net realizable value.

Purchase cost includes costs incurred to bring assets to the warehouse, less allowances for write-downs of obsolete and slow-moving items.

Production cost of finished goods and semi-finished goods includes the cost of raw materials, direct labour and a portion of general production costs, determined on the basis of normal plant operations. Financial costs are not included.

The net realizable value of raw materials, consumables and supplies is their replacement cost.

The net realizable value of finished goods and semi-finished goods is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs to sell.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognized at fair value and subsequently measured at amortised cost less allowances for impairment. They are provided as bad debts when identified.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, checks, bank demand deposits and other cash investments with original maturity of not more than three months. Current account overdrafts are treated as source of financing and not as cash and cash equivalents.

The definition of cash and cash equivalents in the statement of cash flows is identical to that in the statement of financial position.

TREASURY SHARES

Treasury shares are deducted from equity. The original cost of treasury shares and income arising from any subsequent sales are treated as movements in equity.

EMPLOYEE BENEFITS EXPENSE

The Group operates pension plans, post-employment medical benefit plans and post-employment benefits.

It also has other commitments, in the form of bonuses payable to employees on the basis of length of service in some Group companies ("Other long-term benefits").

As regards the Value Creation Sharing Incentive Plan adopted by the Parent Company, which is linked to the execution of extraordinary transactions, the Company records the related costs by offsetting them against the capital gain.

Post-employment benefits

From January 1, 2007, companies with more than 50 employees at the date of introduction of the reform have an obligation to pay the new severance indemnity (TFR) flows to pension schemes chosen by the employees or, in the event that they have opted to keep these flows in the company, to a treasury account set up at INPS.

For employees of Italian companies with less than 50 employees, the severance indemnities at December 31, 2024 are configured as a defined benefit plan.

For the Group, only the severance indemnities accrued at December 31, 2006 continue to be included in the "defined benefit plans", while those accrued after that date are considered, for all employees, as a "defined contribution plan", because all of the company's obligations end with the periodic payment of a contribution to third-party entities. The portions accrued by employees who have opted to maintain their severance indemnities in the company as a defined benefit plan are an exception.

Defined contribution plans

Defined contribution plans are structured post-employment benefit programs where the Group pays fixed contributions to an insurance company or pension fund and will have no legal or constructive obligation to pay further contributions if the fund does not dispose of sufficient assets to pay all the employee benefits accruing in respect of services rendered during the current year and in previous years.

These contributions are paid in exchange for the services rendered by employees and recognized as an expense as incurred.

Defined benefit plans

Defined benefit plans are structured post-employment benefit programs that constitute a future obligation for the Group. In substance, the company assumes the actuarial and investment risks of the plan. In accordance with IAS 19, the Group uses the Projected Unit Credit Method to determine the present value of obligations and the related current service cost.

These actuarial calculations require use of consistent and objective actuarial assumptions about demographic variables (mortality rate, personnel turnover rate) and financial variables (discount rate, future increases in salaries and medical benefits).

When a defined benefit plan is funded in full or in part by contributions paid to a fund that is a separate legal entity or to an insurance company, the plan assets are estimated at fair value.

Benefit obligations are therefore recognized net of the fair value of the plan assets that will be used to settle the obligations.

Actuarial gains and losses

Actuarial gains and losses on post-employment defined benefit plans may arise as a result of changes in the actuarial assumptions used in two consecutive years or as a result of changes in the obligation value in respect of the actuarial assumptions used at the beginning of the year.

Actuarial gains and losses are recognized immediately under other comprehensive income (expense).

Actuarial gains and losses relating to "Other long-term benefits" (service medals, length of service benefits) and to early retirement benefits are recognized in profit or loss immediately.

Past service cost

Changes in liabilities resulting from a change to an existing defined benefit plan are recognized in the income statement for the year, as are costs that vest immediately upon changes to a plan.

Curtailment and settlement

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized as profit or loss when the curtailment or settlement occurs. The gain or loss includes changes in the present value of the obligation, changes in the fair value of plan assets, actuarial gains or losses and past service costs not previously accounted for.

At the curtailment or settlement date, the obligation and the fair value of the plan assets are remeasured using current actuarial assumptions.

Net finance costs

Net finance costs on defined benefit plans consist of the following measurements:

- finance costs computed on the present value of the defined benefit plan liability;
- finance income arising from measurement of the plan assets;
- finance costs or income arising from any limits on recognition of plan surpluses.

Net finance costs are determined by applying to all the above items the discount rate adopted at the beginning of the year to measure the defined benefit plan obligation.

Net finance costs on defined benefit plans are recognized under finance income/costs on the income statement.

Employment termination plans

Employment termination plans include provisions for restructuring costs recognised when the Group company in question has approved a detailed formal plan that has already been implemented or notified to the third parties concerned.

Share-based payments

Options for the subscription and purchase of shares granted by Group companies to employees and directors give rise to recognition of a cost classified under personnel expense, with a corresponding increase in equity.

In particular, options for the subscription and purchase of shares are measured at fair value at the grant date and amortised 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.

The LTI Plan accounted for by the Parent Company is set aside each year by measuring its fair value at the end of the year (recognising the cost related to each year). This plan aims to reward long-term performance measured through the achievement of two objectives: the first objective is represented by the Net Asset Value (NAV) per share; the second objective is represented by ESG Performance. The Plan provides for the assignment of a certain number of Rights to receive Phantom Stock linked to the value of the share at the end of the Performance Period in relation to the achievement of the objectives described above in the three-year reference period.

PROVISIONS

The Group recognizes provisions for risks and charges when a present or constructive obligation arises as a result of a past event, the amount of which can be reliably estimated, and use of resources is probable to settle the obligation. Provisions reflect the best estimate of the amount required to settle the obligation or transfer it to third parties at the reporting date. If the present value of the financial resources that will be used is material, provisions are determined by discounting expected future cash flows at a rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. When discounting is performed, movements in provisions due to the effect of time or changes in interest rates are recognized in financial items.

Changes in estimates are recognized in the income statement in the year in which the change occurs.

Restructuring costs are provided when the Group company concerned has approved a detailed formal plan that has already been implemented or notified to the relevant third parties.

LOANS AND BORROWINGS

Loans and borrowings are initially recognized at the fair value of the consideration paid/received less charges directly attributable to the financial asset/liability.

After initial recognition, loans and borrowings are measured at amortised cost using the effective interest-rate method.

TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables are stated initially at the fair value of the original consideration received and subsequently measured at amortized cost.

REVENUE, OTHER REVENUE, INTEREST INCOME AND DIVIDENDS

Sale of goods and services

Revenue is measured taking into account the consideration specified in the contract with the customer. The Group recognizes revenue when the control of the goods or service is transferred.

Revenue is recognized by applying a five-stage model:

- Identification of the contract with the customer;
- Identification of the performance obligations set out in the contract;
- Determination of the transaction consideration;

- Allocation of the consideration to the individual performance obligations;
- Recognition of revenue upon (or during) satisfaction of the individual performance obligation.

Revenue is recognised 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 recognised 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 recognised when the company transfers the material risks and rewards incidental to ownership of the goods to the purchaser, marking the moment that identifies the passing of control.

In the caption "Revenue and income" the sub-item "Income" includes dividends received, interest and commission income earned by the financial and banking companies, and remeasurement gains and gains realized on financial assets measured at FVTPL.

Contracts with clients generally include a single performance obligation. The performance obligation is considered satisfied:

- upon delivery of the goods for Caffè Borbone, Capitelli, SIDI Sport and Officina Profumo-Farmaceutica di Santa Maria Novella;
- for online sales by Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, Callmewine and SIDI Sport, on delivery to the distributor or shipper;
- for CDS-Casa della Salute on delivery of services;
- for Italgen, revenue is recognized on an hourly basis according to the output of the company's hydroelectric plants and existing sales contracts;
- for Italmobiliare and Clessidra, dividends are accounted for on the approval date of the investee company; interest, commissions and rents according to the terms of the individual contract (this revenue of Italmobiliare is shown in the Revenue sub-item "Other revenue and income").

Interest income

Interest income earned by companies that are not financial or banking companies is recognised as finance income on an accruals basis using the effective interest method.

Dividends

Dividends are recognized as shareholders' right to receive payment arises, in accordance with local laws, and are classified under "Net finance income (costs)", with the exception of dividends earned by banking and finance companies, which are classified under "Revenue".

COSTS

Costs are recognized on an accruals basis in accordance with the matching principle.

GOVERNMENT GRANTS

Government grants are recognized when there is a reasonable certainty that they will be received and all the requirements on which receipt depends have been fulfilled.

Grants related to the purchase or production of non-current assets (grants related to assets) are recognized as deferred income and taken to profit or loss over the useful life of the underlying assets.

DERIVATIVES

The Group uses derivatives such as options and futures to manage market risks.

Derivatives are measured and recognized at fair value.

Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The fair value of foreign-currency forward contracts is determined on the basis of the current forward exchange rates for contracts with similar maturity profiles.

The fair value of derivatives is determined using the swap curve weighted to take account of the counterparty credit risk.

The fair value of interest-rate contracts is determined on the basis of discounted flows using the zero coupon curve.

Derivatives, with the exception of those that qualify for hedge accounting, are classified under current assets and fair value gains and losses are taken directly to the income statement.

Hedging transactions

According to IFRS 9, derivatives may be designated as hedging instruments when:

- the hedging relationship is formally designated and documented at inception;
- the hedging relationship is expected to be highly effective;
- effectiveness can be reliably measured;
- the hedging relationship can pass effectiveness tests at its inception and in all the accounting periods in which it is in operation.

Cash flow hedges protect against exposure to fluctuations in cash flows attributable to a particular risk linked to a recognized liability (i.e. interest on floating rate loans). The portion of the gain or loss on the fair value hedging instrument that is determined to be an effective hedge is recognized under comprehensive income (expense), while the non-effective component is taken directly to profit or loss.

Amounts deferred in equity are transferred to the income statement when the hedged transaction affects profit or loss.

INCOME TAX

Current income taxes are provided in accordance with local tax laws in the countries where the Group operates.

Deferred tax is recognized on the basis of temporary differences between the tax base of assets and liabilities and their carrying amount in the statement of financial position.

Deferred tax liabilities are recognized on all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax assets, to the extent that it is probable that future taxable income will be available against which such differences, losses or credits may be reversed.

Taxable or deductible temporary differences do not generate recognition of deferred tax liabilities or assets only in the following cases:

- taxable temporary differences arising from the initial recognition of goodwill, except when such goodwill is tax-deductible;
- taxable or deductible temporary differences arising from initial recognition of an asset or a liability in transactions that are not business combinations and affect neither accounting profit nor taxable profit at the transaction date;

- equity investments in subsidiaries, when:
    - the Group is able to control the timing of reversal of the taxable temporary differences and it is probable that such differences will not reverse in the foreseeable future;
    - it is not probable that the deductible temporary differences will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be reversed.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that sufficient taxable income is no longer likely to be available in the future against which the assets can be used in full or in part.

Deferred tax assets and liabilities are determined at tax rates expected to apply when the deferred tax asset (liability) is realized (settled), based on rates that have been enacted or substantially enacted at the reporting date.

With reference to the possibility granted by Italian tax legislation to realign the tax value of goodwill to its book value, the directors have decided as an accounting policy not to proceed with immediate recognition in the income statement of the future tax benefit linked to the step-up.

Taxes relating to items recognized directly in equity are recognized in equity, not in the income statement.

Deferred tax assets and deferred tax liabilities are not discounted to present value.

The Parent Company has established a National Tax Consolidation contract with the main Italian subsidiaries (Punta Ala, Franco Tosi Ventures, FT2, FT3, Gres Hub, ITM Bacco, Italmobiliare Servizi, Clessidra Private Equity SGR, Clessidra Capital Credit, Clessidra Factoring, Clessidra Holding, Sirap Gema, Caffè Borbone, Capitelli, Callmewine, CDS-Casa della Salute, Casa della Salute Sardegna, CDS Medical, Officina Profumo-Farmaceutica di Santa Maria Novella, Italgen, Idrodezzo, Idroenergy, Rovale, Solar Rooftop, Solar Derthona, Sidi Sport, Gres Art, Salucom, PLV), 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:

	Average rate		Closing rate	
Currencies	**2024**	**2023**	**December 31, 2024**	**December 31, 2023**
US dollar	1.08238	1.08127	1.03890	1.10500
Swiss franc	0.95263	0.97180	0.94120	0.92600
New Romanian leu	4.97463	4.94672	4.97430	4.97560
Pound sterling	0.84662	0.86979	0.82918	0.86905
Japanese yen	163.85191	158.59259	163.06000	156.33000

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

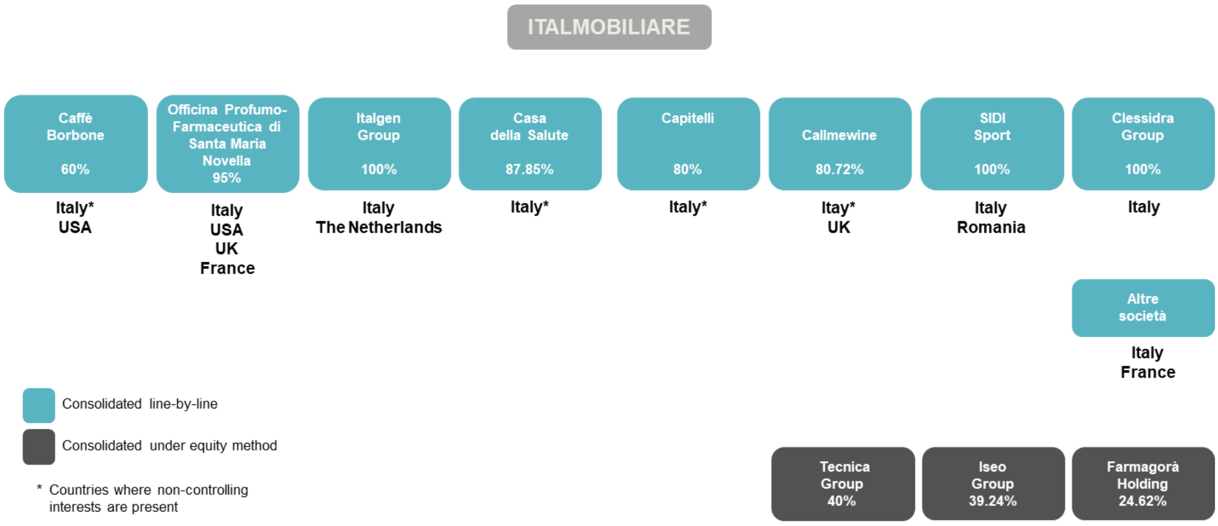
Significant events and changes in the consolidation area

The main changes with respect to December 31, 2023 are as follows:

- deconsolidation of the AGN Energia Group due to the sale completed in the first quarter of 2024;
- change in the consolidation percentage using the equity method from 24.095% to 24.622% in Farmagorà (Italy) due to capital increases not subscribed by all shareholders;
- change in the consolidation percentage using the line-by-line consolidation method from 84.734% to 87.8525% in the CDS-Casa della Salute Group due to capital increases not subscribed by all shareholders;
- change in the consolidation percentage using the line-by-line consolidation method from 80% to 80.717% in Callmewine due to capital increases not subscribed by all shareholders;
- line-by-line consolidation of Cairo Medical (Italy), 100% acquired by CDS-Casa della Salute with an investment amount of 0.8 million euro;
- line-by-line consolidation of Cairo in Salute Specialistica (Italy), 100% acquired by CDS-Casa della Salute with an investment amount of 0.4 million euro;
- line-by-line consolidation of Polo Dentale Studio Odontoiatrico (Italy), 100% acquired by CDS-Casa della Salute with an investment amount of 0.8 million euro;
- line-by-line consolidation of Centro Medico Ippocrate (Italy), 100% acquired by CDS-Casa della Salute with an investment amount of 0.5 million euro;
- initial line-by-line consolidation of Oggero (Italy), 100% acquired and subsequently merged in the third quarter of the year into CDS Medical, with an investment amount of 2.4 million euro;

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, 2024 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)	2024	2023
Revenue	334,532	300,413
Profit/(loss) for the year	36,902	48,008
Profit attributable to non-controlling interests of the Italmobiliare Group	14,761	19,203
Total comprehensive income	37,002	47,941
Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group	**14,801**	**19,176**
Non-current assets	362,185	360,451
Current assets	164,640	115,924
Non-current liabilities	(20,657)	(12,555)
Current liabilities	(131,954)	(76,599)
Net assets	374,214	387,221
Net assets attributable to non-controlling interests of the Italmobiliare Group	**149,686**	**154,888**
Dividends paid	50,000	30,000
Dividends paid to non-controlling interests of the Italmobiliare Group	**20,000**	**12,000**

The following are the figures at December 31, 2024 of the company Capitelli with a 20% non-controlling interests:

Capitelli		
(in thousands of euro)	**2024**	**2023**
Revenue	23,233	22,407
Profit/(loss) for the year	2,015	1,728
Profit attributable to non-controlling interests of the Italmobiliare Group	403	346
Total comprehensive income	2,006	1,706
Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group	**401**	**341**
Non-current assets	18,683	20,022
Current assets	7,494	8,503
Non-current liabilities	(3,794)	(5,109)
Current liabilities	(5,445)	(5,985)
Net assets	16,938	17,431
Net assets attributable to non-controlling interests of the Italmobiliare Group	**3,352**	**3,486**
Dividends paid	2,500	1,500
Dividends paid to non-controlling interests of the Italmobiliare Group	**500**	**300**

The following are the figures at December 31, 2024 of the CDS-Casa della Salute group with a 12,1475% non-controlling interests:

Casa della Salute Group		
(in thousands of euro)	**2024**	**2023**
Revenue	63,229	42,807
Profit/(loss) for the year	(7,904)	(3,814)
Profit attributable to non-controlling interests of the Italmobiliare Group	(960)	(586)
Total comprehensive income	(8,080)	(4,132)
Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group	**(982)**	**(633)**
Non-current assets	136,493	98,099
Current assets	36,516	22,187
Non-current liabilities	(87,236)	(72,425)
Current liabilities	(42,938)	(24,117)
Non-controlling interests	(497)	(460)
Net assets	42,338	23,284
Net assets attributable to non-controlling interests of the Italmobiliare Group	**5,143**	**3,569**
Dividends paid		
Dividends paid to non-controlling interests of the Italmobiliare Group		

The following are the figures at December 31, 2024 of the sub-consolidated figures of FT3, the vehicle used by the Italmobiliare Group for the acquisition of Callmewine, with a 19.283% non-controlling interests:

Consolidated FT3 and Callmewine

(in thousands of euro)	**2024**	**2023**
Revenue	11,567	13,530
Profit/(loss) for the year	(4,935)	(6,447)
Profit attributable to non-controlling interests of the Italmobiliare Group	(952)	(1,289)
Total comprehensive income	(2,315)	(6,461)
Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group	**(446)**	**(1,292)**
Non-current assets	11,623	14,325
Current assets	4,825	4,232
Non-current liabilities	(2,517)	(2,343)
Current liabilities	(4,372)	(3,075)
Net assets	9,559	13,139
Net assets attributable to non-controlling interests of the Italmobiliare Group	**1,843**	**2,628**
Dividends paid		
Dividends paid to non-controlling interests of the Italmobiliare Group		

The following are the figures at December 31, 2024 of the sub-consolidated figures of FT2, the vehicle used by the Italmobiliare Group for the acquisition of the Officina Profumo-Farmaceutica di Santa Maria Novella group, with a 5% non-controlling interests:

Consolidated FT2 and Officina Profumo-Farmaceutica di Santa Maria Novella

(in thousands of euro)	**2024**	**2023**
Revenue	69,968	56,157
Profit/(loss) for the year	7,425	6,524
Profit attributable to non-controlling interests of the Italmobiliare Group	371	326
Total comprehensive income	7,604	6,432
Total comprehensive income attributable to non-controlling interests of the Italmobiliare Group	**380**	**322**
Non-current assets	215,618	200,727
Current assets	39,719	34,027
Non-current liabilities	(27,379)	(19,639)
Current liabilities	(16,842)	(11,588)
Net assets	211,116	203,527
Net assets attributable to non-controlling interests of the Italmobiliare Group	**10,556**	**10,176**
Dividends paid		
Dividends paid to non-controlling interests of the Italmobiliare Group		

Acquisitions of subsidiaries and associates

As regards the consideration incurred for the acquisitions, please refer to the information provided in the Directors' report.

The acquisitions made during the year by CDS-Casa della Salute, consisting of companies managing outpatient clinics, had their net assets considered in line with their fair value. In most cases, the premium paid was allocated to Goodwill, as no previously unrecognised intangible assets were identified, given the characteristics of the acquired businesses.

The final allocation of the consideration paid for the company PLV is summarised below:

	100% statutory amount of companies acquired	Fair Value adjustment	Fair Value
Net property, plant & equipment and other non-current assets	170		170
Goodwill	13	452	465
Intangible assets	34		34
Trade receivables and other current assets	46		46
Cash and cash equivalents	11		11
Trade payables and other current liabilities	(157)		(157)
Provision for risks and charges and deferred tax liabilities	(32)		(32)
Employee benefits	(11)		(11)
Financial payables and other financial liabilities (current and non-current)	(81)		(81)
Fair value of net assets acquired (A)	**(7)**	**452**	**445**
Goodwill (B)	452	(452)	
Total consideration A + B	**(894)**		**445**

(in thousands of euro)	
Cash consideration	445
Cash and cash equivalents acquired	(11)
Net cash outflow arising on acquisition	**434**

The final allocation of the consideration paid for the company SA.LU.COM. 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	985		985
Goodwill		1,924	1,924
Intangible assets	1		1
Trade receivables and other current assets	186		186
Cash and cash equivalents	13		13
Trade payables and other current liabilities	(363)		(363)
Employee benefits	(3)		(3)
Financial payables and other financial liabilities (current and non-current)	(514)		(514)
Fair value of net assets acquired (A)	**305**	**1,924**	**2,229**
Goodwill (B)	1,924	(1,924)	
Total consideration A + B	**2,229**		**2,229**

(in thousands of euro)	
Cash consideration	2,229
Cash and cash equivalents acquired	(13)
Net cash outflow arising on acquisition	**2,216**

The final allocation of the consideration paid for the company Dogma is summarised below:

(in thousands of euro)	**100% statutory amount of companies acquired**	**Fair Value adjustment**	**Fair Value**
Net property, plant & equipment and other non-current assets	10		10
Goodwill		785	785
Trade receivables and other current assets	16		16
Cash and cash equivalents	255		255
Trade payables and other current liabilities	(32)		(32)
Financial payables and other financial liabilities (current and non-current)	(6)		(6)
Fair value of net assets acquired (A)	**243**	**785**	**1,028**
Goodwill (B)	785	(785)	
Total consideration A + B	**1,028**		**1,028**

(in thousands of euro)	
Cash consideration	1,028
Cash and cash equivalents acquired	(255)
Net cash outflow arising on acquisition	**773**

The final allocation of the consideration paid for the company Oggero, acquired in 2024 and subsequently merged into CDS Medical, 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	378		378
Goodwill	45	2,128	2,173
Intangible assets	(16)		(16)
Trade receivables and other current assets	150		150
Cash and cash equivalents	180		180
Trade payables and other current liabilities	(142)		(142)
Provision for risks and charges and deferred tax liabilities			
Employee benefits	(42)		(42)
Financial payables and other financial liabilities (current and non-current)	(259)		(259)
Fair value of net assets acquired (A)	**294**	**2,128**	**2,422**
Goodwill (B)	2,128	(2,128)	
Total consideration A + B	**2,422**		**2,422**

(in thousands of euro)	
Cash consideration	2,422
Cash and cash equivalents acquired	(180)
Net cash outflow arising on acquisition	**2,242**

The final allocation of the consideration paid for the company Centro Medico Ippocrate, acquired in 2024, 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	477		477
Goodwill		436	436
Trade receivables and other current assets	17		17
Cash and cash equivalents	56		56
Trade payables and other current liabilities	(32)		(32)
Employee benefits	(13)		(13)
Financial payables and other financial liabilities (current and non-current)	(472)		(472)
Fair value of net assets acquired (A)	**33**	**436**	**469**
Goodwill (B)	436	(436)	
Total consideration A + B	**469**		**469**

(in thousands of euro)	
Cash consideration	469
Cash and cash equivalents acquired	(56)
Net cash outflow arising on acquisition	**413**

The final allocation of the consideration paid for the company Cairo Salute Specialistica acquired in 2024, 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	4		4
Goodwill		387	387
Investment property	1		1
Trade receivables and other current assets	31		31
Cash and cash equivalents			
Trade payables and other current liabilities	(14)		(14)
Financial payables and other financial liabilities (current and non-current)	(21)		(21)
Fair value of net assets acquired (A)	1	387	388
Goodwill (B)	387	(387)	
Total consideration A + B	388		388

(in thousands of euro)	
Cash consideration	388
Cash and cash equivalents acquired	
Net cash outflow arising on acquisition	**388**

The final allocation of the consideration paid for the company Cairo Medical, acquired in 2024, 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	17		17
Goodwill	761	(27)	734
Trade receivables and other current assets	2		2
Cash and cash equivalents			
Trade payables and other current liabilities	(1)		(1)
Fair value of net assets acquired (A)	**779**	**(27)**	**752**
Goodwill (B)	(27)	27	
Total consideration A + B	**752**		**752**

(in thousands of euro)	
Cash consideration	752
Cash and cash equivalents acquired	
Net cash outflow arising on acquisition	**752**

The final allocation of the consideration paid for the company Polo Dentale Studio Odontoiatrico, acquired in 2024, 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	113	50	163
Goodwill		70	70
Investment property		744	744
Trade receivables and other current assets	65		65
Cash and cash equivalents	309		309
Trade payables and other current liabilities	(209)		(209)
Provision for risks and charges and deferred tax liabilities		(221)	(221)
Employee benefits	(5)		(5)
Financial payables and other financial liabilities (current and non-current)	(66)		(66)
Fair value of net assets acquired (A)	**207**	**643**	**850**
Goodwill (B)	643	(643)	
Total consideration A + B	**850**		**850**

(in thousands of euro)	
Cash consideration	850
Cash and cash equivalents acquired	(309)
Net cash outflow arising on acquisition	**541**

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, Officina Profumo-Farmaceutica di Santa Maria Novella, Italgen, CDS-Casa della Salute, Capitelli, Clessidra, Callmewine, SIDI Sport, Tecnica Group, Iseo Serrature and "Other companies", including Crédit Mobilier de Monaco, Sirap and Italmobiliare Servizi, which make up 85% of that segment's revenue).

The Group management and organisational structure reflects the disclosure by business segment described above. Identification of the operating segments is based on the elements used by Group senior management to take decisions regarding allocation of resources and evaluation of results.

The table below presents the segment data related to revenue and income and the results at December 31, 2024.

(in thousands of euro)	Revenue and income	Inter-company sales	Contribution revenue	Gross operating profit (EBITDA)	Operating profit (EBIT)	Net finance income/ (costs)	Impairment of financial assets	Share of profit (loss) of equity-accounted associates	Profit (loss) before tax	Income tax
Italmobiliare	140,146	(84,592)	55,554	105,124	104,179					
Caffè Borbone	334,532	(8)	334,524	67,500	55,302					
Officina Profumo-Farmaceutica di Santa Maria Novella	69,968	(88)	69,880	19,097	11,799					
Italgen	66,802	(3,048)	63,754	31,932	24,662			3,011		
CDS-Casa della Salute	63,229		63,229	7,485	(4,682)					
Capitelli	23,233	(1)	23,232	3,983	2,824					
Callmewine	11,567	(14)	11,553	(2,256)	(5,589)					
Clessidra	45,156		45,156	7,354	4,300					
SIDI Sport	31,684		31,684	442	(1,477)					
Tecnica Group								9,049		
AGN Energia								25,378		
Iseo								(7,532)		
Other companies	5,300	(2,496)	2,804	240	(662)			(267)		
Unallocated items and adjustments	(90,247)	90,247		(83,682)	(83,291)	(9,438)			127,566	(20,235)
Total	**701,370**		**701,370**	**157,219**	**107,365**	**(9,438)**		**29,639**	**127,566**	**(20,235)**

The table below sets out revenue and income and the results by segment for 2023:

(in thousands of euro)	Revenue and income	Inter-company sales	Contribution revenue	Gross operating profit (EBITDA)	Operating profit (EBIT)	Net finance income/ (costs)	Impairment of financial assets	Share of profit (loss) of equity accounted associates	Profit (loss) before tax	Income tax
Italmobiliare	120,416	(88,514)	31,902	67,701	66,856					
Caffè Borbone	300,413	(9)	300,404	79,673	68,214					
Officina Profumo-Farmaceutica di Santa Maria Novella	56,157	(83)	56,074	15,615	10,040					
Italgen	56,818	(2,781)	54,037	12,629	6,438			(216)		
CDS-Casa della Salute	42,807		42,807	5,064	(2,529)					
Capitelli	22,407		22,407	3,461	2,364					
Callmewine	13,530	(11)	13,519	(1,821)	(6,997)					
Clessidra	38,524		38,524	7,155	4,816					
SIDI Sport	23,806		23,806	(2,695)	(5,325)					
Tecnica Group								8,685		
AGN Energia								4,564		
Iseo								1,324		
Other companies	4,615	(2,345)	2,270	(62)	(600)			42,921		
Unallocated items and adjustments	(93,743)	93,743		(87,555)	(87,159)	(9,394)			104,002	(19,323)
Total	**585,750**		**585,750**	**99,165**	**56,118**	**(9,394)**		**57,278**	**104,002**	**(19,323)**

The table below sets out other segment figures at December 31, 2024:

	December 31, 2024		December 31, 2024			
(in thousands of euro)	**Total assets**	**Total liabilities**	**Capital expenditure**	**Non-current financial investments**	**Amortisation and depreciation**	**Impairment losses of non-current assets**
Italmobiliare	1,390,771	55,240	1,109	27,902	(945)	
Caffè Borbone	526,825	152,611	14,031		(12,198)	
Officina Profumo-Farmaceutica di Santa Maria Novella	255,337	44,221	20,527		(7,298)	
Italgen	128,762	83,419	10,274	159	(6,591)	(679)
CDS-Casa della Salute	173,009	130,174	43,014	5,036	(12,167)	
Capitelli	26,177	9,240	671		(1,159)	
Callmewine	16,448	6,889	635		(750)	(2,583)
Clessidra	297,495	257,658	9,069		(3,053)	
SIDI Sport	97,455	36,408	2,114		(1,684)	(235)
Tecnica Group	81,890					
AGN Energia						
Iseo	39,300					
Other companies	80,097	20,452	2,180	241	(982)	80
Inter-segment eliminations	(698,400)	(53,048)	(653)		390	
Total	**2,415,166**	**743,264**	**102,971**	**33,338**	**(46,437)**	**(3,417)**
From assets classified as held for sale	1,200					
Total	**2,416,366**	**743,264**	**102,971**	**33,338**	**(46,437)**	**(3,417)**

Capital expenditure in this table includes right-of-use assets coming from the IFRS 16 application.

The table below sets out other segment figures at December 31, 2023:

	December 31, 2023		December 31, 2023			
(in thousands of euro)	**Total assets**	**Total liabilities**	**Capital expenditure**	**Non-current financial investments**	**Amortisation and depreciation**	**Impairment losses of non-current assets**
Italmobiliare	1,391,487	48,091	6,657	32,688	(845)	
Caffè Borbone	476,375	89,154	10,215		(11,459)	
Officina Profumo-Farmaceutica di Santa Maria Novella	234,754	31,227	17,055	670	(5,575)	
Italgen	109,121	73,676	16,675		(6,191)	
CDS-Casa della Salute	120,286	96,542	45,129	5,290	(7,593)	
Capitelli	28,525	11,094	1,293		(1,097)	
Callmewine	18,557	5,418	1,151		(667)	(4,509)
Clessidra	229,758	191,710	2,505	5,837	(2,339)	
SIDI Sport	89,935	27,066	1,177		(1,387)	(1,243)
Tecnica Group	78,932					
AGN Energia						
Iseo	46,828					
Other companies	80,025	25,453	6,429	400	(643)	105
Inter-segment eliminations	(739,571)	(53,691)			396	
Total	**2,165,012**	**545,740**	**108,286**	**44,885**	**(37,400)**	**(5,647)**
From assets classified as held for sale	74,643					
Total	**2,239,655**	**545,740**	**108,286**	**44,885**	**(37,400)**	**(5,647)**

Capital expenditure in this table includes right-of-use assets 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	171,917	219,963	82,445	474,325
Accumulated depreciation	(42,173)	(122,814)	(32,872)	(197,859)
Carrying amount at December 31, 2024	**129,744**	**97,149**	**49,573**	**276,466**
Investments	10,260	11,913	40,991	63,164
Right-of-use assets pursuant IFRS 16	27,043	2,101	1,324	30,468
Change in the consolidation area, reclassifications, other	14,683	13,527	(26,015)	2,195
Decreases	(3,117)	(623)	(164)	(3,904)
Depreciation	(13,139)	(16,464)	(3,368)	(32,971)
Impairment losses		(798)		(798)
Translation differences	363	36	52	451
Carrying amount at December 31, 2024	**165,837**	**106,841**	**62,393**	**335,071**
Gross amount	215,931	248,541	98,277	562,749
Accumulated depreciation	(50,094)	(141,700)	(35,884)	(227,678)
Carrying amount at December 31, 2024	**165,837**	**106,841**	**62,393**	**335,071**

The net carrying amount of the right-of-use assets amounts to 94,408 thousand euro at December 31, 2024 (76,665 thousand euro at December 31, 2023) and includes buildings for 88,702 thousand euro, plant for 3,984 thousand euro and vehicles for 1,722 thousand euro.

The variations of the period are mainly linked to new investments for 93,632 thousand euro and amortisation for 32,971 thousand euro. The investments refer to the CDS-Casa della Salute group for 37,885 thousand euro, to the Italgen group for 9,557 thousand euro, to the Officina Profumo-Farmaceutica di Santa Maria Novella group for 17,735 thousand euro and to the Caffè Borbone group for 13,751 thousand euro, as further detailed in the Directors' report in the sections on individual portfolio companies.

"Other property, plant and equipment" includes assets under construction for 45,876 thousand euro.

The useful lives adopted by the Group for the main asset categories are as follows:

Civil and industrial buildings	10 - 33 years
Plant and machinery	5 - 30 years
Other property, plant and equipment	3 - 10 years

The range between the above minimum and maximum limits indicates the presence for the same asset category of different useful lives.

2) INVESTMENT PROPERTY

(in thousands of euro)	
Gross amount	17,868
Accumulated depreciation	(1,955)
Carrying amount at December 31, 2023	**15,913**
Investments	
Change in the consolidation area, reclassifications, other	1,692
Decreases	(13)
Depreciation and impairment losses	(603)
Carrying amount at December 31, 2024	16,989
Gross amount	19,439
Accumulated depreciation	**(2,450**)
Carrying amount at December 31, 2024	**16,989**

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

The increases refer to the company Gres Hub and relate to the restructuring costs of the Bergamo site.

The fair value of these investments at December 31, 2024 was 37,056 thousand euro (32,352 thousand euro at December 31, 2023). The designation of their fair value is a level 3 determined by verifying the value of comparable transactions and based on the appraisal prepared by independent external experts on an annual basis.

3) GOODWILL

(in thousands of euro)	
Carrying amount at December 31, 2023	**287,980**
Increases	2,452
Decreases	
Sales	(2,442)
Impairment losses	3,373
Translation differences and other changes	88
Carrying amount at December 31, 2024	**291,451**

The increase in goodwill is primarily due to the acquisition of companies (outpatient clinics) by the CDS-Casa della Salute Group, net of reallocations following PPAs.

Goodwill impairment test

Goodwill, coming from the acquisition method of accounting for a business combination, is allocated to cash-generating units (CGUs). The Group tests goodwill recoverability at least once a year or more frequently if there are signs of impairment. The method used to determine the recoverable amount of goodwill is described in the section "Basis of consolidation", paragraph "Impairment".

The following table shows the values of post-impairment test goodwill:

(in thousands of euro)	Carrying amount of goodwill	
Cash-generating units	December 31, 2024	December 31, 2023
Caffè Borbone	160,722	160,609
SIDI Sport	34,249	34,248
Officina Profumo-Farmaceutica di Santa Maria Novella	36,811	34,529
Casa della Salute	32,596	26,546
Callmewine	9,085	11,527
Capitelli	8,011	8,011
Other companies	9,977	12,510
Total	**291,451**	**287,980**

Caffè Borbone

The goodwill allocated to the subsidiary Caffè Borbone, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. In particular, the recoverable amount of the CGU was estimated with the assistance of an independent expert using the value in use configuration, based on the present value of future (unlevered) cash flows, net of tax, based on the 2025 budget approved by the company's Board and on the plan's financial and business projections for the period 2026-2028 prepared by its management in 2024. The 2024-2028 CAGR of revenue foreseen in the budget/plan is equal to 9.8%, compared with an actual growth rate of 12.6% in 2024 and 13.1% in 2023. The cash flows were discounted using a post-tax discount rate (WACC) of 8.3%, 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 long-term sustainable growth rate for revenue (g rate) of 2.0% was used. The test did not identify any evidence of impairment losses on goodwill.

The sensitivity analysis showed that an increase of 100 basis points (+1%) in the discount rate (WACC), even in conjunction with a 100 basis point reduction in the growth rate (g) in the terminal value, would not generate any impairment loss. In addition, a further sensitivity analysis showed that a 55% decrease in future cash flows (unlevered for the forecast period, including the terminal value), net of tax, would lead to a recoverable amount in line with the value of net invested capital.

Furthermore, also reducing the 2024-2028 growth rate of revenue (CAGR) to 5% (reduction of 4.8 percentage points compared with the 9.8% foreseen in the budget/plan), with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge. Further sensitivity analyses verified that an increase of 710 basis points (+7.1%) in the discount rate (WACC), with all other factors remaining unchanged, or alternatively, a decrease of 1,706 basis points (-17.1%) in the terminal growth rate (g), with all other factors remaining unchanged, would lead to a recoverable amount in line with the value of net invested capital.

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 future (unlevered) cash flows, net of tax, derived from the 2025 budget approved by the company's Board of Directors and the plan's financial and business projections for the period 2026-2029 prepared by its management in January 2025 (excluding the monetary impacts of store openings expected in the plan period). The 2024-2029 CAGR of revenue foreseen in the plan is equal to 18%, compared with an actual growth rate of 23.7% in 2024, 21.3% in 2023, and 55.4% in 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 account of the specific risk. For the purpose of estimating the terminal value, an annual long-term sustainable growth rate for revenue (g rate) of 2.0% was used from 2028 onwards. The test did not identify any evidence of impairment losses on goodwill.

At the same long-term growth rate (g), an increase in the discount rate of +2.6% would lead to a recoverable amount in line with the value of net invested capital. Furthermore, also by reducing the EBITDA margin of each plan year by 20% 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 25% decrease in future cash flows (unlevered for the forecast period, including the terminal value), net of tax, would lead to a recoverable amount in line with the value of net invested capital. Further sensitivity analyses verified that an increase of 263 basis points (+2.6%) in the discount rate (WACC), with all other factors remaining unchanged, or alternatively, a decrease of 445 basis points

(-4.5%) in the terminal growth rate (g), with all other factors remaining unchanged, would lead to a recoverable amount in line with the value of net invested capital.

Capitelli

The goodwill allocated to Capitelli, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. In particular, the recoverable amount of the CGU was estimated with the assistance of an independent expert using the fair value configuration based on the EV/EBITDA multiple applied to the 2025 EBITDA (adjusted compared to the EBITDA that resulted from the 2025 budget approved by the company's Board of Directors and that took into account an unusually high cost of raw materials). The test did not identify any evidence of impairment losses on goodwill. Furthermore, the estimate of the fair value on the basis of the EV/EBITDA multiple applied to the 2025 EBITDA (not adjusted) would not identify any evidence of impairment losses on goodwill.

The sensitivity analysis showed that even in the event of significant changes (-15%) in the EBITDA used, no impairment loss would emerge. A decrease in the EV/EBITDA reference multiple of approximately 59% would lead to a recoverable amount in line with the value of net invested capital.

CDS-Casa della Salute

The goodwill allocated to the CDS-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 assistance of an independent expert using the value in use configuration, based on the present value of future (unlevered) cash flows, net of tax, derived from the 2025 budget data and the financial and business projections for the period 2025-2029 updated by its management in June 2024 (excluding the monetary impacts of new diagnostic centre openings). The cash flows were discounted using a post-tax discount rate (WACC) of 11.4%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) to take into account the specific risk. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g) of 2.0% was used. The test did not identify any evidence of impairment losses on goodwill.

A further sensitivity analysis was also carried out on the basis of a version of the CDS-Casa della Salute plan which assumes that the current perimeter of the clinics stays the same; also in this case the test did not reveal any evidence of impairment of goodwill.

The sensitivity analysis showed that an increase of 100 basis points (+1%) in the discount rate (WACC) would not generate any impairment loss. Moreover, a further sensitivity analysis showed that a 27% decrease in (unlevered for the forecast period, including the terminal value) future cash flows (net of taxes) would lead to a recoverable amount in line with the value of net invested capital. Further sensitivity analyses verified that an increase of 192 basis points (+1.9%) in the discount rate (WACC), with all other factors remaining unchanged, or alternatively, a decrease of 286 basis points (-2.9%) in the terminal growth rate (g), with all other factors remaining unchanged, would lead to a recoverable amount in line with the value of net invested capital.

Callmewine

The goodwill allocated to Callmewine, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. The recoverable value was determined with the assistance of an independent expert on the basis of the multiple EV/Sales of Callmewine (specifically, the average multiple EV/Sales 2025 was used). The test identified an impairment loss on goodwill for 2,442 thousand euro.

SIDI Sport

The goodwill allocated to the SIDI Sport group, which is a single cash generating unit (CGU) for the purposes of the Italmobiliare Group consolidated financial statements, was tested for impairment in accordance with IAS 36. The recoverable amount of the CGU was estimated with the assistance of an independent expert in terms of its value in use, based on the present value of future (unlevered) cash flows - net of taxes - based on the 2025 budget data approved by the Company's Board of Directors and on the financial projections of the four-year plan for 2026-2029 developed by its management, updated to January 2025. 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. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (“g rate”) of 2.0% was used. The test did not reveal any evidence of impairment losses on goodwill. The sensitivity analysis showed that an increase of 20 basis points (+0.2%) in the discount rate (WACC) would not generate any impairment loss. Moreover, a further sensitivity analysis showed that a 3% decrease in future (unlevered) cash flows (for the explicit forecast period, including the terminal value), net of taxes, would lead to a recoverable amount in line with the value of net invested capital. Further sensitivity analyses verified that an increase of 22 basis points (+0.2%) in the discount rate (WACC), with all other factors remaining unchanged, or alternatively, a decrease of 32 basis points (-0.3%) in the terminal growth rate (g), with all other factors remaining unchanged, would lead to a recoverable amount in line with the value of net invested capital.

Other companies

With reference to the other companies, goodwill was mainly attributable to the CGU represented by the Clessidra Group and relating to Clessidra Private Equity SGR S.p.A., Clessidra Capital Credit SGR S.p.A. and Clessidra Factoring S.p.A., fully owned subsidiaries of the direct subsidiary Clessidra Holding S.p.A.

The Sum-of-the-Parts (SOTP) approach was adopted, which determines the overall recoverable amount of the operating net invested capital of the CGU. For Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A., being financial companies that perform management and investment activities and are subject to the regulatory framework provided by the specific Supervisory Authorities, the recoverable amount was determined according to an equity-side approach based on the so-called "dividend discount model" method, which involves discounting the dividends expected to be distributed by the companies in the future. In particular, the recoverable amount was estimated with the assistance of an independent expert on the basis of the Dividend Discount Model (DDM) with terminal value for Clessidra Private Equity SGR S.p.A. (2025-2029 Plan) and Clessidra Capital Credit SGR S.p.A. with the 2025-2026 Plan. For Clessidra Holding S.p.A., the recoverable amount was determined using an equity-side approach based on existing liquidity and the present value of cash flows, without terminal value, with the 2025-2029 plan. The cash flows were discounted using a Ke rate of 11.6% for Clessidra Holding S.p.A., 14.6% for Clessidra Private Equity SGR S.p.A. and 13.6% for Clessidra Capital Credit SGR S.p.A. For Clessidra Factoring S.p.A. an equity-side approach was used based on the application of the average stock market multiple for 2024-2025. The tests did not identify any evidence of impairment losses on goodwill.

The sensitivity analysis showed that an increase of 100 basis points (+1.0%) in the discount rate would not generate any impairment loss on goodwill. Furthermore, an increase in the reference rate of 1% (for Clessidra Holding S.p.A., Clessidra Private Equity SGR S.p.A., and Clessidra Capital Credit SGR S.p.A.) combined with a decrease in the 2024 P/E (for Clessidra Factoring S.p.A.) of approximately 1.0x would lead to a recoverable amount in line with the net invested capital.

Market capitalisation

During the year, Italmobiliare S.p.A. market capitalisation reported a decrease compared with December 31, 2023 (passing from 1,173.4 million euro to 1,093.0 million euro), due to the distribution of dividends and the decline in the reference stock market index (ITSTAR +5.12%), despite the positive results of the main portfolio companies.

NAV reported an increase, as explained in the Directors' report, lower than the decrease in market capitalisation; consequently, the discount against equity slightly 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	265,848	111,683	377,531
Accumulated amortisation	(6,606)	(41,732)	(48,338)
Carrying amount at December 31, 2023	**259,242**	**69,951**	**329,193**
Investments	1,930	4,957	6,887
Acquisitions after business combinations and other	5,399	(664)	4,735
Decreases		(4)	(4)
Amortisation and impairment losses	(3,539)	(9,465)	(13,004)
Translation differences	2		2
Carrying amount at December 31, 2024	**263,034**	**64,775**	**327,809**
Gross amount	272,714	115,893	388,607
Accumulated amortisation	(9,680)	(51,118)	(60,798)
Carrying amount at December 31, 2024	**263,034**	**64,775**	**327,809**

The item "Trademarks, patents and licences" mainly includes the Caffè Borbone trademark for 92,091 thousand euro and Officina Profumo-Farmaceutica di Santa Maria Novella for 124,186 thousand euro and SIDI Sport for 31,220 thousand euro.

Since an indefinite useful life (assessment revised at each balance sheet date) was attributed to the **Caffè Borbone** trademark on allocation of the acquisition price, the Group conducts an impairment test to check the recoverability of the carrying amount at least on an annual basis, or more frequently if events or circumstances suggest an impairment loss. For the impairment test at December 31, 2024, carried out with the assistance of an independent expert, the estimated recoverable amount of the trademark was based on the so-called "Relief-from-royalty-rate method", which considers the present value of the royalty flows, net of tax, that the company theoretically saves in relation to the future trend in turnover envisaged by the plan and long-term sustainable growth assumptions. Royalty flows were discounted using a discount rate (WACC) of 8.3%, 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 2.0%. The test confirmed the full recoverability of the trademark's carrying amount.

The sensitivity analysis showed that an increase of 50 basis points (+0.50%) in the discount rate, at the same royalty rate and long-term growth rate (g), would not generate any impairment loss. At the same royalty rate and long-term growth rate (g), an increase in the discount rate of approximately 1000 basis points (+10%) would lead to a recoverable amount in line with the carrying amount of the trademark. Furthermore, reducing the CAGR 2024-2028 of revenue to 5.0% (reduction of 4.8 percentage points compared with the 9.8% foreseen in the budget/plan), with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge. Further sensitivity analyses verified that an increase of 1,029 basis points (+10.3%) in the discount rate (WACC), with all other factors remaining unchanged, or alternatively, a decrease of 2,111 basis points (-21.1%) in the terminal growth rate (g), with all other factors remaining unchanged, would lead to a recoverable amount in line with the carrying amount of the trademark.

Since an indefinite useful life was attributed to the **Officina Profumo-Farmaceutica di Santa Maria Novella** trademark on allocation of the acquisition price, the Group conducts an impairment test to check the recoverability of the carrying amount at least on an annual basis, or more frequently if events or circumstances suggest an impairment loss. For the impairment test at December 31, 2024, carried out with the assistance of an independent expert, the estimated recoverable amount of the trademark was based on the so-called "Relief-from-royalty-rate method", which considers the present value of the royalty flows, net of tax, that the company theoretically saves in relation to the future trend in turnover envisaged by the plan and long-term sustainable growth assumptions. Royalty flows were discounted using a discount rate (WACC) of 12.3%, 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" (without considering the impacts of store openings). Terminal value was estimated with reference to a long-term sustainable growth rate (g rate) of 2.0%. The test confirmed the full recoverability of the trademark's carrying amount. With the same royalty and long-term growth rate (g), an increase in the discount rate of 370 basis points (+3.7%) would lead to a recoverable amount in line with the trademark's carrying amount. Furthermore, reducing the 2024-2029 revenue growth rate (CAGR) to 8.5% (a reduction of 9.5 percentage points compared to the 18.0% foreseen in the budget/plan), with the same discount rate (WACC) and growth rate (g) in the terminal value, would lead to a recoverable amount in line with the carrying amount of the trademark.

The method used for impairment testing the trademarks of **Caffè Borbone and Officina Profumo-Farmaceutica di Santa Maria Novella** is in line with that used to determine the fair value of these assets during the PPA.

Since an indefinite useful life (which is reviewed at every reporting date) was attributed to the **SIDI Sport** brand on apportionment of the consideration paid, the Group performs an impairment test to check the recoverability of the carrying amount at least once a year, or more frequently if events or circumstances suggest an impairment loss. For the impairment test at December 31, 2024, performed with the assistance of an independent expert, the estimated recoverable amount of the trademark was based on the so-called "Relief-from-royalty-rate method". This considers the present value of the royalty flows, net of tax, that the company theoretically saves in relation to the future trend in turnover and long-term sustainable growth assumptions. Royalty flows were discounted using a discount rate (WACC) of 12.3%, 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 the 2.0%. The test confirmed the full recoverability of the trademark's carrying amount.

The sensitivity analysis showed that an increase of 50 basis points (+0.50%) in the discount rate, at the same royalty and long-term growth rate (g), would not generate an impairment loss. At the same royalty rate and long-term growth rate (g), an increase in the discount rate of 110 basis points (+1.1%) would lead to a recoverable amount in line with the carrying amount of the trademark. Further sensitivity analyses verified that an increase of 113 basis points (+1.1%) in the discount rate (WACC), with all other factors remaining unchanged, or alternatively, a decrease of 208 basis points (-2.1%) in the terminal growth rate (g), would lead to a recoverable amount in line with the carrying amount of the trademark.

No impairment loss emerges even applying a different methodology than the Relief-from-royalty-rate method, i.e. the multi-period excess earnings method, which is the one used to determine the fair value of the SIDI Sport brand when allocating the consideration paid.

The item "Other intangible assets" mainly includes customer lists. The intangible asset based on the "Customer relationships" of Caffè Borbone has a net carrying amount at December 31, 2024 of 52,357 thousand euro. Given that it has a finite useful life and is subject to amortisation based on an estimated useful life of 15 years, the first assessment was whether or not there were any indication of impairment, as required by IAS 36. As an analysis of actual customer performance of the customer relationships and other relevant evidence and circumstances led to the exclusion of any presumption of impairment, we did not carry out an analytical impairment test of the customer relationships.

5) INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

This caption reflects the portions of net equity held in equity-accounted investments in associates. The main equity-accounted investments in associates are listed below:

	Carrying amount of investments		Share of profit (loss)	
(in thousands of euro)	**December 31, 2024**	**December 31, 2023**	**2024**	**2023**
Associates				
Tecnica Group	81,890	78,932	9,049	8,685
Iseo	39,300	46,828	(7,532)	1,324
AGN Energia			25,378	4,564
S.E.S.	7,500	7,500		
Dokimè				87
Florence InvestCo				41,715
Other	26,166	19,185	2,744	903
Total associates	**154,856**	**152,445**	**29,639**	**57,278**

Please note the disposal of the investment in AGN Energia, reclassified to assets held for sale at the end of the fiscal year 2023, generating a consolidated gain of 30,242 thousand euro (net of variable bonuses paid to Italmobiliare management). The item “Other” include Farmagorà and Gardawind.

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

Tecnica Group

(in thousands of euro)	2024	2023
Revenue	516,890	540,308
Profit (loss) for the year attributable to owners of the parent company	21,782	22,808
Profit (loss) for the year attributable to non-controlling interests	3,436	3,418
Profit (loss) for the year	25,218	26,226
Other comprehensive income (expense)	(9,176)	(250)
Total comprehensive income for the year	**16,042**	**25,976**
Non-current assets	173,987	165,924
Current assets	360,825	394,155
Non-current liabilities	(177,003)	(181,353)
Current liabilities	(197,116)	(227,004)
Non-controlling interests	(32,943)	(30,380)
Net assets	**127,750**	**121,342**
Equity interest	**40%**	**40%**
Equity interest at the beginning of the year	78,932	74,373
Change during the year	2,958	4,559
Equity interest at the end of the year	**81,890**	**78,932**
Dividends received in the year	2,400	4,000

Iseo

(in thousands of euro)	2024	2023
Revenue	153,922	159,709
Profit (loss) for the year attributable to owners of the parent company	2,310	4,016
Profit (loss) for the year attributable to non-controlling interests	102	137
Profit (loss) for the year	2,412	4,153
Other comprehensive income (expense)	(102)	(137)
Total comprehensive income for the year	**2,310**	**4,016**
Non-current assets	76,815	79,394
Current assets	112,487	115,091
Non-current liabilities	(36,061)	(59,711)
Current liabilities	(80,886)	(63,190)
Non-controlling interests	(1,093)	(2,642)
Net assets	**71,262**	**68,942**
Equity interest	**39,2%**	**39,2%**
Equity interest at the beginning of the year	46,828	47,531
Change during the year	(7,528)	(703)
Equity interest at the end of the year	**39,300**	**46,828**
Dividends received in the year		1,975

S.E.S. Group

(in thousands of euro)	2023*	2022**
Revenue	10,795	10,098
Profit (loss) for the year	221	(1,611)
Other comprehensive income (expense)		
Total comprehensive income for the year	**221**	**(1,611)**
Non-current assets	35,267	36,624
Current assets	16,941	16,784
Non-current liabilities	(4,118)	(5,803)
Current liabilities	(5,505)	(5,241)
Non-controlling interests		
Net assets	**42,585**	**42,364**
Equity interest net of treasury shares	**33,5%**	**33,5%**
Equity interest at the beginning of the year	7,500	6,400
Impairment		1,100
Equity interest at the end of the year	**7,500**	**7,500**
Dividends received in the year		

* Figures at December 31, 2023 ITA GAAP.

** Figures at December 31, 2022 ITA GAAP

Impairment test of associates

For the purpose of impairment testing the carrying amount of the investments in associates, the recoverable amount has been estimated in the fair value configuration on the basis of appropriate multiples derived from a sample of comparable listed companies, as further explained below. The sensitivity analysis was based on the (negative) change in the economic variables applied to the related multiples within reasonable intervals.

With regards to the associate Tecnica Group S.p.A., the recoverable amount was determined in the fair value configuration on the basis of the multiple EV/EBITDA (applied to the company's average EBITDA 2021 and 2022), in line with the provisions of the contractual option to repurchase the investment held by the controlling shareholder. In particular, reference was made to the EV/EBITDA multiple implicit in the contractual option to repurchase the investment held by the controlling shareholder, after verifying that this multiple was lower than the current market multiples referring to a sample of comparable listed companies. Since the fair value of the investment estimated on the basis of this multiple is significantly higher than the carrying amount of the investment, there is no evidence of an impairment loss on the investment. The sensitivity analysis showed that even in the event of significant changes (-20%) in the EBITDA used, there would be no evidence of impairment.

An impairment test was also carried out for the associate ISEO Serrature S.p.A. based on an estimate of its fair value. The latter was determined by applying the market multiples method (specifically, the average EV/EBITDA multiple for 2024-2025, which foresees growing EBITDA).

An adequate discount was taken into account with respect to the reference rate which consisted of the average of market multiples recorded for a sample of reference listed companies. Its measurement was defined in relation to facts and circumstances concerning the specific situation of the associate and the effective level of comparability in terms of size, profitability and risk of the listed companies that make up the sample. For Iseo, an impairment loss of 8,186 thousand euro emerged.

With regard to the investment in the associate Società Editrice Sud S.p.A. (S.E.S.), an impairment test was carried out based on an estimate of its fair value. The latter was determined by applying the market multiples method. Since there are no updates to the accounting data, nor any forward-looking indications formalized in a budget/plan document, the fair value of the investment was estimated based on the 2023 EV/Sales 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 Farmagorà Holding S.p.A., the recoverable amount was determined using the implicit value in the most recent capital transaction. The test did not identify any evidence of impairment losses on the investment.

6) OTHER EQUITY INVESTMENTS

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

(in thousands of euro)	
At December 31, 2023	**182,621**
Increases	1,224
Sales and repayments	(27,924)
Fair value changes taken to equity reserves	5,791
At December 31, 2024	**161,712**

“Increases” include the increase in the investment in Archimede for 983 thousand euro.

"Sales and repayments" mainly concern the partial disposal of Heidelberg Materials for 13,668 thousand euro, the partial disposal of New Flour for 4,012 thousand euro and the total disposal of KKR Teemo for 10,244 thousand euro.

"Fair value changes taken to equity reserves" relate essentially to Bene Assicurazioni for 8,549 thousand euro, Bacco for 6,726 thousand euro, Fin.Priv. S.p.A. for 5,809 thousand euro, Archimede for 1,970 thousand euro, Vontobel for 1,005 thousand euro, Heidelberg Materials for -2,328 thousand euro, Ariston for -2,651 thousand euro, New Flour for -2,721 thousand euro, and KKR Teemo for -10,496 thousand euro. The above amounts include both the change in the fair value for the period and the fair value differences recorded in the equity reserves following the disposals.

Other equity investments at December 31, 2024 were as follows:

(in thousands of euro)	Number of shares	December 31, 2024
Investments in listed companies		
Heidelberg Materials	5,000	597
Ariston	942,266	3,253
Vontobel	115,238	7,787
Piaggio	169,699	370
Cairo Communication	189,198	463
Can Fite	204	
Total		**12,470**
Equity investments in unlisted companies		
Bene Assicurazioni		49,600
Bacco		40,056
Fin Priv.		29,097
Archimede		17,425
Cold Chain Capital Holdings Europe		7,517
New Flour		2,418
Sesaab		600
Other		2,529
Total		**149,242**
At December 31, 2024		**161,712**

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.

With regard to the investment in Cold Chain Capital Holdings Europe S.p.A. (CCCHE), the fair value was determined by applying the market multiple method. Since there are no updates to the accounting data, nor any forward-looking indications formalised in a budget/plan document, the fair value of the investment was estimated based on the EV/EBITDA 2023 multiple obtained from a sample of listed companies in the same sector. 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.

With regard to the investment in SESAAB S.p.A., the fair value was determined by applying the market multiple method. Since there are no updates to the accounting data, nor any forward-looking indications formalised in a budget/plan document, the fair value of the investment was estimated based on the EV/EBITDA 2023 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.

With regard to the investment in the associate Bene Assicurazioni S.p.A., the fair value was determined by applying the transaction multiples method (specifically, the multiple of comparable transactions P/GWP applied to the company's Gross Written Premium (GWP) 2023 was used). Since the fair value of the investment estimated on the basis of this multiple is higher than the carrying amount of the investment, there is no evidence of impairment loss of the investment.

The decreases are related to the sale of the investments in Heidelberg Materials AG and KKR Teemo, which took place in 2024. The positive change in the fair value of other equity investments was due to the better performance of financial markets compared with the previous year. The fair value changes in FVTOCI relating to listed securities and recognised during 2024 amounted overall to -798 thousand euro.

7) TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

"Trade receivables and other non-current assets" were as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Non-current receivables	6,966	11,028	(4,062)
Financial assets at FVTPL in NFP	2,462	2,451	11
Financial assets at FVTPL not in NFP	258,380	239,369	19,011
Guarantee deposits	2,684	2,558	126
Other	1,443	1,562	(119)
Total	**271,935**	**256,968**	**14,967**

The main movements on this caption were:

- the purchase of mutual fund, bonds and private equity funds for 24,274 thousand euro;
- the partial reimbursement of private equity funds and reclassifications for disposals into trading shares for 31,057 thousand euro;
- the revaluation, net of write-downs, of private equity funds for 19,762 thousand euro;
- the decrease for exchange rates differences for 6,031 thousand euro;

“Non-current receivables” include the financial receivable from the company Archimede for 6,000 thousand euro while the item “Financial assets at FVTPL in NFP” consists of cashes for 2,462 thousand euro.

Current assets

8) INVENTORIES

"Inventories" are made up as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Raw materials, consumables and supplies	89,616	32,683	56,933
Work in progress and semifinished goods	2,093	1,649	444
Finished goods	24,730	15,074	9,656
Payments on account	305	259	46
Total	**116,744**	**49,665**	**67,079**

Inventories reported an increase mainly due to Caffè Borbone, because of the increase in the quantities and the price of raw materials for 60,670 thousand euro e the increase in the value of inventories of the SIDI Group for 4,749 thousand euro. Inventories are shown net of allowances totalling 2,184 thousand euro (2,395 thousand euro at December 31, 2023) accounted for mainly to cover the risk of slow-moving of ancillary materials, spare parts and other consumables.

Spare parts at December 31, 2024 amounted to 103 thousand euro (76 thousand euro at December 31, 2023).

9) TRADE RECEIVABLES

This caption is made up as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Factoring receivables	244,689	181,031	63,658
Other trade receivables	102,238	81,276	20,962
Impairment losses	(6,127)	(5,776)	(351)
Total	**340,800**	**256,531**	**84,269**

The change in factoring receivables is due to the expansion of Clessidra Factoring's activity.

The increase in "Other trade receivables" is mainly due to the Caffè Borbone group for 17,824 thousand euro and the CDS-Casa della Salute group for 2,254 thousand euro.

10) OTHER CURRENT ASSETS INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Receivables from employees and social security bodies	236	170	66
Tax credits	9,173	19,498	(10,325)
Prepaid expenses	4,297	3,317	980
Accrued income	59	79	(20)
Short-term derivatives	106	205	(99)
Other receivables and financial instruments	11,825	11,585	240
Other receivables	4,281	2,955	1,326
Total	**29,977**	**37,809**	**(7,832)**

Other receivables and financial instruments include loans to customers of Crédit Mobilier de Monaco and receivables from the Clessidra Private Equity and Clessidra Capital Credit funds.

Derivatives

The method adopted by the Group to determine the impact of credit/counterparty risk on its measurements at the reporting date applies a default probability to each flow in order to incorporate the adjustment for credit/counterparty risk into the measurement.

Default probabilities are computed using secondary bond market data through calculation of the implicit "Credit Default Swaps" (CDS).

The loss given default (LGD) is set at 60% in line with market standards.

The table below shows the fair value of the financial instruments recognized in the statement of financial position, subdivided by type of hedge:

	December 31, 2024		December 31, 2023	
(in thousands of euro)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest-rate derivatives hedging cash flows	76	(52)	205	
Interest-rate derivatives	**76**	**(52)**	**205**	
Derivatives on shares and securities	30			(244)
Total current instruments	**106**	**(52)**	**205**	**(244)**
Interest-rate derivatives hedging cash flows	10	(119)	77	(102)
Interest-rate derivatives hedging fair value		(47)	8	
Interest-rate derivatives	**10**	**(166)**	**85**	**(102)**
Total long-term instruments	**10**	**(166)**	**85**	**(102)**
Total	**116**	**(218)**	**290**	**(346)**

The interest-rate derivatives used to hedge cash flows are variable-rate to fixed-rate IRSs stipulated by Italgen and CDS-Casa della Salute and are designated in "hedge accounting".

Derivatives on shares and securities mainly refer to purchases of put options and sales of call options on shares in portfolio and valued at FVTOCI, not designated in "hedge accounting".

Derivatives are measured at fair value, including the impact of the counterparty risk.

11) TAX ASSETS

Tax assets amount to 16,604 thousand euro (12,010 thousand euro at December 31, 2023). The change mainly relates to withholdings on investment funds, which the Company will recover over the coming years.

12) EQUITY INVESTMENTS, BONDS AND CURRENT FINANCIAL RECEIVABLES

This caption is broken down as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Equity investments measured at FVTPL	21,980	16,679	5,301
Funds and other financial instruments	175,516	154,202	21,314
Other receivables	3,551	3,033	518
Total	**201,047**	**173,914**	**27,133**

"Funds and other financial instruments", measured at FVTPL, include the Vontobel Fund for 92,765 thousand euro (87,505 thousand euro at December 31, 2023), which increased during the year due to positive fair value changes for 5,260 thousand euro. The item includes Ordinary Treasury Bonds, held by the Parent Company for 49,458 thousand euro, resulting from new investments of 158,892 thousand euro and disposals of -139,724.

13) CASH AND CASH EQUIVALENTS

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Cash and cheques in hand	1,275	1,005	270
Bank and postal accounts	125,387	120,910	4,477
Escrow accounts	11,421		11,421
Total	**138,083**	**121,915**	**16,168**

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

There are escrow accounts of 11,4 million euro in the Parent Company.

14) ASSETS CLASSIFIED AS HELD FOR SALE

At December 31, 2024, the item includes the business unit in Idroenergy, whose disposal is expected in February 2025.

At December 31, 2023, a receivable from SA.LU.COM. for 46 thousand euro and the equity-accounted investment in the AGN Energia Group for 74,597 thousand euro (calculated based on the figures at September 30, 2023) were classified under this item because, as the group had received an offer of 100 million euro, which later materialised in February 2024, generating a gain of approximately 26 million euro before the bonus related to the Value Creation plan payable to Italmobiliare management.

EQUITY AND LIABILITIES

Share capital, reserves and retained earnings

15) SHARE CAPITAL

At December 31, 2024, 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, 2024	December 31, 2023	Change
Ordinary shares	42,500,000	42,500,000	
Total	**42,500,000**	**42,500,000**	

16) RESERVES

Share premium

It amounts to 55,607 thousand euro, with no changes compared with 2023.

Other reserves

The positive change in the fair value reserve for the period amounts to 2,991 thousand euro and refers to the change in fair value of equity investments measured at FVTOCI for 18,182 thousand euro and to the sale of equity investments measured at FVTOCI for 15,191 thousand euro.

17) TREASURY SHARES

At December 31, 2024 the carrying amount of treasury shares in portfolio stood at 5,166 thousand euro, with no changes compared with 2023. Treasury shares were as follows:

	No. ordinary shares	Carrying amount (in thousands of euro)
At the beginning of the period	**217,070**	**5,166**
At the end of the period	**217,070**	**5,166**

Dividends paid

The Parent Company Italmobiliare S.p.A. paid the following ordinary dividends in 2024 and 2023:

	2024	2023	2024	2023
	(euro per share)	(euro per share)	(in thousands of euro)	(in thousands of euro)
Ordinary shares	3,000	0,700	126,849	29,598
Total dividends			**126,849**	**29,598**

Cash outflows, also considering the dividends paid to third parties by Caffè Borbone and Capitelli, amounted to 147,349 thousand euro.

Translation reserve

This reserve includes differences on the translation of the financial statements of consolidated foreign companies. At December 31, 2024, the balance on the reserve was positive, at 2,422 thousand euro, referring to the currencies of the following countries:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
U.S. (Dollar)	925	463	462
UK (Pound Sterling)	16	(19)	35
Romania (Leu)	7	9	(2)
Japan (Yen)	(94)	106	(200)
Other countries	1,568	464	1,104
Total	**2,422**	**1,023**	**1,399**

18) NON-CONTROLLING INTERESTS

Equity attributable to non-controlling interests at December 31, 2024 amounted to 191,668 thousand euro, down by 956 thousand euro from December 31, 2023. The positive change is largely due to the profit attributable to non-controlling interests for 13,695 thousand euro and the positive change in the valuation of ITM Bacco for 2,658 thousand euro, offset by a decrease of 20,500 thousand euro for the dividend paid to the non-controlling interests of Caffè Borbone and Capitelli.

Non-current and current liabilities

19) EMPLOYEE BENEFITS

Employee benefits at December 31, 2024 amounted to 9,460 thousand euro (8,533 thousand euro at December 31, 2023).

(in thousands of euro)	Opening amount	Increases	Decreases	Translation differences	Delta in the consolidation area	Other changes	Closing amount
Defined benefit contribution plans	8,221	3,103	(2,183)		74	(126)	9,089
Provisions for long-term benefits	304	75	(16)				363
Provisions for termination benefits	8	25	(25)				8
Total	**8,533**	**3,203**	**(2,224)**		**74**	**(126)**	**9,460**

Defined benefit plans

The Group operates pension plans and other long-term benefits.

Plans in favour of employees are generally not funded.

With regard to the post-employment benefits for personnel of the Group's Italian companies, obligations in respect of post-employment benefits accrued and optioned by employees as from 2007 no longer qualify as defined benefit plans. They are treated as quotas of defined contribution plans.

In some companies in Italy, the Group also recognizes liabilities in respect of future commitments, in the form of bonuses payable to employees on the basis of length of service; these liabilities are measured with actuarial assumptions. Net liabilities for pension plans, post-employment benefit plans and termination benefit plans are determined with actuarial calculations performed by independent actuaries.

In the tables set out below, the column "Pension plans and other long-term benefits" includes, besides pension plans, post-employment benefits other than medical care, termination benefits and employee length-of-service bonuses.

The change in defined benefit obligations during the period, for the companies to which it is applicable, is made up as follows:

	Pension plans and other long-term benefits	
(in thousands of euro)	**December 31, 2024**	**December 31, 2023**
Defined benefit obligations at the end of the previous year	**8,364**	**6,672**
Reclassification from liabilities classified as held for sale		
Service cost:		
current service cost	1,655	1,323
(gains)/losses on extinguishments	(66)	
Finance costs	279	268
Cash flows:		
amounts paid by employer	(1,545)	(793)
Other significant events:		
(increase)/decrease due to business combinations, investments and disposals	55	100
Changes arising from remeasurement:		
effects due to change in financial assumptions		495
experience adjustments (change since previous measurement not in line with assumptions)	462	299
Effects due to change in exchange rates		
Defined benefit obligations at the end of the year	**9,204**	**8,364**

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:

	Europe	
(in %)	**2024**	**2023**
Discount rate	3.50	3.5
Inflation rate	2	2
Future wage and salary increases	2.29	2.35

Discount rates

The discount rate for Italy, equal to 3.5%, was determined with reference to market yields on high-quality corporate bonds, using the market yields on government bonds and the Eurozone Mercer Yield curve at December 31, 2024.

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

	Pension plans and other long-term benefits
(in millions of euro)	**December 31, 2024**
Expected plan contributions for next year	538
Benefit payment maturities:	
2025	538
2026	405
2027	419
2028	417
2029	681
2030-2034	2,658
Total	**5,656**

Sensitivity analysis

The table below sets out the sensitivity analysis for the key assumptions at December 31, 2024:

(in thousands of euro)	Pension plans and other long-term benefits	
Change	**-0.25%**	**0.25%**
Discount rate	9,507	8,920
Inflation rate	9,094	9,318
Wage and salary increases	9,111	9,301
Average duration of defined benefit obligation (in years)		**13.13**

Employment termination plans

At December 31, 2024, provisions for termination plans totalled 8 thousand euro (8 thousand euro at December 31, 2023).

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, 2024	December 31, 2023	Change
Bank loans and borrowings	100,579	82,521	18,058
Bonds		35,851	(35,851)
Other loans and borrowings			
Lease payables	70,397	58,878	11,519
Non-current financial liabilities	**170,976**	**177,250**	**(6,274)**
Fair value of hedging derivatives	166	102	64
Total non-current financial liabilities	**171,142**	**177,352**	**(6,210)**
Current loans and borrowings	218,414	118,768	99,646
Current portion of borrowings	11,468	9,003	2,465
Bonds	35,824		35,824
Other loans and borrowings	45,051	31,969	13,082
Lease payables	**10,077**	**7,186**	**2,891**
Current financial liabilities	320,834	166,926	153,908
Other current financial liabilities	7,109	6,782	327
Accrued interest expense	293	475	(182)
Fair value of derivatives	**52**	**244**	**(192)**
Total current financial liabilities	**328,288**	**174,427**	**153,861**
Total financial liabilities	**499,430**	**351,779**	**147,651**

Current financial payables are classified under "Financial liabilities" and under "Other liabilities" for approximately 7,161 thousand euro.

"Bonds" refers to the issue of the bond loan, called "Clessidra Factoring S.p.A. – floating-rate Bond Loan – 2022-2025", subscribed for a total of 35.6 million; it was issued on May 19, 2022 and expires on May 19, 2025; the bonds bear six-monthly interest in arrears at a nominal floating rate equal to the 6-month Euribor plus a spread of 3.00%. The Bond Loan is reserved exclusively for subscription by persons who fall into the category of Qualified Investors Subject to Prudential Supervision. The securities are measured at amortised cost.

The change differs from what is reported on the line “Change in financial payables” of the cash flow statement, mainly for the Italgen group.

Bank liabilities for factoring are included in “Current loans and borrowings” in current financial liabilities for 138,309 thousand euro.

There are no reverse factoring transactions.

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

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Euro	158,389	170,655	(12,266)
U.S. dollar	4,637	3,982	655
Pound sterling	2,533	605	1,928
Japanese yen	3,590		3,590
Romanian leu	**1,827**	**2,008**	**(181)**
Total	**170,976**	**177,250**	**(6,274)**

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

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
2024		1,515	(1,515)
2025		67,155	(67,155)
2026	41,148	32,799	8,349
2027	48,017	23,003	25,014
2028	24,261	18,146	6,115
2029	16,656	6,433	10,223
2030	6,710	4,179	2,531
Beyond	34,184	24,020	10,164
Total	**170,976**	**177,250**	**(6,274)**

Main bank loans, drawings on lines of credit, available lines of credit:

- Italmobiliare has available uncommitted lines of credit with a number of banks, totalling 85,6 million euro;
- In May 2020, Italgen S.p.A. took out a floating-rate loan from Intesa San Paolo with maturity on June 30, 2026; net of repayments made up to December 31, 2023, the loan had a residual amount of 3.6 million euro;
- In 2021 Italgen S.p.A. took out a loan from Banco BPM with maturity in 2028 at a fixed rate for 12.2 million euro; net of the amortisation instalments at December 31, 2023; the loan appears for a residual balance of 6.9 million euro;
- In 2022 Italgen S.p.A. took out a new floating-rate loan from BPER with maturity in 2029 for 26.0 million euro; net of the amortisation instalments at December 31, 2023, the loan appears for a residual balance of 13.2 million euro;
- In 2022, Italgen S.p.A. took out a new floating-rate loan from BNL with maturity in 2027 for 11.0 million euro. At December 31, 2023 the loan appears for a residual balance of 5.8 million euro;
- In 2017 Idrodezzo took out two floating-rate loans from Mediocredito Italiano for an original amount of 4.7 million euro, with maturity in 2032; at December 31, 2023 the loans are shown with a residual balance of 2.5 million euro;
- In 2023, Rovale took out a floating-rate loan from Banco Popolare di Sondrio for 1.8 million euro. In 2024, it took out another floating-rate loan from Banco Popolare di Sondrio for 2.8 million euro. At December 31, 2024 the loans had a residual balance of 1.6 million euro and 2.7 million euro, respectively.
- In 2024, Caffè Borbone took out a credit line with Intesa San Paolo S.p.A. for a total principal amount of 20 million euro, which matured and was simultaneously renewed in December, at an annual nominal interest rate of 3.55%, with repayment in a single instalment in March 2025.

- In 2024, Caffè Borbone utilised the credit line with Banca Nazionale del Lavoro S.p.A. for a principal amount of 20 million euro, at an agreed rate of Euribor 3M + 0.65% spread, and repayment in a single instalment by the end of February 2025;
- In 2024, Caffè Borbone utilised the credit line with Unicredit for a principal amount of 15 million euro, at an agreed rate of 3.4445%, equivalent to Euribor/act360 + spread, and repayment in a single instalment by the end in March 2025;
- Note that in December 2024, the loan with BPER bank reached maturity, and Caffè Borbone renewed it through repayment and the simultaneous reopening of a new contract for the same amount, totalling 10 million euro. The new loan provides for quarterly interest payments at an agreed rate of Euribor3M + 1%, with repayment in a single instalment by December 23, 2026.
- CDS-Casa della Salute took out a floating-rate loan from Banca Carige on July 3, 2020 with maturity in 2027 for 1.0 million euro; the loan is shown with a residual balance of 428 thousand euro;
- CDS-Casa della Salute took out a floating-rate loan from BPM on March 31, 2021 with maturity in 2027 for 2.0 million euro; the loan has a balance of 952 thousand euro;
- CDS-Casa della Salute took out a new floating-rate loan from BPM on February 24, 2022 with maturity in 2026 for 1.6 million euro; the loan is shown with a residual balance of 485 thousand euro;
- CDS-Casa della Salute took out a new floating-rate loan from BPM on October 4, 2022 2027 for 30 million euro; the loan is fully utilised, still outstanding, as it is in the pre-amortisation period;
- CDS-Casa della Salute took out a new floating-rate loan from Credit Agricole on October 9, 2024 with maturity in 2029 for 5 million euro; the loan is fully utilised, still outstanding, as it is in the pre-amortisation period.
- CDS-Casa della Salute took out a new floating-rate loan from Intesa Sanpaolo on December 17, 2024 with maturity in 2029 for 15 million euro; the loan is fully utilised, still outstanding, as it is in the pre-amortisation period.
- In 2023, Sidi Sport S.r.l. took out an unsecured loan with Banca Popolare dell'Alto Adige S.p.A. for an original amount of 1.5 million euro, with a term of 72 months and maturity on June 30, 2029. The loan is repayable in 24 quarterly instalments, with the first four in the pre-amortisation period, at an interest rate of Euribor 3M + 1.00%.
- Sidi Sport S.r.l. took out an unsecured loan on July 22, 2024 (first disbursement of 1.5 million euro) and December 19, 2024 (second disbursement of 1 million euro) with Banca Bper for a total of 2.5 million euro out of an approved amount of 4 million euro. The loan matures on September 30, 2029, and is repayable in 22 quarterly instalments, with the first five in the pre-amortisation period, at an interest rate of Euribor 3M + 1.95%. The loan is 70% guaranteed by S.A.C.E. S.p.A.;
- Sidi Sport S.r.l. stipulated on April 30, 2024 an unsecured loan with Banca delle Terre Venete for an original amount of 1 million euro with a term of 60 months and maturity on April 30, 2029. The loan is repayable in 60 monthly instalments, with the first 12 in the pre-amortisation period, at an interest rate of Euribor 1M + 1.0%.
- Callmewine took out a floating-rate loan from Bper Banca on April 27, 2023 for 1.5 million euro, with maturity in 2026 and a pre-amortisation period of 6 months. At December 31, 2024 the loan is shown with a residual balance of 900 thousand euro.

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

21) CURRENT AND NON-CURRENT PROVISIONS

Non-current and current provisions totalled 24,752 thousand euro at December 31, 2024, showing a decrease of 2,062 thousand euro from December 31, 2023.

(in thousands of euro)	Opening amount	Increases	Decreases	Translation differences	Change in the consolidation area	Other changes	Closing amount
Environmental restoration							
Disputes	30	394	(20)			203	607
Other provisions	26,784	3,549	(4,833)	1	19	(1,375)	24,145
Total	**26,814**	**3,943**	**(4,853)**	**1**	**19**	**(1,172)**	**24,752**
Non-current portion	23,019						21,957
Current portion	3,795						2,795
Total	**26,814**						**24,752**

"Other provisions" largely reflects provisions for risks from the sale of investments, provisions relating to antitrust proceedings and provisions for disputes with employees.

"Other provisions" reflects the amounts provided in connection with contractual and commercial liabilities.

As explained in previous financial reports, following the completion in recent years of various mergers and acquisitions, as the selling party, the Parent Company is subject to compensation claims by the respective purchasing parties for alleged violations of the declarations and guarantees given by the seller and/or non-fulfilment of obligations contained in the contract. In this regard, nothing took place during the period that might entail material changes to the risk provisions already made.

In Italgen, the provisions amounting to 2,470 thousand euro relate to the request from the Lombardy Region for free energy and variable fees of 2,270 thousand euro.

Appropriate provision has been made on an accrual basis for legal and tax disputes concerning other Group companies, in cases where, with respect to risks that have emerged and assessment of related risks, potential liabilities are probable and measurable.

22) NON-CURRENT TAX PAYABLES

Non-current tax payables amount to 67 thousand euro (4,489 thousand euro at December 31, 2023.

Tax disputes

In 2024, the Italian Revenue Agency reimbursed the Company an amount of approximately 7.9 million euro following sentence no. 1237 of April 5, 2023, in which the Second-Instance Tax Court of Lombardy upheld the appeals filed by the Parent Company against the CFC assessment notices for the years 2010 and 2011. Following this favourable outcome for Italmobiliare, the State Attorney's Office waived its right to appeal to the Court of Cassation. As a result, these tax assessment notices must be considered definitively closed, resulting in the reversal of the related provisions accounted for in the financial statements, amounting to approximately 4.4 million euro.

In July, the Company initiated discussions with the Italian Revenue Agency to explore the possibility of a penalty reduction settlement related to the Ansaldo dispute. In October, the Italian Revenue Agency confirmed the closure of the dispute, and Italmobiliare expects to receive a refund of approximately 4.8 million euro over the coming financial years (currently not assessable as reasonably certain).

Furthermore, on October 18, 2024, the Company was notified by post by the Municipality of Rome regarding a tax assessment for waste tax (TARI) covering the tax periods from 2018 to 2023 in relation to certain properties used as “garages” located in Rome. The amount requested, including penalties, totals approximately 67 thousand euro. The Parent Company promptly filed an appeal with the First-Instance Tax Court of Rome.

No contingent liabilities were reported.

23) DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Total deferred tax assets net of deferred tax liabilities amounted to 9,668 thousand euro at December 31, 2024, were as follows:

(in thousands of euro)	December 31, 2023	Impact on the income statement	Other changes	December 31, 2024
Tax benefit on carry-forward losses	580	1,575	(1,458)	697
Property, plant and equipment	217	(6)	(319)	(108)
Other equity investments	(186)	(2)	(120)	(308)
Inventories	975	70		1,045
Non-current provisions and employee benefits	6,787	(545)	(254)	5,988
Other	(15,685)	189	(1,486)	(16,982)
Total	**(7,312)**	**1,281**	**(3,637)**	**(9,668)**
of which:				
Deferred tax assets	11,582			12,088
Deferred tax liabilities	(18,894)			(21,756)
Total	**(7,312)**			**(9,668)**

The right-of-use assets of the entities included in the CDS-Casa della Salute group, which prepare their individual financial statements under the local Gaap, amount to 34,860 thousand euro (31,430 thousand euro at December 31, 2023) while the lease financial liabilities amount to 34,748 thousand euro (31,680 thousand euro at December 31, 2023). At December 31, 2024, the related gross deferred tax assets and liabilities would amount to 9,695 thousand euro and 9,726 thousand euro (8,839 thousand euro and 8,769 thousand euro at December 31, 2023). In the above-reported table, a net amount is presented.

The right-of-use assets (net of leaseholding improvements) of the entity Officina Profumo-Farmaceutica di Santa Maria Novella, which prepares its individual financial statements under the local Gaap, amount to 11,485 thousand euro, while the lease financial liabilities amount to 11,114 thousand euro. At December 31, 2024, the related gross deferred tax assets and liabilities would amount to 3,101 thousand euro and 3,204 thousand euro. In the above-reported table, a net amount is presented.

Deferred tax assets include amounts computed on tax losses incurred prior to the entry into the current Italian tax consolidation system by certain companies, on the basis of a forecast prepared by the companies themselves, which considers that sufficient taxable income is likely to be made in the coming years to offset the carry-forward tax losses.

At December 31, 2024, the amount of net deferred tax liabilities recorded in equity reserves was 624 thousand euro (686 thousand euro at December 31, 2023).

Unrecognised deferred tax assets relating to losses for the year and previous years amounted to 913 thousand euro (775 thousand euro at December 31, 2023); the amount referred to losses reported by Group companies not included in the Italian tax consolidation, which are unlikely to be recovered.

24) TRADE PAYABLES

"Trade payables" consisted entirely of amounts due to suppliers, and totalled 102,240 thousand euro (69,655 thousand euro at December 31, 2023), reflecting an increase due to higher activity levels of the industrial companies and extended payment terms granted to the main subsidiaries for settling supplier invoices.

25) TAX LIABILITIES

Tax liabilities amounted to 11,916 thousand euro (1,070 thousand euro at December 31, 2023) and refer mainly to amounts due to tax authorities for income taxes accrued during the period, net of the advance payments made throughout the year.

26) OTHER LIABILITIES

The balance on this caption was as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Due to employees	20,553	20,526	27
Due to social security bodies	6,858	5,754	1,104
Due to tax authorities	11,213	10,258	955
Accrued expenses and deferred income	15,585	13,509	2,076
Derivatives	52	244	(192)
Due to financial and private equity companies	7,109	6,782	327
Advances from customers	675	406	269
Due to suppliers for non-current assets	1,724	1,072	652
Other liabilities	8,182	9,992	(1,810)
Total	**71,951**	**68,543**	**3,408**

Amounts due to financial and private equity companies include payables to customers of Crédit Mobilier de Monaco and payables to Clessidra Private Equity and Clessidra Capital Credit funds.

"Other payables" include the residual debt of Italgen for the purchase of the investments in Idroenergy S.r.l. and Idrodezzo S.r.l. for 3,872 thousand euro.

COMMITMENTS

(in thousands of euro)	December 31, 2024	December 31, 2023
Collateral given		
Deposits, guarantees, sureties, commitments and other	113,442	127,902
Total	**113,442**	**127,902**

Commitments include a residual amount of 76,551 thousand euro (91,429 thousand euro at December 31, 2023) for the subscription of private equity funds. There are no irrevocable commitments for raw material purchases.

Income statement

27) REVENUE AND INCOME

Revenue from sales and services and income totalled 701,370 thousand euro, divided as follows:

(in thousands of euro)	2024	2023	Change	Change %
Industrial revenue				
Product sales	470,823	416,134	54,689	13.1%
Services provided	128,067	97,347	30,720	31.6%
Total	**598,890**	**513,481**	**85,409**	**16.6%**
Financial revenue and income				
Interest	14,971	10,282	4,689	45.6%
Dividends paid	9,133	4,032	5,101	n.s.
Gains realised and other revenue	43,404	26,544	16,860	63.5%
Commissions	34,930	31,285	3,645	11.7%
Total	**102,438**	**72,143**	**30,295**	**42.0%**
Revenue from other activities				
Other revenue	42	126	(84)	-66.7%
Total	**42**	**126**	**(84)**	**-66.7%**
Grand total	**701,370**	**585,750**	**115,620**	**19.7%**

The line item "Product sales" is mainly attributable to Caffè Borbone. The change is mainly attributable to the higher revenue of the Caffè Borbone group for 34,119 thousand euro, the Officina Profumo-Farmaceutica di Santa Maria Novella group for 13,811 thousand euro, and the SIDI Sport group for 7,878 thousand euro.

The line item "Services provided" is attributable almost exclusively to the Italgen group and the CDS-Casa della Salute group, with an increase of 9,960 thousand euro and 20,422 thousand euro, respectively.

The line item "Gains realised and other revenue" mainly refers to the Parent Company and includes revaluations of FVTPL securities for 40,984 thousand euro (22,598 thousand euro in 2023).

The item "Commissions" refers to the Clessidra Group's companies (an increase of 3,644 thousand euro) and Crédit Mobilier de Monaco.

28) RAW MATERIALS AND SUPPLIES

Raw materials and supplies amounted to 270,704 thousand euro, divided as follows:

(in thousands of euro)	2024	2023	Change	Change %
Raw materials and semifinished goods	214,189	105,699	108,490	n.s.
Fuel	3,255	3,342	(87)	-2.6%
Materials and machinery	67,152	61,053	6,099	10.0%
Finished goods	27,029	22,412	4,617	20.6%
Electricity and water	17,260	24,572	(7,312)	-29.8%
Change in inventories of raw materials, consumables and other	(58,181)	6,362	(64,543)	n.s.
Total	**270,704**	**223,440**	**47,264**	**21.2%**

The increase in "Raw materials and semifinished goods" is attributable to the increase in revenue and in the cost of raw materials, which particularly affected the Group's industrial companies.

29) SERVICES

Expense for services amounted to 136,055 thousand euro, divided as follows:

(in thousands of euro)	2024	2023	Change	Change %
Services	38,786	28,863	9,923	34.4%
Maintenance	3,968	3,971	(3)	-0.1%
Transport	21,998	20,073	1,925	9.6%
Legal fees and consultancy	22,685	18,627	4,058	21.8%
Rents	10,097	9,431	666	7.1%
Insurance	3,519	2,850	669	23.5%
Membership fees	540	400	140	35.0%
Other expense	34,462	35,868	(1,406)	-3.9%
Total	**136,055**	**120,083**	**15,972**	**13.3%**

"Other expense" largely consisted of commission expense on trading activities, communication and marketing expense, and entertainment expense, mainly relating to the Group's industrial companies.

30) PERSONNEL EXPENSES

Personnel expenses amounted to 122,671 thousand euro, broken down as follows:

(in thousands of euro)	2024	2023	Change	Change %
Wages and salaries	87,505	74,013	13,492	18.2%
Social security contributions	25,069	20,596	4,473	21.7%
Other expense	10,097	9,356	741	7.9%
Total	**122,671**	**103,965**	**18,706**	**18.0%**

The incremental change is due to the increase in the number of employees mainly in the CDS-Casa della Salute group (131 units), the Officina Profumo-Farmaceutica di Santa Maria Novella group (72 units) and the Caffè Borbone group (32 units).

"Other expense" is mainly related to costs of temporary personnel, canteen costs, employee insurance costs, travel costs and personnel training and recruitment costs.

Please note that the Long-Term Incentive Plan of the Company envisages the assignment of a specific number of rights to receive “Phantom Stocks” linked to a predefined level of Net Asset Value per share and ESG Performance, at the end of a three-year vesting period (2023-2025). The plan envisages a threshold, target and maximum performance level in relation to the underlying goal. Failure to reach at least the threshold level will mean that the right to receive the bonus is lost. The fair value of the LTI, for the first three years, plan was assessed at December 31, 2024, at 4,003 thousand euro considering the target net asset value per share (80%) and the satisfaction of the ESG performance as evaluated by the main specialised rating agencies (CDP, Sustainalytics, S&P) (20%). Overall, the “Phantom Stock Grant 2023-2025 plan” foresees the grant of 565,973 rights to 19 beneficiaries.

The number of employees is shown below:

(units)	2024	2023	Change
Number of employees at year end	1,731	1,497	234
Average number of employees	1,626	1,410	216

31) OTHER OPERATING (INCOME) EXPENSES

Other operating expenses, net of other operating income, amounted to 31,065 thousand euro, broken down as follows:

(in thousands of euro)	2024	2023	Change	Change %
Other tax	5,212	9,144	(3,932)	-43.0%
Provision for environmental restoration fund	3,651	2,746	905	33.0%
Interest expense and other expense relating to financial companies	12,466	22,352	(9,886)	-44.2%
Amounts set aside to provisions and other expense	15,014	17,439	(2,425)	-13.9%
Other income	(5,725)	(7,086)	1,361	-19.2%
Net gains from the sale of non-current assets	(357)	(17)	(340)	n.s.
Other (income) expense	804	946	(142)	-15.0%
Total	**31,065**	**45,524**	**(14,459)**	**-31.8%**

"Interest expense and other expense relating to financial companies" include write-downs and losses on financial assets valued at FVTPL and derivatives on investments for 5,919 thousand euro (13,877 thousand euro at December 31, 2023).

"Other income" mainly includes insurance indemnities, reimbursements and compensation.

32) AMORTISATION AND DEPRECIATION

The total amount of 46,437 thousand euro (37,400 thousand euro in 2023) refers to property, plant and equipment for 32,971 thousand euro (26,362 thousand euro in 2023), investment property for 603 thousand euro (374 thousand euro in 2023) and intangible assets for 12,863 thousand euro (10,664 thousand euro in 2023).

Depreciation of property, plant and equipment includes 11,249 thousand euro (9,186 thousand euro at December 31, 2023) relating to the depreciation of the right of use on leased assets, following the application of IFRS 16.

33) IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

In 2024, non-current assets and goodwill were written down by 3,417 thousand euro (write-downs for 5,647 thousand euro at December 31, 2023) mainly related to the goodwill of Callmewine.

34) FINANCE INCOME AND COSTS, NET GAINS (LOSSES) ON EXCHANGE-RATE DIFFERENCES AND DERIVATIVES

Net finance costs amount to 9,438 thousand euro. This amount is composed as follows:

	2024		2023	
(in thousands of euro)	**Income**	**Costs**	**Income**	**Costs**
Interest income	1,725		1,012	
Interest expense		(11,379)		(9,242)
Dividends and income (costs) from equity investments	4		6	(114)
Other finance income	1,538		520	
Other finance costs		(1,380)		(1,145)
Total finance income (costs)	**3,267**	**(12,759)**	**1,538**	**(10,501)**
Gains/(losses) from derivatives on interest-rate risk	17			(181)
Gains/(losses) from derivatives on exchange-rate risk			87	
Net exchange-rate differences	37			(337)
Exchange-rate differences and net gains (losses) on derivatives	**54**		**(431)**	
Total finance income (costs), exchange-rate differences and net gains (losses) on derivatives		**(9,438)**		**(9,394)**

The caption mainly consists of interest on loans for 6,603 thousand euro (5,570 thousand euro in 2023), interest expenses for the bond loan issued by Clessidra Factoring for 2,447 thousand euro, interest expenses for leases for 2,278 thousand euro following the application of IFRS 16 (1,372 thousand euro in 2023) and bank charges and commissions of 578 thousand euro (781 thousand euro in 2023).

35) IMPAIRMENT OF FINANCIAL ASSETS

In 2024, following the impairment test performed, there were no impairment losses on financial assets, as in 2023.

36) SHARE OF PROFIT/(LOSS) OF EQUITY-ACCOUNTED INVESTEES

(in thousands of euro)	2024	2023	Change	Change %
Tecnica Group	9,049	8,685	364	4.2%
Iseo	(7,532)	1,324	(8,856)	n.s.
AGN Energia	25,378	4,564	20,814	n.s.
Dokimè		87	(87)	-100.0%
CCCHE		1,869	(1,869)	-100.0%
Gardawind	3,011	(216)	3,227	n.s.
Florence		41,715	(41,715)	-100.0%
Farmagorà	(267)	(750)	483	64.4%
Total	**29,639**	**57,278**	**(27,639)**	**-48.3%**

The change was mainly due to the sale of Florence in 2023, partially offset by the disposal of AGN Energia in 2024.

37) INCOME TAX

Income tax for the period was negative for 20,235 thousand euro, analysed as follows:

(in thousands of euro)	2024	2023	Change	Change %
Current tax	32,207	20,226	11,981	59.2%
Prior-year tax and other prior-year tax items	(11,736)	2	(11,738)	n.s.
Deferred tax	(236)	(905)	669	-73.9%
Total	**20,235**	**19,323**	**912**	**4.7%**

Current tax increased proportionally to the increase in pre-tax income.

In Italy, the IRES tax rate applied by the Italian companies on estimated taxable profit for the year was 24%. Taxes for Group companies in other countries are calculated using local tax rates.

The reconciliation between the tax charge reflected in the income statement and the theoretical tax charge does not consider IRAP, since IRAP uses a taxable base other than profit before tax.

The reconciliation between the theoretical tax charge and the tax charge reflected in the income statement is set out below:

(in thousands of euro)		2024
Consolidated profit (loss) before tax relating to continuing operations		**127,566**
Current IRES tax rate		24,0%
Theoretical tax charge		**(30,616)**
Tax effect on permanent differences:		
- foreign dividends and other exempt income		14,437
- non-deductible costs		(7,696)
Net effect for the year of deferred tax assets and liabilities not recognized on temporary differences		(1,668)
Recovery in year of deferred tax assets not recognised in previous years on deductible temporary differences and/or tax losses		99
Effect of change in tax rates		(218)
Withholdings on foreign dividends		(954)
Effect of difference between Italian and foreign tax rate		109
Other changes		(1,502)
Effective income tax charge	**22.0%**	**(28,009)**
Effective IRAP tax charge		(5,085)
Other components not related to income for the year		12,859
Total income tax relating to continuing operations	**15.9%**	**(20,235)**

No offsets were made in the item "Net effect for the year of deferred tax assets and liabilities not recognized on temporary differences".

38) OTHER COMPREHENSIVE INCOME

(in thousands of euro)	Gross amount	Income tax	Net amount
Other comprehensive income			
Fair value gain/(loss) on:			
Financial assets measured at FVTOCI	20,982	(142)	20,840
Derivatives	(4,957)	64	(4,893)
Translation differences	1,387		1,387
Actuarial gains (losses) on defined benefit plans	(340)	(22)	(362)
Total other comprehensive income from continuing operations	**17,072**	**(100)**	**16,972**
Other comprehensive income from discontinued operations			
Total other comprehensive income	**17,072**	**(100)**	**16,972**

The change in financial assets measured at FVTOCI is made of 18,807 thousand euro for changes in fair value and 2,175 thousand euro for gains on sales.

39) EARNINGS PER SHARE

Earnings per share at December 31, 2024 and 2023, were determined on the Parent Company profit for the respective periods.

Basic earnings per share

The weighted average number of shares and attributable profit are shown below:

	2024	2023
(no. shares in thousands)	**Ordinary shares**	**Ordinary shares**
No. shares at January 1	42,500	42,500
Treasury shares at January 1	(217)	(217)
Weighted average number of treasury shares sold in the year		
Total	**42,283**	**42,283**
Attributable profit in thousands of euro	93,636	66,596
Basic earnings per share in euro	2.215	1.575

Profit attributable by share category was determined as follows:

	2024	2023
(in thousands of euro)	**Ordinary shares**	**Ordinary shares**
Residual profit apportioned to all shares	93,636	66,596
Total	**93,636**	**66,596**

Diluted earnings per share are not reported due to the expiration of the stock option plans and the absence of other potentially dilutive instruments in circulation.

IFRS 7

Net financial position

The net financial position at December 31, 2024 is set out below:

(in thousands of euro)	Caption	NOT NFP	NFP	Current assets	Current liabilities	Non-current assets	Non-current liabilities
Trade receivables and other non-current assets	271,935	262,022	9,913			9,913	
Other current assets including derivative financial instruments	29,977	18,046	11,931	11,931			
Investments, bonds and current financial receivables	201,047		201,047	201,047			
Cash and cash equivalents	138,083		138,083	138,083			
Non-current financial liabilities	(170,976)		(170,976)				(170,976)
Other non-current payables and liabilities	(9,086)	(8,920)	(166)				(166)
Current financial liabilities	(321,127)		(321,127)		(321,127)		
Other liabilities	(71,951)	(64,790)	(7,161)		(7,161)		
Total	**67,902**	**206,358**	**(138,456)**	**351,061**	**(328,288)**	**9,913**	**(171,142)**

The net financial position at December 31, 2024 was negative for 138,456 thousand euro, as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Current financial assets	**351,061**	**307,619**	**43,442**
Cash and cash equivalents	138,083	121,915	16,168
Derivative financial instruments	106	205	(99)
Other current financial assets	212,872	185,499	27,373
Current financial liabilities	**(328,288)**	**(174,427)**	**(153,861)**
Bank loans and overdrafts	(218,414)	(118,768)	(99,646)
Borrowings	(109,822)	(55,415)	(54,407)
Derivative financial instruments	(52)	(244)	192
Non-current financial assets	**9,913**	**11,736**	**(1,823)**
Non-current financial assets	9,903	11,651	(1,748)
Derivative financial instruments	10	85	(75)
Non-current financial liabilities	**(171,142)**	**(177,352)**	**6,210**
Borrowings	(170,976)	(177,250)	6,274
Derivative financial instruments	(166)	(102)	(64)
Total net financial position	**(138,456)**	**(32,424)**	**(106,032)**

Net financial debt as at December 31, 2024, calculated as envisaged in the Consob communication "Call for attention no. 5/21 of April 29, 2021", is positive (i.e. the net financial position is negative) for 148,369 thousand euro (positive for 44,160 thousand euro at December 31, 2023). This amount does not include non-current financial assets and includes current lease liabilities of 10,077 thousand euro and non-current lease liabilities of 70,397 thousand euro.

Non-current financial assets include receivables from customers of Credit Mobilier de Monaco and receivables from the funds of the Clessidra group.

COMPARISON BETWEEN FAIR VALUE AND CARRYING AMOUNT AND HIERARCHY

The table below compares the carrying amount and the fair value of financial assets and liabilities at December 31, 2024, divided on the basis of the new IFRS 9 categories and the related hierarchy:

	Carrying amount						Fair value			
(in thousands of euro)	FVTPL	FVTOCI	Amortised cost	FV hedges	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Other equity investments		**161,712**				**161,712**	**12,469**	**29,097**	**120,146**	**161,712**
Trade receivables and other non-current assets	**260,842**		**11,083**	**10**		**271,935**		**2,472**	**258,380**	**260,852**
Financial assets at FVTPL in NFP	2,462					2,462		2,462		2,462
Financial assets at FVTPL not in NFP	258,380					258,380			258,380	258,380
Non-current receivables			6,966			6,966				
Trade receivables			1,433			1,433				
Derivatives				10		10		10		10
Guarantee deposits			2,684			2,684				
Decrease/(increase) in trade receivables			**340,800**			**340,800**				
Current assets including derivative financial instruments			**29,871**	**106**		**29,977**		**106**		**106**
Derivatives				106		106		106		106
Trade receivables			11,825			11,825				
Other amounts due			18,046			18,046				
Equity investments, bonds and current financial receivables	**197,496**		**3,551**			**201,047**	**103,784**	**92,765**	**947**	**197,496**
NFP Equity investments FVTPL	21,980					21,980	21,980			21,980
Financial assets at FVTPL in NFP	175,516					175,516	81,804	92,765	947	175,516
Financial receivables and accruals			3,551			3,551				
Cash and cash equivalents			**138,083**			**138,083**				
Total	**458,338**	**161,712**	**523,388**	**116**		**1,143,554**	**116,253**	**124,440**	**379,473**	**620,166**
Financial liabilities										
Non-current financial liabilities					**172,298**	**172,298**		**172,298**		**172,298**
Loans and borrowings					100,876	100,876		100,876		100,876
Bond loans										
Finance lease payables					71,422	71,422		71,422		71,422
Other non-current payables and liabilities			**8,853**	**166**		**9,019**		**166**		**166**
Derivatives				166		166		166		166
Other non-current payables			8,853			8,853				
Current financial liabilities					**321,127**	**321,127**		**321,127**		**321,127**
Loans and borrowings					229,882	229,882		229,882		229,882
Bond loans					35,824	35,824		35,824		35,824
Finance lease payables					10,077	10,077		10,077		10,077
Other loans and borrowings					6,391	6,391		6,391		6,391
Other financial payables					38,953	38,953		38,953		38,953
Trade payables			**102,240**			**102,240**				
Other liabilities			**71,899**	**52**		**71,951**		**52**		**52**
Derivatives				52		52		52		52
Trade payables			7,109			7,109				
Other payables, accruals and deferrals			64,790			64,790				
Total			**182,992**	**218**	**493,425**	**676,635**		**493,643**		**493,643**

Loans and borrowings are at a floating rate, therefore their book values are reasonably in line with their fair values. Trade receivables and payables are current assets and liabilities and are carried at amounts that are reasonable approximations of their fair value. The carrying amount of finance lease payables, although at a fixed rate, approximates their fair value.

The table below compares the carrying amount and the fair value of financial assets and liabilities at December 31, 2023, divided on the basis of the new IFRS 9 categories and the related hierarchy:

	Carrying amount						Fair value			
(in thousands of euro)	FVTPL	FVTOCI	Amortised cost	FV hedges	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Other equity investments		**182,621**				**182,621**	**30,126**	**23,288**	**129,207**	**182,621**
Trade receivables and other non-current assets	**241,820**		**15,063**	**85**		**256,968**	**242**	**2,294**	**239,369**	**241,905**
Financial assets at amortised cost	2,451					2,451	242	2,209		2,451
Financial assets at FVTPL in NFP	239,369					239,369			239,369	239,369
Financial assets at FVTPL not in NFP			11,028			11,028				
Non-current receivables			1,477			1,477				
Derivatives				85		85		85		85
Guarantee deposits			2,558			2,558				
Decrease/(increase) in trade receivables			**256,531**			**256,531**				
Current assets including derivative financial instruments			**37,604**	**205**		**37,809**		**205**		**205**
Derivatives				205		205		205		205
Trade receivables			11,585			11,585				
Other amounts due			26,019			26,019				
Equity investments, bonds and current financial receivables	**170,881**		**3,033**			**173,914**	**75,218**	**94,968**	**695**	**170,881**
NFP Equity investments FVTPL	16,679					16,679	16,679			16,679
Financial assets at FVTPL in NFP	154,202					154,202	58,539	94,968	695	154,202
Financial receivables and accruals			3,033			3,033				
Cash and cash equivalents			**121,915**			**121,915**				
Total	**412,701**	**182,621**	**434,146**	**290**		**1,029,758**	**105,586**	**120,755**	**369,271**	**595,612**
Financial liabilities										
Non-current financial liabilities					**177,250**	**177,250**		**177,250**		**177,250**
Loans and borrowings					82,521	82,521		82,521		82,521
Bond loans					35,851	35,851		35,851		35,851
Finance lease payables					58,878	58,878		58,878		58,878
Other non-current payables and liabilities			**4,989**	**102**		**5,091**		**102**		**102**
Derivatives				102		102		102		102
Other non-current payables			4,989			4,989				
Current financial liabilities					**167,401**	**167,401**		**167,401**		**167,401**
Loans and borrowings					127,771	127,771		127,771		127,771
Finance lease payables					7,186	7,186		7,186		7,186
Other loans and borrowings					21	21		21		21
Other financial payables					32,423	32,423		32,423		32,423
Trade payables			**69,655**			**69,655**				
Other liabilities	**244**		**68,299**			**68,543**		**244**		**244**
Derivatives	244					244		244		244
Trade payables			6,782			6,782				
Other payables, accruals and deferrals			61,517			61,517				
Total	**244**		**142,943**	**102**	**344,651**	**487,940**		**344,997**		**344,997**

Trade receivables and payables were short-term current assets and liabilities and their book values are reasonably in line with their fair values.

Derivatives are measured and recognized at fair value.

The fair value of foreign-currency assets and liabilities is determined using the closing rates. The fair value of fixed-rate assets and liabilities is determined using a fixed rate with no credit margin, net of transaction costs directly attributable to the financial assets and financial liabilities.

In determining and documenting the fair value of financial instruments, the Group uses the following hierarchy based on different measurement methods:

- level 1: financial instruments with prices quoted on active markets;
- level 2: prices quoted on active markets for similar financial instruments, or fair value determined with other measurement methods where all significant inputs are based on observable market data;
- level 3: fair value determined with measurement methods where no significant input is based on observable market data.

Information on the fair value of financial assets and financial liabilities not measured at fair value is excluded, when carrying amount is a reasonable approximation of fair value.

Movements on level 3 financial instruments at December 31, 2024 were as follows:

		Increases					Decreases						
(in thousands of euro)	Level 3 31/12/2023	Purchases	Gains on disposals in income statement	Other gains in income statement	Gains in equity	Other changes	Sales	Repayments	Losses on disposals in income statement	Other losses in income statement	Losses in equity	Other changes	Level 3 31/12/2024
Non-current equity investments	129,207	1,224			17,411		(14,256)			(13,440)			120,146
Receivables and other non-current assets	239,369	23,694		22,089		6,032		(27,013)		(2,326)		(3,465)	258,380
Equity investments, bonds and current financial assets	695	264		147			(42)			(117)			947

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 11.1 million euro and by the CDS-Casa della Salute group for a nominal amount of 7 million euro to hedge the floating rate loans taken out by them.

Financial risk management policy and objectives

The Italmobiliare Board of Directors defines general Group principles and management policy for the Parent Company. In the other Group segments, management policy for financial risks and financial instruments is defined by the parent of each segment or by individual companies on the basis of the characteristics of the segment, and consistently with general Group principles.

The "Other companies" segment does not present material financial risks and therefore does not formulate a specific policy.

For discussion of management policies and objectives in each segment, the reader is referred to the specific section.

Notional amount of derivatives

Financial risk management is an integral part of Group asset management, and is conducted by each segment on the basis of the guidelines drawn up with reference to the type of business. The Group uses derivatives to optimize its risk/yield profile.

The notional amount of derivative contracts at December 31, 2024, is set out below, subdivided by operating segment and maturity:

	Notional amounts				
(in millions of euro)	**Italmobiliare**	**Italgen**	**CDS-Casa della Salute**	**SIDI Sport**	**Total**
Derivatives on interest rates		14.1	6.1		**20.2**
Derivatives on shares					
Derivatives on indices	12.2				**12.2**
Derivatives on commodities		1.4			**1.4**
Total	**12.2**	**15.5**			**33.8**

	Notional amounts				
(in millions of euro)	**< 1 year**	**1-2 years**	**2-5 years**	**> 5 years**	**Total**
Derivatives on interest rates	4.6	2.8	12.8		**20.2**
Derivatives on shares					
Derivatives on indices	12.2				**12.2**
Derivatives on commodities	1.4				**1.4**
Total	**18.2**	**2.8**	**12.8**		**33.8**

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, 2024:

			Maturity		
(in millions of euro)	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**Beyond**	**Total**
Total financial liabilities	(339.1)	(62.9)	(59.6)	(37.6)	**(499.2)**
Undrawn committed lines of credit	10.0		1.5		**11.5**
Cash and cash equivalents	138.1				**138.1**

The Group also has uncommitted lines of credit for 112.4 million euro.

Consolidated figures are broken down by sector as follows:

					Notional amounts							
(in millions of euro)	**ITM**	**Italgen**	**Caffè Borbone**	**Capitelli**	**SMN**	**CDS**	**CMW**	**Clessidra**	**SIDI Sport**	**Other companies**	**Eliminations**	**Total**
Total financial liabilities	(2.9)	(53.1)	(72.7)	(2.3)	(26.4)	(100.4)	(2.9)	(240.7)	(17.9)	(18.1)	38.2	**(499.2)**
Undrawn committed lines of credit						1.2	0.4		9.9			**11.5**
Cash and cash equivalents	32.5	22.6	3.8	2.6	19.6	22.3	1.4	24.5	2.9	5.9		**138.1**

At December 31, 2023:

			Maturity		
(in millions of euro)	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**Beyond**	**Total**
Total financial liabilities	(179.6)	(73.3)	(62.5)	(36.0)	**(351.4)**
Undrawn committed lines of credit	63.8				**63.8**
Cash and cash equivalents	121.9				**121.9**

The Group also has uncommitted lines of credit for 108.9 million euro.

2023 consolidated figures are broken down by sector as follows:

	Notional amounts											
(in millions of euro)	**ITM**	**Italgen**	**Caffè Borbone**	**Capitelli**	**SMN**	**CDS**	**CMW**	**Clessidra**	**SIDI Sport**	**Other companies**	**Eliminations**	**Total**
Total financial liabilities	(4.9)	(45.8)	(20.5)	(3.3)	(19.3)	(76.3)	(2.0)	(175.3)	(11.4)	(15.0)	22.4	**(351.4)**
Undrawn committed lines of credit	0.1	15.5				1.8		40.0	6.4			**63.8**
Cash and cash equivalents	18.2	9.4	37.6	3.1	16.3	10.0	0.8	20.6	0.7	5.2		**121.9**

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, 2024:

(in millions of euro)	
Balance at December 31, 2024	
Fixed-rate financial liabilities	(101.0)
Fixed-rate financial assets	27.4
Fixed rate NFP at inception	**(73.6)**
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	(21.2)
Fixed rate NFP after hedging	**(94.8)**
Floating-rate financial liabilities	(384.4)
Floating-rate financial assets	11.6
Floating rate NFP at inception	**(372.8)**
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	21.2
Floating rate NFP after hedging	**(351.6)**
Net fair value of derivatives	
Other instruments not subject to interest-rate risk	307.9
Total NFP	**(138.5)**

CURRENCY RISK

The table below details consolidated net exposure by currency, showing financial assets and liabilities denominated in currencies other than the local currency.

(in millions of euro)	USD (*)	GBP (*)	Other (*)
Financial assets (**)	102.0	3.5	7.8
Financial liabilities (**)			
Net exposure by currency	**102.0**	**3.5**	**7.8**

(*) 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, 2024	December 31, 2023	Change
Investments at FVTOCI	12,469	30,126	(17,657)
Equity investments FVTPL	21,980	16,679	5,301
Overall exposure	**34,449**	**46,805**	**(12,356)**

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	20.8	Baa1	4.52
Cash and cash equivalents	32.5	n/a	n/a
Other financial assets	312.2	n/a	n/a
Derivatives on shares		n/a	< 1

(*) determined on first call

Assuming a parallel shift of +100 bps in the credit curve of Credit Default Swap, the estimated total change in financial instruments would be -0.6 million euro, reflected entirely in the income statement.

Deposits are subject to counterparty risk, but a shift of +100 bps in the curve would not have an impact on the amount thereof.

Other financial assets and derivatives are excluded from the sensitivity analysis since their fair value does not depend on the creditworthiness of the counterparty.

Liquidity risk

Italmobiliare risk management policy is designed to optimize financial resources through effective management (in terms of maturities, costs and liquidity) of the segment's assets and liabilities.

The Net Financial Position (hereinafter "NFP") at December 31, 2024 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.

	Maturity				
(in millions of euro)	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**Beyond**	**Total**
Total financial liabilities	(1.2)	(1.1)	(0.5)		**(2.8)**
Total financial assets	57.3	1.1	42.2	176.0	**276.6**
Total NFP	**56.1**		**41.7**	**176.0**	**273.8**
Undrawn committed lines of credit					

The Net Financial Position at December 31, 2024 is equal to 273,758 thousand euro and is set out below:

(in thousands of euro)	Caption	Not NFP	NFP	Current assets	Current liabilities	Non-current assets	Non-current liabilities
Trade receivables and other non-current assets	308,638	263,961	44,677			44,677	
Other current assets including derivative financial instruments	1,155	1,124	31	31			
Investments, bonds and current financial receivables	199,420		199,420	199,420			
Cash and cash equivalents	32,520		32,520	32,520			
Non-current financial liabilities	(553)		(553)				(553)
Current financial liabilities	(2,337)		(2,337)		(2,337)		
Other liabilities							
Total	**538,843**	**265,085**	**273,758**	**231,971**	**(2,337)**	**44,677**	**(553)**

Any short-term drawings on committed lines of credit are reclassified on expiry of the respective facility.

Uncommitted lines of credit available amount to 85.6 million euro, while the residual commitment to subscribe to private equity funds amounts to 76,551 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, 2024, and exposure to interest-rate risk; reference should be made to the specific note for a detailed breakdown of the NFP.

(in millions of euro)	
Balance at December 31, 2024	
Fixed-rate financial liabilities	(0.8)
Fixed-rate financial assets	1.0
Fixed rate NFP at inception	**0.2**
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
Fixed rate NFP after hedging	**0.2**
Floating-rate financial liabilities	(1.0)
Floating-rate financial assets	39.0
Floating rate NFP at inception	**38.0**
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
Floating rate NFP after hedging	**38.0**
Assets not exposed to interest-rate risk	236.7
Liabilities not exposed to interest-rate risk	(1.1)
Total NFP	**273.8**

Floating-rate assets include cash and cash equivalents, amounts due from Group companies and floating-rate bonds; fixed-rate liabilities include amounts due to third parties and Group companies and lease liabilities.

A sensitivity analysis was carried out to determine the change in the fair value of the total net financial position caused by an instantaneous shift of 100 bps in forward interest rates (assuming a parallel shift in the curve). Modified Duration was used as the sensitivity criterion. The analysis found an overall estimate of -1.8 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, 2024, listed financial assets exposed to price risk amounted to 34.5 million euro, of which 12.5 million euro measured at FVTOCI and 22 million euro measured at FVTPL.

A hypothetical reduction of 5% in share prices would have a negative impact of 1.7 million euro on the assets' fair value, of which 0.6 million euro on equity and 1.1 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	22.0	-5%	(1.1)	
Shares at FVTOCI	12.5	-5%		(0.6)

Other risks

CYBER SECURITY

Cyber security risk is one of the risks subject to periodic evaluation and continuous monitoring by the Parent Company. Also during 2024, specific activities were carried out and planned, such as audits, training sessions and interventions aimed at strengthening or adopting organisational, procedural and technological measures to mitigate this type of risk. To this end, a security governance framework valid for the entire Group has also been defined, which provides for periodic follow-ups to verify the status of adoption including by the Parent Company.

CLIMATE CHANGE

Italmobiliare leads the Group's decarbonisation strategy. To this end, it has equipped itself with appropriate governance tools, defining science-based reduction targets that have been validated by the Science Based Target initiative (SBTi). These targets are publicly communicated and, with reference to the base year 2023, cover 76% of NAV and 100% of the carbon footprint of the entire investment portfolio.

The Code of Ethics explicitly commits Italmobiliare to adopt and promote environmental policies and actions to contribute in the fight against climate change, with decarbonisation initiatives aligned with the Science Based Targets initiative and the principles of climate justice, across all Group companies, tailored to specific sectors.

The “Guiding Principles” of the Sustainability Policies commit Italmobiliare to pursue the reduction of greenhouse gas emissions along the entire value chain, defining science-based objectives in line with the Paris Agreement and the principles of climate justice. The “Energy and Climate” Policy provides further implementation details for ambitious climate action, through science-based emissions reduction targets, which guide the Group towards a net-zero economy, promoting its sustainable growth.

In addition to excluding the most critical activities and sectors from investments (negative screening), the Responsible Investment Policy explicitly refers to the contribution to SDG 13 “Climate Action” among the value creation objectives, providing for all eligible investments to adhere to the Science Based Targets initiative and the activation of decarbonisation strategies.

With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations or sponsorships to contribute to the fight against climate change, with decarbonisation initiatives aligned with the Science Based Targets initiative and climate justice principles.

Italmobiliare systematically assesses the exposure of its investment portfolio to climate risks and the strategic and operational resilience of its business model and of its direct and indirect assets. To this end, Italmobiliare uses as a point of reference the risk definitions proposed by the Guidelines of the Task Force on Climate Related Financial Disclosures (TCFD). Over the years, the evaluation process has been refined, assisting and involving the most significant portfolio companies in identifying risks and opportunities related to the scenarios adopted or performing outside-in evaluations on the other entities. The aim is to assess the ability of the portfolio investments to adapt to climate change and to seize climate-related opportunities, including the ability to respond and adapt to transition and physical risks.

The analysis is supported by the use of scenarios, extended over short, medium and long-term time horizons. Physical risks are identified with respect to the “Current Policies” scenario (+3°C), defined by the Network for Greening the Financial System (NGFS). Transition risks are identified with respect to the scenario chosen as a strategic reference, i.e. "Net Zero 2050” (+1.5 °C) of the NGFS. In particular, the choice of the strategic scenario “Net Zero 2050” is consistent with the SBTi commitment. Furthermore, Italmobiliare has adopted the shadow price curve as an effective point of reference for quantifying in financial terms the evolution of political pressure, market preferences, available technologies and abatement costs.

The assessment of climate risks is systematically included in the annual risk assessment with the coordination of the Internal Audit Department, which is responsible for risk management, and the support of the Sustainability Department. The assessment extends to the entire value chain over a time horizon of up to at least ten years and adopts a precautionary approach, preferring to overestimate risks and activate improvement processes that go well beyond mitigation. The results are presented to the Control and Risk Committee and approved by the Board of Directors.

The impact of physical risks (“physical risk rating”) on direct and indirect assets is assessed on the basis of geographical exposure and specific characteristics of activities and operating sites, such as resilience to events, backup possibilities, supply chain diversification and the presence of insurance. To define its materiality, the financial dimension of the risk, estimated from the physical risk rating and the probability of occurrence, is compared with the financial dimension of each investment assessed to quantify its material effects on the NAV. Overall, the Company's direct assets are not particularly exposed to physical risks. In any case, Italmobiliare uses its control levers to promote the adoption or updating of mitigation and adaptation measures across the entire investment portfolio, supported by budgets and strategic planning. Italmobiliare also pays particular attention to investments in sectors that depend on agri-food commodities or ecosystem services, also considering the impacts on the supply chain. To this end, Italmobiliare uses its control levers to ensure that investment portfolio companies carefully monitor upstream operators, differentiating and creating alternatives in supplies, and engage them in mitigation initiatives.

Exposure to transition risks ("transition risk rating") depends on the ability to see and govern a complex set of critical factors along the entire value chain, including increasing transparency requirements on climate strategies and performance, the progressive entry into force of regulations directly or indirectly oriented towards the net-zero scenario, competition on business and consumer markets, technological developments in sectors and the adoption of decarbonisation strategies aligned with the Paris Agreement, such as those based on SBTi. To define its materiality, the financial dimension of the risk - i.e. the distance from the “Net Zero 2050” scenario, estimated by combining carbon footprint, transition risk rating and shadow price in the short, medium and long term - is compared with the financial dimension of each investment assessed to quantify its material effects on the NAV. The Company's direct or indirect assets are exposed in different ways. In any case, Italmobiliare uses its control levers to activate decarbonisation paths supported by budgets and strategic planning in all investments.

The items on which physical and/or transition risks could have a greater impact are identified in investments and other financial assets. With regard to investments, these risks are factored into the business plans used for the impairment test, or into the related sensitivities. In relation to other financial assets, physical and/or transition risks are factored into the determination of fair value. For further details, see the relevant section.

The section on Sustainability Reporting contains details on the main risks that have been identified and, above all, the numerous mitigation measures that have been adopted, refined or integrated, on the Group's carbon footprint including category 15 "investments" and on progress towards the SBTi objectives.

CAFFÈ BORBONE

Risk management policies

By its nature, the Group is exposed daily to risks deriving from its own activity, whether they are connected to the more traditional area of hygiene/health risk that can affect the quality of the products, to risks that may affect the health and safety of those directly or indirectly involved in the production process.

OBJECTIVES

The Group places among its objectives the ability to prevent and control the spread of risks associated with operating activities, with particular attention to the quality of its products to protect the health of consumers.

This occurs through "exclusion" and "precaution" interventions during the programming phase, to "prevention" interventions in the production processes.

FINANCIAL INSTRUMENTS

The financial instruments adopted by the company are intended solely to provide it with the funds required to carry on its business. Consequently, amounts, terms and conditions of financial instruments are designed to meet the needs of the operations to which they refer.

Credit risk

The Group has established procedures for constant vetting of the creditworthiness of its customers, to whom it grants extended terms of payment, and limits product sales to customers with inadequate creditworthiness and guarantees. Customer vetting is based on the collection of data and information on new customers, and on monthly analyses of individual credit positions in order to check for any anomalies in average collection time, with investigation of material bad debts. The company has also arranged insurance cover against credit risk.

In addition to assessing the specific risk towards certain credit positions, the Group also carries out analyses of probable default of an overall nature, in relation to the ageing of the receivable.

In this regard, note that during 2024 the Group increased the provision for bad and doubtful accounts by 188 thousand euro to align the nominal amount, mainly of some specific credit positions, with the estimated realisable amount. Receivables amount to 56,698 thousand euro, while the allowance for doubtful accounts comes to 5,469 thousand euro.

Liquidity risk

The Group manages liquidity risk through an efficient liquidity management policy and planning designed to establish short-term financial commitments as well as extraordinary measures to identify the most appropriate hedging solutions.

The table below sets out the NFP by maturity (residual life) compared with financial assets:

	Maturity				
(in millions of euro)	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**Beyond**	**Total**
Total financial liabilities	(58.5)	(14.2)			**(72.7)**
Total financial assets	3.8				**3.8**
Total NFP	**(54.7)**	**(14.2)**			**(68.9)**

Market risks

INTEREST RATE RISK

Interest rate risk is the risk of changes in the value or future cash flows of a financial instrument, due to changes in interest rates.

Since part of the loans granted are not covered by swap derivative instruments, the company is exposed to interest rate risk.

CURRENCY RISK

The segment is exposed to currency risk particularly as regards the euro/dollar exchange, since coffee-bean prices are quoted in dollars.

The risks of a rise in raw material prices are managed through appropriate commercial strategies contemplating corresponding adjustments to price lists where necessary.

Caffè Borbone did not subscribe any derivative contracts to hedge against this risk.

OTHER PRICE RISKS

This category includes risks related to fluctuations in market prices, which may have a material impact on the value or future cash flows of the Group.

Specifically, the segment is exposed to variations in the price of coffee, plastic and paper. The prices of these production factors and related market indicators are monitored continually in order to mitigate negative impact on results of operations through appropriate commercial strategies contemplating corresponding adjustments to price lists where necessary.

Other risks

CLIMATE CHANGE

Caffè Borbone integrates the ESG risk assessment with specific climate risk assessments, according to the methodology defined at Italmobiliare Group level, which was further refined in 2024. The risks that were identified helped to confirm the mitigation initiatives already in progress or to define further action plans aimed at transforming risks into opportunities. In the sustainability reporting, Caffè Borbone was identified as being exposed to physical and transition climate risks in a significant way for the company itself, i.e. with potential financial effects exceeding 10% of its EBITDA, and for the Italmobiliare Group, i.e. with potential financial effects exceeding 1.5% of the overall NAV (for further details, see page 124, section dedicated to Caffè Borbone).

Exposure to physical climate risks is linked to the supply chain, which is highly dependent on agricultural commodities (coffee) that are inherently exposed to physical risk. In fact, the supply of green coffee comes from countries in tropical or sub-tropical areas, subject to significant events related to climate change. In 2024, the main countries of origin of the coffee used were Uganda, Vietnam, Brazil and India. Vietnam and India, in particular, are classified as being in extremely vulnerable geographic-climatic zones.

Caffè Borbone mitigates these risks mainly by maintaining systematic contacts with strategic suppliers, diversifying geographical supply origins, maintaining flexibility in raw coffee stocks and assessing appropriate hedging strategies. The possible effects on the market are mitigated thanks to the widespread presence of sales channels by strengthening the sales network and central structures and continuous monitoring of margins and pricing policies.

Exposure to transition risk is related to both direct and indirect aspects. The direct aspects are market risks, connected to the potential reduction in demand for single-serve products due to the growing sensitivity of distributors and consumers to the sustainability of the product. This with particular attention to the carbon footprint, which depends on the origin of the coffee from sustainable and low-carbon crops, the use of compostable and/or lower plastic content primary packaging, the use of secondary packaging from low-carbon supply chains and the product mix.

Indirect aspects are policy or technological risks, connected to the increase in the costs of supplying goods (raw materials or process machinery) and services (logistics) due to the costs incurred by suppliers as a result of current or upcoming regulations, such as: anti-deforestation (EUDR), supply chain due diligence (CSDDD), packaging and packaging waste regulation (PPWR), emissions trading (ETS) and fuel regulations (Green Mobility - EU Maritime Fuel Regulation).

Caffè Borbone has responded to the challenge of climate transition by joining the Science Based Targets initiative - SBTi (January 2024). In January 2025, it submitted its reduction targets to the SBTi for approval, through which the company undertakes to mitigate the climate-altering effects of its activity along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging.

The selection and involvement of suppliers take form in the ESG qualification process, in the purchase of certified coffee (target 80% by 2026), EUDR-compliant and connected to decarbonisation projects, in the purchase of packaging and packaging materials tied to decarbonisation projects, in logistics optimisation and in the active role towards suppliers of process machines to stimulate the introduction of low-carbon technologies. On the market side, Caffè Borbone maintains its R&D activity to study the evolution of products with an increase in compostable single-serve products, the progressive elimination of non-recyclable plastics, the reduction of plastic packaging and effective communication of the intrinsic sustainability of the main product (pod) and in general of its decarbonisation strategy and SBTi commitments.

In addition, coffee supplies require special attention to risks related to respect for human and labour rights, as well as environmental aspects such as deforestation and business integrity. To this end, Caffè Borbone creates partnerships with coffee suppliers, relying on selected international intermediaries committed to sustainability, who offer ample guarantees to align with international standards and actively promote a sustainable coffee supply chain. Caffè Borbone continued to source from supply lots certified by third-party verified traceability and integrity systems, which in 2024 reached 28% of the total coffee sourced and approximately 45% of the coffee used for production.

The impairment test carried out for consolidated financial statements of the Italmobiliare Group was based on the 2025 budget figures approved by the Board of Directors and on the economic and financial projections of the plan for the three-year period 2026-2028 prepared by management and updated during 2024. These projections do not incorporate a financial impact of potential climate risk. For this reason, a sensitivity analysis is carried out in order to verify the possible effect of the risk of an increase in the price of the raw material (+18% in the cost of coffee). The recoverable value would be significantly higher than the book value also in this scenario.

No specific risks have been identified for the Group's property, plant and equipment, nor have any provisions been made for climate risk.

OFFICINA PROFUMO-FARMACEUTICA DI SANTA MARIA NOVELLA

Risk management policies

By its nature, the group is exposed daily to risks deriving from its own activity, to risks that may affect the health and safety of those directly or indirectly involved in the production process.

OBJECTIVES

The group places among its objectives the ability to prevent and control the spread of risks associated with operating activities, with particular attention to the quality of its products to protect the health of consumers.

FINANCIAL INSTRUMENTS

The financial instruments adopted by the group are intended solely to provide it with the funds required to carry on its business. Consequently, amounts, terms and conditions of financial instruments are designed to meet the needs of the operations to which they refer.

Credit risk

The credit risk is limited overall and relates to sales to distributors on the Asian market, as there is no credit risk on sales in shops and online. In any case, the group adopts credit risk mitigation procedures by analysing in advance the reliability of its distributors, limiting credit lines and monitoring the collection of receivables based on contractual deadlines. An adequate allowance is set aside for doubtful accounts.

Liquidity risk

With regard to the policies and choices based on which management intends to address liquidity risk, the following should be noted:

- the Group owns financial assets for which a liquid market exists and which are readily saleable to meet liquidity needs;
- there are debt instruments or other lines of credit to meet liquidity needs;
- the Group has bank deposits to meet liquidity needs;
- there are no significant concentrations of liquidity risk.

In this context, liquidity risk is considered to be extremely limited.

Market risks

The Group operates in the so-called “Beauty and Personal Care” (BPC) sector, characterised by high competition and the presence of large operators able to influence consumers' choices and preferences. In any case, the particular segment in which the group operates, the level of differentiation of the products that it sells, combined with high brand awareness and tradition, has created a close relationship with customers that significantly mitigates this risk.

The Group is focusing its efforts on implementing and improving a direct approach to the market by developing efficient and user-friendly online channels. It has also been promoting marketing investments to strengthen brand awareness, while constantly working on new products and the renewal of existing products.

The Group is well aware of the fact that consumers are becoming more and more sensitive to the question of product sustainability, which is why we have invested in continuous research into suitable components, promoted transparent communication on products, their development and production and the origin of the raw materials.

INTEREST RATE RISK

Interest rate risk is the risk of changes in the value or future cash flows of a financial instrument, due to changes in interest rates.

The group does not have any financial debt with the banking system. Consequently, the risk of changes in the interest rate is connected to the return on financial assets and that of cash and cash equivalents, so it is considered irrelevant.

CURRENCY RISK

Group companies do not carry out operations and transactions in currencies other than their own, so there is no risk for the group attributable to changes in exchange rates.

Other risks

CLIMATE CHANGE

The Group is well aware of the fact that consumers are becoming more and more sensitive to the question of product sustainability, which is why it has invested in continuous research into suitable components, promoted transparent communication on products, their development and production and the origin of the raw materials.

No significant effect is expected on cash flows or the useful life of fixed assets.

ITALGEN

The segment is exposed to the following risks arising from the use of financial instruments:

- credit risk;
- market risk.

Information about group exposure to each of the listed risks, the goals and processes of risk management policy and the methods used to assess risk is provided below.

Credit risk

During 2023, Italgen updated its commercial policy by signing new long-term power purchase contracts (PPAs) with companies controlled by the Italmobiliare Group and external end-customers, as well as wholesalers for approximately 50% of the expected output. These contracts provide for the physical delivery of electricity to the customer, falling within the "own use exemption" of IFRS 9. The rest is sold on the Power Exchange at variable prices. The end-customers and selected wholesalers have a very high credit rating and credit worthiness, which means that the company is exposed to a very limited risk that trade receivables will not be collected.

Market risks

Market risk is the risk of fluctuation in the fair value or future cash flows of a financial instrument due to variations in market prices as a result of changes in exchange and interest rates. The aim of market risk management is to keep exposure to the risk within acceptable limits and, at the same time, to optimize return on investment.

INTEREST RATE RISK

Italgen is exposed to an interest-rate risk since about 24% of its net financial position is at a floating rate, indexed to 1, 3 and 6 month Euribor.

At December 31, 2024 an increase of 1% in the reference rates would have led to an increase of 268 thousand euro of finance costs and an increase of 116 thousand euro on finance income.

Liquidity risk

Italgen has unconfirmed credit lines for a total of 23.5 million euro. These credit lines cover the financial requirements caused by the seasonal nature of the business which typically results in a rise of the net financial position in the first half and a subsequent decline in the second half of the year.

During the periodic refinancing of the medium-term gross debt, the company aims to maintain at least 50% of the repayment instalments with a maturity of more than twelve months.

The contracts for certain loans granted to the Italgen Group contain covenants that require compliance with financial indicators that typically are calculated once a year. The financial indicator of reference is leverage (gross financial debt, net of cash and cash equivalents/gross operating profit), with a top limit of between 3.5 and 4.0. Failure to comply with these covenants would result in termination of the arrangement leading to early repayment. At December 31, 2024, the covenants were amply complied with.

Other risks

CLIMATE CHANGE

Italgen integrates the ESG risk assessment with specific climate risk assessments, according to the methodology defined at Italmobiliare Group level, which was further refined in 2024. The risks that were identified helped to confirm the mitigation initiatives already in progress or to define further action plans aimed at transforming risks into opportunities. In the sustainability reporting, the Italgen Group was identified as being exposed to physical climate risks in a significant way for the company itself, i.e. with potential financial effects exceeding 10% of its EBITDA, and for the Italmobiliare Group, i.e. with potential financial effects exceeding 1.5% of the overall NAV (page XX).

The Italgen Group is exposed to physical climate risks, linked to the volume and distribution of rainfall which, in a single year and as a chronic trend, can significantly deviate from the historical average with negative effects on hydroelectric energy production. In the 2025-2028 business plan, updated in December 2024, the assumption for forecasting future rainfall is based on average rainfall of the last five years, which is lower than the ten year average used in the past precisely because of the scarcity of rainfall in recent years.

In response, the company has embarked on a path to diversify its sources of energy production. In 2024, solar PV power generation exceeded 4% of total generation. In 2022, a particularly dry year, it would have been 10% of total production. The construction of more large PV solar farms is being planned.

CDS-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 CDS-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 that can be used by the company are only those that allow it to manage market risks, in particular the risk associated with increases in interest rates. Other reserves include -55,000 euro of changes in the fair value of hedging derivatives, a component that does not get reclassified to the income statement.

Credit risk

Cash receipts are mainly collected through a POS (using a debit or credit card); for this reason, the group has a low risk exposure in relation to the collection of trade receivables, which represent approximately 85% of turnover.

The group is currently establishing a procedure for managing receivables and evaluating their ageing; in addition to assessing the specific risk in relation to certain debtor positions, analyses are carried out in relation to the age of the receivable.

At the end of 2024, as a result of these evaluations, the provision for doubtful accounts was increased by 204 thousand euro. Receivables amount to 6,419 thousand euro, while the provision for doubtful accounts amount to 355 thousand euro.

Liquidity risk

In relation to the debt position, CDS-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 2024 and the repayment plan.

	Maturity				
(in millions of euro)	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**Beyond**	**Total**
Total financial liabilities	(16.4)	(20.3)	(42.7)	(21.0)	**(100.4)**
Total financial assets	22.2				**22.2**
Total NFP	**5.8**	**(20.3)**	**(42.7)**	**(21.0)**	**(78.2)**

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 CDS-Casa della Salute group has fourteen bank loans outstanding, of which eleven 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, CDS-Casa della Salute is exposed to changes in the price of the utilities and raw materials used. Their prices are constantly monitored with the aim of mitigating, as far as possible, these risks and any negative impact on the group's results.

Other risks

CLIMATE CHANGE

During 2024, ESG risks were assessed, especially those related to the climate. The risks identified helped to confirm the mitigation initiatives already in progress or to define additional action plans to deal with the transition in the best way possible, transforming risks into business opportunities. The climate change risk is not regarded as significant.

It should be noted that in January 2024, membership of the Science Based Targets initiative (“SBTi”) and the Net Zero 2050 objective was formalised.

The SBTi is a global body that enables businesses to set ambitious emissions reduction targets in line with the latest climate science. The SBTi's goal is to push companies around the world to support the aim of the global economy to halve emissions by 2030 and reach net zero by 2050.

As regards new investments, a preliminary analysis shows a limited physical risk, given that the various clinics are located in different places; therefore, it was not deemed necessary to include costs/investments in the business plans prepared by the company's management.

CALLMEWINE

The Group, which operates in the online sale of wines and spirits, is mainly exposed to market risk, generated by a very strong impact in competitive terms and by a highly variable purchase price dynamic caused by product availability and inflationary increases.

Market risks

OTHER PRICE RISK

This category includes risks related to fluctuations in market prices, which may have a material impact on the margins of the company.

Callmewine's objective is to identify a correct balance in terms of margins between selling prices to the public, which are heavily influenced by very aggressive competition, and raw material costs, which for the current year should represent an opportunity as the result of saturation of the supply chain and therefore excess available product.

Lastly, the general decline in consumption and the consequent reduction in wine purchases by customers in terms of frequency and average expense should not be overlooked, to which is added a change in terms of consumption which is turning more and more towards products with lower alcohol content or alcohol-free.

Other risks

CLIMATE CHANGE

Callmewine, whose business is linked to products derived from the land and the use of natural resources, is paying suitable attention to climate risk. It has identified the critical nature of two aspects in particular: the vulnerability of vineyards to climate change and the complexity of political decisions regarding the agri-food world.

The diversification of products by geographical areas with different impacts in terms of climate and the rising awareness of producers towards sustainability and environmental issues are some of the risk containment measures launched by Callmewine.

During 2024 Callmewine eliminated 763 tCO_2e (with a value of 9,919 euro) and 1,297 tCO_2e (with a value of 16,861 euro) are still available following its declaration of carbon neutrality.

CAPITELLI

Other risks

The main risk for Capitelli undoubtedly concerns the procurement of pork meat.

In 2024, the European pork market recorded a modest recovery in production after the decline of previous years. However, production remained below pre-pandemic levels, influenced by structural factors such as the reduction in the number of pig farms, increased production costs and the spread of African Swine Fever (ASF) in some Member States. According to European Commission estimates, pig meat production in the EU increased by 1.5% compared to 2023. The long-term outlook remains uncertain due to the spread of ASF and environmental pressures, as well as livestock reduction policies imposed by some governments. In Italy, the inventory of reproductive stock continued to decline as a result of the spread of ASF, many animals were culled and the reconstitution of pig farms in the red zones was severely affected. In such a context, there is a potential risk of a further shortage of raw materials with possible pressure on the price of meat. We are continuing to strengthen the supply chains by diversifying as much as possible the location of farms and slaughterhouses, constantly monitoring the raw material market and the dynamics of the sales channels.

From a medium to long-term perspective, the plan is to offer partners multi-year agreements at a fixed price, which would help to limit fluctuations in the cost of raw materials for a certain period of time. Capitelli invests continuously in process improvements in order to guarantee the excellence of its products and in 2023 it obtained IFS certification for the quality and traceability of its food output.

Capitelli highlighted gradual growth, supported by the diversification of sales channels and an increase in sales at the shop or supermarket counter, which continue to represent a convenient choice for consumers; The company has consolidated its market position thanks to strategic investments and the expansion of supply chains, with an increase in revenue that is higher than the industry average.

Capitelli continuously invests in process improvements to ensure the excellence of its products and in 2023 obtained IFS certification on the quality and traceability of food production. During 2024, the assessment of ESG risks and climate risk in particular was updated.

There is only one production site, which is exposed to physical risk as there is no easy backup in the event of an emergency that interrupts production. The maintenance and improvement of the plant's adaptation measures are the most effective type of mitigation that has been implemented. The supply chain is highly dependent on farmed commodities (pork), which are exposed - especially in the warmer seasons - to the risk of insufficient nutrition for the quality standards that are needed. The most relevant mitigation initiative is the launch of the Capital Supply Chain, which promotes animal welfare, resilient farming practices, entrepreneurial culture and financial support. Even more important is the exposure to transition risks, particularly those connected to regulations in force or being adopt with a focus on the climate and effects on direct or indirect operations (e.g. packaging), those connected to the growing sensitivity of consumers and sales channels (large-scale retail) towards products with a low carbon footprint and those relating to the adequacy of communication on the commitment to fight climate change. Capitelli responds by joining the Science Based Targets initiative - SBTi (January 2024) and starting to define an aligned decarbonisation strategy, also through the selection and growing involvement of suppliers (e.g. packaging). Lastly, the improvement of metrics and disclosure is continuous and progressive, in anticipation of legal requirements.

Ongoing geopolitical instability, including the war in Ukraine and tensions in the Middle East, continued to impact energy markets. The measures already adopted, such as the long-term agreement with Italgen for the fixed-price supply of renewable energy produced by a 100% made-in-Italy supply chain and the development of a photovoltaic park at the production site, significantly reduce exposure to energy risks.

In 2024, three work-related injuries occurred. Capitelli continues to implement a methodological approach aimed at fostering a strong safety culture.

CLIMATE CHANGE

Capitelli fully embraces the Italmobiliare Group's sustainable strategy through policies, management, operating methods and initiatives developed according to its own specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human rights and labour, safeguarding the environment and being actively involved in the integrity of every aspect of the business. In 2023, Capitelli joined the UN Global Compact, the most important global strategic corporate sustainability initiative. Since 2022, Capitelli has been using exclusively renewable electricity, self-produced or purchased with guarantees of origin, in further evolution as already mentioned in the previous paragraph. The fulcrum of the strategic programme of sustainable development and emissions reduction is the agreement reached with Italgen for the construction of a PV solar farm adjacent to the Capitelli factory with approximately 4 MW of power. The new plant satisfies most of the company's electrical and thermal needs.

Potential climate risk was considered in a sensitivity analysis as part of the impairment test. The recoverable amount was determined in the fair value configuration, on the basis of the EV/EBITDA multiple applied to the 2025 adjusted EBITDA (adjusted with respect to that shown in the 2025 budget approved by the Board of Directors, which has a very high cost of raw materials that was considered anomalous). The sensitivity analysis assumed the use of unadjusted EBITDA 2025, where the high price, considered anomalous in 2024, was due to the impact of swine fever and the sensitivity analysis assumed the inclusion of a price increase due to the effect of climate risk, imagining that the effect of swine fever would no longer exist.

SIDI SPORT

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.

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 group are intended solely to provide it with the funds required to carry on its business. Consequently, amounts, terms and conditions of financial instruments are designed to meet the needs of the operations to which they refer.

Credit risk

The Group has established procedures for constant vetting of the creditworthiness of its customers, to whom it grants extended terms of payment, and limits product sales to customers with inadequate creditworthiness and guarantees. Customer vetting is based on the collection of data and information on new customers, and on monthly analyses of individual credit positions in order to check for any anomalies in average collection time, with investigation of material bad debts.

In this regard, note that during 2024 SIDI Sport used the bad debt provision for an amount of 35 thousand euro and deemed the residual provision of 166 thousand euro quite adequate.

The Group also uses the advance of pro-soluto receivables to a leading factoring company to mitigate credit risk and improve liquidity.

Liquidity risk

The Group manages liquidity risk through an efficient liquidity management policy and planning designed to establish short-term financial commitments as well as extraordinary measures to identify the most appropriate hedging solutions.

The table below sets out the NFP by maturity (residual life) compared with financial assets:

		Maturity			
(in millions of euro)	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**Beyond**	**Total**
Total financial liabilities	(5.6)	(1.8)	(4.8)	(2.9)	**(15.1)**
Total financial assets	2.9				**2.9**
Total NFP	**(2.7)**	**(1.8)**	**(4.8)**	**(2.9)**	**(12.2)**

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 Group is exposed to this risk as the short and medium-long term loans granted are not hedged by derivatives.

OTHER PRICE RISKS

This category includes risks related to fluctuations in market prices, which may have a material impact on the value or future cash flows of the group.

The risks of a rise in raw material prices are managed through appropriate commercial strategies contemplating corresponding adjustments to price lists where necessary.

Other risks

CLIMATE CHANGE

The growing sensitivity of consumers towards issues of climate change and, more generally, towards the question of sustainability presents companies with new challenges and exposes them to possible critical issues. Ever since it joined the Italmobiliare group, SIDI has been integrating ESG principles into all areas of its business. During 2023, the assessment of ESG risks – climate risks in particular – was updated. The company has also taken further important steps through membership of the Science Based Targets initiative (SBTi) – joined in early 2024 – and the alignment of metrics and disclosure in anticipation of legal requirements.

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

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

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

The potential impact of using recycled materials in the production of sports shoes in the future has been assessed, but at present the technologies have not yet been developed, so the effects cannot be estimated.

The company does not consider the potential impacts of climate risk on its expected future cash flows to be material, so no impacts have been included in the 2025 budget approved by its Board of Directors, nor on the economic and financial projections of the plan for the four-year period 2026-2029 prepared by management, who updated it in January 2025 for use in the impairment test when preparing the consolidated financial statements of the Italmobiliare Group.

OTHER INFORMATION

Transactions with related parties

Data relating to transactions with related parties in 2024 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	1,411	136		70	
	(5)	(1)	(6,370)	(51)	
Other related parties	17	5			
	(773)				(800)
Total	**1,428**	**141**		**70**	
	0	**(1)**	**(6,370)**	**(51)**	**(800)**
% impact on financial statement items	0.2%	0.0%		2.1%	
	0.2%	0.0%	1.3%	0.4%	2.6%

The comparatives for 2023 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	151	128	1,759	79	
	(375)	(28)			
Other related parties	20				
	(743)				(650)
Total	**171**	**128**	**1,759**	**79**	
	(1,118)	**(28)**			**(650)**
% impact on financial statement items	0.0%	0.0%	0.6%	5.1%	
-	-0.3%	0.0%			-1.4%

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)	2024	2023
Short-term benefits: fees and remuneration	7,323	7,218
Other long-term benefits: length-of-service bonuses and incentives	3,782	4,748
Total	**11,105**	**11,966**

Audit fees

The following table provides details of the 2024 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	846		
Other attestation services	70		
Other legal, tax and corporate services	80		
Other consultancies	67		
Expenses	34		
Total	**1,097**		

With regard to Clessidra, 241 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:

- Italgen S.p.A., during the year, received from Gestore dei Servizi Energetici S.p.A., with tax code 05754381001, GRIN incentives (a new form of incentive provided under ministerial decree 06/07/2012 for all IAFR ex Green Certificates plant, effective as from 2016) totalling 2,806 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 1,096 thousand euro, and FER-E incentivised electric energy sales for 811 thousand euro, also from Gestore dei Servizi Energetici S.p.A. During the year, Italgen received the contribution of the Asos components from the Cassa per i Servizi Energetici e Ambientali following the verification of the SEESEU network balance on energy-intensive consumers pursuant to the Energy Decree belonging to the electrical intensity class "VAL X", for the year 2023, for 2,502 thousand euro.
- during the year, Idroenergy received from Gestore dei Servizi Energetici S.p.A. 134 thousand euro for sales of FER-E incentivised electric energy and 734 thousand euro for sales of so-called "Dedicated Withdrawal" electricity and prices for incentives provided for by the Ministerial Decree of 06/07/2012 for all IAFR qualified plants ex Green Certificates, in force since 2016, called GRIN 28 thousand euro gross of legal withholdings and management costs as provided for by art. 4 of the incentivised tariff agreement;
- during the year, Idrodezzo received 268 thousand euro from Gestore dei Servizi Energetici S.p.A. for sales of FER-E incentivised electric energy;
- during the year, Rovale received 369 thousand euro from Gestore dei Servizi Energetici S.p.A. for sales of FER-E incentivised electric energy;
- during the year, Idrolima received 229 thousand euro from Gestore dei Servizi Energetici S.p.A. for sales of FER-E incentivised electric energy (from the acquisition date);
- In 2024, the CDS-Casa della Salute Group received 6 thousand euro in aid in the form of exemption from social security contributions for employers for hiring women workers in the two-year period 2021 - 2022 (art. 1 paragraphs 16 - 19 L. 178/2020), 10 thousand euro as an advertising bonus, 32 thousand euro as a non-repayable contribution for those most affected by the health emergency (Covid-19. Art. 1, paragraphs 5 to 15, DL no. 73/2021) and used 1,604 thousand euro as a tax credit for Industry 4.0 investments;
- Caffè Borbone received financial benefits for contributions in the form of tax credits for investments in capital goods pursuant to Law 190/2019 and Law 178/2020 (Industry 4.0) and for Special Economic Zones (ZES) for a total of 2,938 thousand euro; contributions in the form of tax credits linked to the Energy Decree (Legislative Decree no. 17 of 1 March 2022, converted into law 34/2022) and amended by DL 21/2022 and DL 50/2022) relating to electricity and gas consumption, for a total of 23 thousand euro; lastly, contributions in the form of

savings in social security charges paid by the company for its employees, as a result of the “Decontribuzione SUD” for 1,207 thousand euro;

- in 2024, the SIDI Sport company received financial benefits for contributions in the form of a tax credit for investments in capital goods pursuant to Law 190/2019 for a total of 70 thousand euro; contributions in the form of tax credit for investments in research and development, technological innovation, design and aesthetic conception activities pursuant to Law 1902019 for a total of 33 thousand euro.

Statement of cash flows

B) CASH FLOWS FROM INVESTING ACTIVITIES

The table below shows the main equity investments acquired by the Group in 2024:

(in millions of euro)	**2024**	**2023**
Private equity funds	23.7	31.1
Casa della Salute group	5.0	5.3
Farmagorà group	3.2	1.6
Archimede	1.0	
Other	0.4	0.4
Value Italy		5.8
Officina Profumo-Farmaceutica di Santa Maria Novella group		0.7
Cash acquired	(0.7)	(2.6)
Total	32.6	42.3

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 2024:

(in millions of euro)	**2024**	**2023**
Sale of property, plant & equipment	4.3	3.5
Sales of investments:		
AGN Energia	99.6	
KKR Teemo	20.9	
Heidelberg Materials	18.4	30.5
Clessidra funds (partial reimbursement)	16.8	1.9
BDT fund (partial reimbursement)	8.1	2.7
New Flour	4.0	
Iconiq fund (partial reimbursement)	1.3	0.8
Lindsay Golberg fund (partial reimbursement)	0.3	
La Famiglia fund (total reimbursement)	0.3	
Isomer fund (partial reimbursement)	0.2	0.4
Florence Invest Co		75.6
Unicredit		4.0
Dokimè		1.7
Ariston		0.4
Connect fund (partial reimbursement)		0.1
Total	**174.2**	**121.6**

Significant events after the reporting date

There are no significant events after the reporting date.

Outlook

In 2024, the global economy turned in a solid expansion, with a growth rate of 3.2%. However, the dynamics highlighted both a sectoral and geographical divergence. As in recent years, the service sector has driven the expansion, particularly in all areas of developed countries. In the manufacturing sector, which has been stagnant overall since the end of 2022, there has been an increase in the percentage of recovering economies (especially in the emerging Asian area).

The greatest weakness in manufacturing persists in the Eurozone, structurally burdened by the cost of energy, which has been accelerating since the second quarter of the year, and by the loss of competitiveness (in favour of China). On the growth potential of the Eurozone, below 1%, there persists, in addition to the demographic effect, a decreasing rate of productivity growth, from 0.75% (2015-2019) to 0.25% (2020-2024), and a high savings rate, which has also been rising in the last two years. The Eurozone economy closed the year at 0.7%, versus 2.8% in the USA.

China, struggling with the vicious circle of debt-overcapacity-deflation, triggered by the real estate crisis and not yet definitively stabilized, has come close to the annual GDP target of 5%, benefiting from the support measures activated in the second half of the year.

The global inflation rate fell further, albeit at a moderate pace: the contribution of goods disinflation, the main factor in the price decline since 2022, has gradually decreased, while energy prices have started to reverse their trend in recent months, with positive impacts on price indices. The services price component decelerated with the slowdown in wage growth and housing spending, but remains sticky. The anchoring of medium-term inflation expectations in the main countries, close to the central banks' targets, and the decline in price dynamics, have allowed interest rates to be cut (by both Fed and ECB: -100 bps), supporting growth in the face of fiscal policy impulses that were mostly neutral or negative.

The 2025 scenario, on a global level, is characterised by a situation that remains expansive (average estimates +3%). In a context of generally stable or marginally increasing unemployment rates, growth in developed countries is supported both by the positive variation in real incomes (nominal wages are decelerating, but above the inflation trend) and by financial and credit conditions, with central banks' target interest rates gradually converging towards a level of neutrality.

Japan is an exception in the international panorama, with the central bank in the process of normalizing by raising interest rates: despite inflation rising moderately, wage dynamics show a significantly positive gap versus inflation (i.e. real incomes are increasing).

The fiscal impulse remains generally neutral/negative, with the possible exception of the United States and especially some emerging countries, including China, where further expansionary measures are expected, not only in infrastructure but also in household consumption. The revival of consumption is part of the new Chinese development model, from export-led growth to one based on technology and domestic demand: the country's growth potential has been reduced by demographic effects and the decline in labour productivity. Global investment spending remains on the rise: in particular, capex to support the cross-industry diffusion of AI, in transition from hardware to software, with the development of applications and implementations. In the Eurozone, given positive consumption dynamics and investment growth rates, driven by general financial and credit conditions (a reduction in ECB interest rates discounted by the market of 75 bps), energy prices and fiscal consolidation, particularly in Italy and France, weigh on the situation, without being offset by the expenditure generated by the Recovery Fund.

Fiscal policy, at area level, could benefit from possible changes in debt constraints in Germany as well as, at a general level, from increased defence spending: however, it is likely that the effects on GDP will be reflected above all from next year. Italy's growth should remain below the overall Eurozone figure (estimated at 0.8% on average) as the effects of the superbonus have come to an end: since 2020, the weight of the construction sector (vs GDP) has increased by 1.5%, with the country's growth on average above that of France and Germany.

However, several factors of uncertainty weigh on the Eurozone and the global scenario. The multipolar world, the resulting reallocation of value chains and protectionism persist over the economic cycle: in particular, the announcement of tariffs by the new US administration against major trading partners. Tariffs in this second mandate are also being used as a political negotiating tool, with the possibility of a prolonged trade war and consequent repercussions on growth and inflation.

In the geopolitical context, the possibility of a solution to the conflict in Ukraine has emerged. The effects, including positive ones, particularly for the Eurozone, will depend on the degree of stability of the new situation that could emerge. If these uncertainties are reflected in a worsening of expectations on macro variables, growth and inflation, they would be amplified by commodity volatility and financial instability.

In a context of high public debt vs. GDP in various developed countries, including Italy, economic growth is a key variable in the expected sustainability of debt, given the high interest expense: the increased risk of a global recession would impact both the stock markets and the bond markets of the countries most exposed.

The current context, characterized by deep geopolitical and macroeconomic uncertainties, together with the pressure and volatility of the prices of some raw materials, is influencing the performance of many manufacturing sectors, albeit to varying extents. The complexities of the scenario seem destined to continue throughout 2025, potentially aggravated by the risks of a possible trade war, whose perimeter and scope still have to be understood.

In 2024, Italmobiliare demonstrated remarkable resilience, reflected in the resilience of the NAV performance and in the aggregate results of the portfolio companies, as well as in the ability to remunerate shareholders with a significant dividend distribution. The valorisation of the stake in AGN Energia, at the end of a path that consolidated the company's leadership in the LPG business, and the sale of the shares in FiberCop and CRM Casa Della Piada in 2024, as well as the previous sale of the interest in the Florence Group in October 2023, confirmed Italmobiliare's ability to create value and seize opportunities for investment portfolio rotation.

In this context of profound uncertainty, it will be essential for Italmobiliare to maintain a firm focus on the two main axes of its development strategy. On the one hand, ensuring increasingly effective support to portfolio companies, providing them with the tools and resources needed to address the many challenges and intensify the path of organic and inorganic growth. On the other hand, seizing the opportunities offered by the market to enhance the value shareholdings and investments that have reached a mature stage of their development.

In line with the main challenges of the global context, Italmobiliare will focus its support to Group companies on two fundamental pillars. First of all, careful monitoring of production chains and international distribution channels, particularly affected by geopolitical and commercial tensions. This will have to happen through continuous improvements in production, commercial and financial planning capacity, diversification and control of distribution channels and supply sources, and implementation of hedging and pricing policies.

Lastly, the continuation and further intensification of transformative paths for the sustainability of the development of the portfolio companies, along all the main fronts through which this can be achieved: investments in technology, product innovation, brand positioning and strengthening the quality and skills of the management teams.

Milan, March 6, 2025

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

ANNEX

The table below sets out equity investments held also indirectly when such investments exceed 10% of capital. It also indicates the consolidation method and non-controlling interests.

Company	Head Office		Share Capital		Interest held by Group Companies			
					Direct	Indirect	%	
Parent Company								
Italmobiliare S.p.A.	Milano	I	EUR	100,166,937.00				
035 Investimenti S.p.A.	Bergamo	I	EUR	4,157,928.00	10.588		10.588	Italmobiliare S.p.A.
Alba Tramezzini S.p.A.	Faggiano (TA)	I	EUR	90,000.00		70.000	70.000	New Flour S.p.A.
Archimede S.p.A.	Milano	I	EUR	1,109,197.00	17.241		17.241	Italmobiliare S.p.A.
Bea Arquata S.r.l.	Busalla (GE)	I	EUR	60,000.00		80.000	80.000	Casa della Salute S.p.A.
BEA Biella S.r.l.	Busalla (GE)	I	EUR	130,000.00		51.000	51.000	Casa della Salute S.p.A.
Beijing Tecnica Sport Equipment Co., Ltd	Beijing	RC	CNY	25,727,280.00		100.000	100.000	Tecnica Group S.p.A.
Bene Assicurazioni S.p.A. Società Benefit	Milano	I	EUR	25,199,000.00	19.996		19.996	Italmobiliare S.p.A.
Blizzard Produktion GmbH	Chop	UA	EUR	7,501,701.00		100.000	100.000	Blizzard Sport GmbH
Blizzard Sport GmbH	Mittersill	A	EUR	36,336.00		100.000	100.000	IQ-Sports Verwaltungs GmbH
Blizzard Sport Liegenschaftsverwaltungs GmbH	Mittersill	A	EUR	36,336.00		99.000	99.000	Blizzard Sport GmbH
bService S.C.A.R.L. Società Benefit	Milano	I	EUR	50,000.00		51.000	51.000	Bene Assicurazioni S.p.A. SB
Caffè Borbone S.r.l.	Caivano (NA)	I	EUR	1,000,000.00	60.000		60.000	Italmobiliare S.p.A.
Caffè Borbone America Corp.	Fairfield (NJ)	USA	USD	10,000.00		100.000	100.000	Caffè Borbone S.r.l.
Cairo in Salute Specialistica S.r.l.	Cairo Montenotte (SV)	I	EUR	10,000.00		100.000	100.000	Casa della Salute S.p.A.
Cairo Medical S.r.l.	Genova	I	EUR	10,000.00		100.000	100.000	Casa della Salute S.p.A.
Callmewine S.r.l.	Milano	I	EUR	13,523.81		80.717	80.717	FT3 S.r.l.
Callmewine UK Limited	London	UK	GBP	5,000.00		100.000	100.000	Callmewine S.r.l.
Capitelli F.lli S.r.l.	Borgonovo Val Tidone (PC)	I	EUR	51,480.00	80.000		80.000	Italmobiliare S.p.A.
Casa della Salute S.p.A.	Genova	I	EUR	5,090,757.00	87.852		87.852	Italmobiliare S.p.A.
Casa della Salute Sardegna S.r.l.	Genova	I	EUR	1,000,000.00		90.000	90.000	Casa della Salute S.p.A.
CDS Medical S.r.l.	Genova	I	EUR	5,100,000.00		100.000	100.000	Casa della Salute S.p.A.
Centro Medico Ippocrate S.r.l.	Alassio (SV)	I	EUR	10,000.00		100.000	100.000	Casa della Salute S.p.A.
Cerraduras Iseo Iberica S.L.	Ajalvir - Madrid	E	EUR	300,500.00		90.000	90.000	Iseo Serrature S.p.A.
Clessidra Capital Credit SGR S.p.A.	Milano	I	EUR	2,550,000.00		100.000	100.000	Clessidra Holding S.p.A.
Clessidra CRF G.P. società semplice	Milano	I	EUR	10,000.00		49.000	49.000	Clessidra Capital Credit SGR S.p.A.
Clessidra Factoring S.p.A.	Milano	I	EUR	23,650,000.00		100.000	100.000	Clessidra Holding S.p.A.
Clessidra Holding S.p.A.	Milano	I	EUR	10,000,000.00	100.000		100.000	Italmobiliare S.p.A.
Clessidra Private Equity SGR S.p.A.	Milano	I	EUR	3,600,000.00		100.000	100.000	Clessidra Holding S.p.A.
Compagnia Fiduciaria Nazionale S.p.A.	Milano	I	EUR	90,000.00	16.668		16.668	Italmobiliare S.p.A.
Crédit Mobilier de Monaco S.A.	Montecarlo	MC	EUR	5,810,000.00	99.914		99.914	Italmobiliare S.p.A.
Dal Sass Eneco S.r.l.	Villa di Serio (BG)	I	EUR	10,000.00		100.000	100.000	Rovale S.r.l.
D.O.G.M.A. S.r.l.	Genova	I	EUR	27,000.00		100.000	100.000	Casa della Salute S.p.A.
Fara Real Estate S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmacia Al Castello S.r.l.	Pagazzano (BG)	I	EUR	30,000.00		100.000	100.000	Farmagorà 36 S.r.l.
Farmacia Centrale Ambrosi La Spezia S.r.l.	La Spezia	I	EUR	10,000.00		99.000	99.000	Farmagorà 20 S.r.l.
Farmacia Ciavetta S.r.l.	Venezia	I	EUR	11,000.00		100.000	100.000	Farmagorà 32 S.r.l.
Farmacia Corti S.r.l.	Novate Mezzola (SO)	I	EUR	50,000.00		80.000	80.000	Farmagorà 17 S.r.l.
Farmacia De Tillier S.r.l.	Aosta	I	EUR	20,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmacia del Leone S.r.l.	Torino	I	EUR	15,000.00		100.000	100.000	Farmagorà 29 S.r.l.
Farmacia Fiore S.r.l.	Fiume Veneto (PN)	I	EUR	10,000.00		100.000	100.000	Farmagorà 30 S.r.l.
Farmacia Martinelli Claudia S.r.l.	Teglio (SO) - fraz. Tresenda	I	EUR	20,000.00		100.000	100.000	Farmagorà 24 S.r.l.
Farmacia Quadrio S.r.l.	Sondrio (SO)	I	EUR	20,000.00		100.000	100.000	Farmagorà 26 S.r.l.
Farmacia San Martino S.r.l.	Tirano (SO)	I	EUR	20,000.00		100.000	100.000	Farmagorà 28 S.r.l.
Farmagorà 17 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 18 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 20 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 21 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 23 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 24 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 25 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 26 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 28 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 29 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 30 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 31 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.

Method	Non-controlling interest %	Equity at 31/12/2023		Profit for the year 2023		Company
						Parent Company
						Italmobiliare S.p.A.
Fair Value		EUR	6,743,563	EUR	-225,364	035 Investimenti S.p.A.
Fair Value		EUR	6,520,656	EUR	519,567	Alba Tramezzini S.p.A.
Fair Value		EUR	48,296,541	EUR	-2,196,109	Archimede S.p.A.
Cost		EUR	34,212	EUR	-7,039	Bea Arquata S.r.l.
Line-by-line	49.000	EUR	753,856	EUR	189,839	BEA Biella S.r.l.
Equity		CNY	-38,499,962	CNY	-6,599,579	Beijing Tecnica Sport Equipment Co., Ltd
Fair Value		EUR	65,566,105	EUR	5,208,857	Bene Assicurazioni S.p.A. Società Benefit
Equity		EUR	3,028,531	EUR	122,115	Blizzard Produktion GmbH
Equity		EUR	19,977,924	EUR	712,546	Blizzard Sport GmbH
Equity		EUR	5,650,305	EUR	22,540	Blizzard Sport Liegenschaftsverwaltungs GmbH
Fair Value		EUR	70,680	EUR	5,231	bService S.C.A.R.L. Società Benefit
Line-by-line	40.000	EUR	387,362,381	EUR	48,010,011	Caffè Borbone S.r.l.
Line-by-line		USD	882,517	USD	-2,415	Caffè Borbone America Corp.
Line-by-line		EUR	10,575 [5]	EUR	n.a.	Cairo in Salute Specialistica S.r.l.
Line-by-line		EUR	n.a.	EUR	n.a.	Cairo Medical S.r.l.
Line-by-line	19.283	EUR	1,197,286	EUR	-1,715,804	Callmewine S.r.l.
Line-by-line		GBP	-141,774	GBP	-127,539	Callmewine UK Limited
Line-by-line	20.000	EUR	17,431,222	EUR	1,728,091	Capitelli F.lli S.r.l.
Line-by-line	12.148	EUR	22,227,766	EUR	-4,609,180	Casa della Salute S.p.A.
Line-by-line	10.000	EUR	908,330	EUR	-81,265	Casa della Salute Sardegna S.r.l.
Line-by-line		EUR	12,189,524	EUR	878,599	CDS Medical S.r.l.
Line-by-line		EUR	-3,513	EUR	-33,513	Centro Medico Ippocrate S.r.l.
Equity		EUR	3,604,128	EUR	512,652	Cerraduras Iseo Iberica S.L.
Line-by-line		EUR	4,651,518	EUR	-818,765	Clessidra Capital Credit SGR S.p.A.
Line-by-line	51.000	EUR	11,745	EUR	-66,527	Clessidra CRF G.P. società semplice
Line-by-line		EUR	20,463,513	EUR	2,762,995	Clessidra Factoring S.p.A.
Line-by-line		EUR	30,842,078	EUR	-1,024,028	Clessidra Holding S.p.A.
Line-by-line		EUR	10,719,044	EUR	2,048,258	Clessidra Private Equity SGR S.p.A.
Fair Value		EUR	4,467,162	EUR	1,861	Compagnia Fiduciaria Nazionale S.p.A.
Line-by-line	0.086	EUR	5,877,000	EUR	125,000	Crédit Mobilier de Monaco S.A.
Line-by-line		EUR	107,888	EUR	-221,939	Dal Sass Eneco S.r.l.
Line-by-line		EUR	227,958	EUR	-15,167	D.O.G.M.A. S.r.l.
Equity		EUR	108,469	EUR	-58,935	Fara Real Estate S.r.l.
Equity	-	EUR	419,836	EUR	831,150	Farmacia Al Castello S.r.l.
Equity		EUR	133,677	EUR	-13,210	Farmacia Centrale Ambrosi La Spezia S.r.l.
Equity		EUR	1,148,850	EUR	20,937	Farmacia Ciavetta S.r.l.
Equity		EUR	50,401	EUR	-49,603	Farmacia Corti S.r.l.
Equity		EUR	275,236	EUR	12,097	Farmacia De Tillier S.r.l.
Equity		EUR	n.a.	EUR	n.a.	Farmacia del Leone S.r.l.
Equity		EUR	312,714	EUR	315,069	Farmacia Fiore S.r.l.
Equity		EUR	94,365	EUR	23,112	Farmacia Martinelli Claudia S.r.l.
Equity		EUR	248,230	EUR	13,906	Farmacia Quadrio S.r.l.
Equity		EUR	107,787	EUR	26,027	Farmacia San Martino S.r.l.
Equity		EUR	984,517	EUR	-22,543	Farmagorà 17 S.r.l.
Equity		EUR	20,655	EUR	-6,329	Farmagorà 18 S.r.l.
Equity		EUR	1,141,517	EUR	-68,483	Farmagorà 20 S.r.l.
Equity		EUR	776,897	EUR	-33,104	Farmagorà 21 S.r.l.
Equity		EUR	1,063,707	EUR	-46,293	Farmagorà 23 S.r.l.
Equity		EUR	2,170	EUR	-7,829	Farmagorà 24 S.r.l.
Equity		EUR	7,051	EUR	-2,949	Farmagorà 25 S.r.l.
Equity		EUR	7,031	EUR	-2,969	Farmagorà 26 S.r.l.
Equity		EUR	7,554	EUR	-2,446	Farmagorà 28 S.r.l.
Equity		EUR	7,401	EUR	-2,598	Farmagorà 29 S.r.l.
Equity		EUR	7,666	EUR	-2,333	Farmagorà 30 S.r.l.
Equity		EUR	n.a.	EUR	n.a.	Farmagorà 31 S.r.l.

Company	Head Office			Share Capital	Interest held by Group Companies			
					Direct	Indirect	%	
Farmagorà 32 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 33 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 34 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 35 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 36 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 37 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 38 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà 39 S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Assago S.r.l. (former Farmacia Santagostino S.r.l.)	Assago (MI)	I	EUR	60,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Barlassina S.r.l.	Barlassina (MB)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Bovolone S.r.l.	Bovolone (VR)	I	EUR	10,000.00		100.000	100.000	Farmagorà 19 S.r.l.
Farmagorà Cagliari S.r.l. (former Farmacia Murtas S.r.l.)	Cagliari	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Cantù S.r.l.	Cantù (CO)	I	EUR	90,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Carignano S.r.l. (former Farmacia Bonanni S.r.l.)	Genova	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Carmagnola S.r.l.	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Cernusco S.N. 1 S.r.l.	Cernusco sul Naviglio (MI)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Cernusco S.N. 2 S.r.l. (former Farmacia Businelli S.r.l.)	Cernusco sul Naviglio (MI)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Chivasso S.r.l. (former Farmacia Chivasso Est S.r.l.)	Chivasso (TO)	I	EUR	30,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Cinisello Risorgimento S.r.l.	Cinisello Balsamo (MI)	I	EUR	10,000.00		100.000	100.000	Farmagorà 31 S.r.l.
Farmagorà Cornigliano S.r.l. (former Farmacia Centrale S.r.l.)	Genova	I	EUR	20,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Distribuzione S.r.l.	Bergamo	I	EUR	100,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Garbagnate S.r.l.	Garbagnate Milanese (MI)	I	EUR	10,000.00		100.000	100.000	Farmagorà 18 S.r.l.
Farmagorà Ghisalba S.r.l.	Ghisalba (BG)	I	EUR	100,000.00		100.000	100.000	Farmagorà 23 S.r.l.
Farmagorà Holding S.p.A.	Bergamo	I	EUR	66,863,824.00	24.622		24.622	Italmobiliare S.p.A.
Farmagorà Italiani S.r.l.	Genova	I	EUR	10,000.00		100.000	100.000	Farmagorà 35 S.r.l.
Farmagorà Lumezzane S.r.l.	Lumezzane (BS)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Mantello S.r.l.	Mantello (SO)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Montjovet S.r.l.	Montjovet (AO)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Ponte Nizza S.r.l.	Ponte Nizza (PV)	I	EUR	102,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Presezzo S.r.l. (former Farmacia dell'Isola S.r.l.)	Presezzo (BG)	I	EUR	50,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà San Pietro S.r.l.	Genova	I	EUR	21,000.00		100.000	100.000	Farmagorà 25 S.r.l.
Farmagorà Sanfré S.r.l. (former Farmacia Barberis S.r.l.)	Sanfré (CN)	I	EUR	10,000.00		100.000	100.000	Famagorà Holding S.p.A.
Farmagorà Sant'Alberto S.r.l.	Leini (TO)	I	EUR	50,000.00		100.000	100.000	Farmagorà 33 S.r.l.
Farmagorà Sant'Anna Rozzano S.r.l. (former Farmagorà 27 S.r.l.)	Bergamo	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Sant'Omobono T. S.r.l. (former Farmacia Vanoncini S.r.l.)	Sant'Omobono Terme (BG)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Solza S.r.l.	Solza (BG)	I	EUR	30,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Trescore S.r.l.	Trescore Balneario (BG)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Farmagorà Vicenza S.r.l.	Vicenza	I	EUR	10,000.00		100.000	100.000	Farmagorà 21 S.r.l.
Farmagorà Volpiano (former Farmacia degli Angeli S.r.l.)	Volpiano (TO)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A..
FCM S.r.l.	Montirone (BS)	I	EUR	10,000.00		100.000	100.000	Farmagorà Holding S.p.A.
Feroneria Prod. S.A.	Arad	RO	RON	20,628,636.40		99.9999	99.9999	Iseo Serrature S.p.A.
						0.0001	0.0001	Microhard S.r.l.
Fin.Priv. S.r.l.	Milano	I	EUR	20,000.00	14.285		14.285	Italmobiliare S.p.A.
FIT S.r.l. Società Benefit	Seregno (MB)	I	EUR	120,000.00		100.000	100.000	Bene Assicurazioni S.p.A. SB
Franco Tosi Ventures S.r.l.	Milano	I	EUR	100,000.00	100.000		100.000	Italmobiliare S.p.A.
FT2 S.r.l.	Milano	I	EUR	10,000.00	100.000		100.000	Italmobiliare S.p.A.
FT3 S.r.l.	Milano	I	EUR	10,000.00	100.000		100.000	Italmobiliare S.p.A.
G.D.S. Media & Communication S.r.l. Società unipersonale in liquidation	Palermo	I	EUR	10,000.00		100.000	100.000	S.E.S. Società Editrice Sud S.p.A.
Gardawind S.r.l.	Vipiteno (BZ)	I	EUR	100,000.00		49.000	49.000	Italgen S.p.A.
Giornale di Sicilia Editoriale Poligrafica S.p.A.	Palermo	I	EUR	11,217,000.00		100.000	100.000	S.E.S. Società Editrice Sud S.p.A.
Gres Art S.r.l. Società Benefit	Bergamo	I	EUR	50,000.00		100.000	100.000	GRES Hub S.r.l.
GRES Hub S.r.l.	Milano	I	EUR	10,000.00		100.000	100.000	Italmobiliare Servizi S.r.l.
Idrodezzo S.r.l.	Villa di Serio (BG)	I	EUR	10,000.00		100.000	100.000	Italgen S.p.A.
Idroenergy S.r.l.	Villa di Serio (BG)	I	EUR	99,000.00		100.000	100.000	Italgen S.p.A.
Idrolima S.r.l.	Villa di Serio (BG)	I	EUR	40,000.00		100.000	100.000	Rovale S.r.l.
Immobiliare Lido di Classe S.r.l. in liquidation	Roma	I	EUR	255,000.00	18.036		18.036	Italmobiliare S.p.A.

Method	Non-controlling interest %	Equity at 31/12/2023		Profit for the year 2023		Company
Equity		EUR	n.a.	EUR	n.a.	Farmagorà 32 S.r.l.
Equity		EUR	n.a.	EUR	n.a.	Farmagorà 33 S.r.l.
Equity		EUR	n.a.	EUR	n.a.	Farmagorà 34 S.r.l.
Equity		EUR	n.a.	EUR	n.a.	Farmagorà 35 S.r.l.
Equity		EUR	n.a.	EUR	n.a.	Farmagorà 36 S.r.l.
Equity		EUR	n.a.	EUR	n.a.	Farmagorà 37 S.r.l.
Equity		EUR	n.a.	EUR	n.a.	Farmagorà 38 S.r.l.
Equity		EUR	n.a.	EUR	n.a.	Farmagorà 39 S.r.l.
Equity		EUR	2,011,198	EUR	-134,383	Farmagorà Assago S.r.l. (former Farmacia Santagostino S.r.l.)
Equity		EUR	473,738	EUR	-267,849	Farmagorà Barlassina S.r.l.
Equity		EUR	-32,684	EUR	-14,954	Farmagorà Bovolone S.r.l.
Equity		EUR	3,541,246	EUR	-492,459	Farmagorà Cagliari S.r.l. (former Farmacia Murtas S.r.l.)
Equity		EUR	206,116	EUR	-78,672	Farmagorà Cantù S.r.l.
Equity		EUR	614,368	EUR	-230,118	Farmagorà Carignano S.r.l. (former Farmacia Bonanni S.r.l.)
Equity		EUR	1,164,051	EUR	-245,948	Farmagorà Carmagnola S.r.l.
Equity		EUR	633,707	EUR	-325,298	Farmagorà Cernusco S.N. 1 S.r.l.
Equity		EUR	83,155	EUR	-15,765	Farmagorà Cernusco S.N. 2 S.r.l. (former Farmacia Businelli S.r.l.)
Equity		EUR	381,167	EUR	-247,230	Farmagorà Chivasso S.r.l. (former Farmacia Chivasso Est S.r.l.)
Equity		EUR	-9,400	EUR	-3,168	Farmagorà Cinisello Risorgimento S.r.l.
Equity		EUR	766,785	EUR	-375,138	Farmagorà Cornigliano S.r.l. (former Farmacia Centrale S.r.l.)
Equity		EUR	89,872	EUR	-10,128	Farmagorà Distribuzione S.r.l.
Equity		EUR	-476,713	EUR	-487,981	Farmagorà Garbagnate S.r.l.
Equity		EUR	823,301	EUR	27,934	Farmagorà Ghisalba S.r.l.
Equity		EUR	64,569,648	EUR	-1,878,258	Farmagorà Holding S.p.A.
Equity		EUR	478,579	EUR	373,579	Farmagorà Italiani S.r.l.
Equity		EUR	108,514	EUR	-121,953	Farmagorà Lumezzane S.r.l.
Equity		EUR	399,826	EUR	-182,907	Farmagorà Mantello S.r.l.
Equity		EUR	613,092	EUR	-29,462	Farmagorà Montjovet S.r.l.
Equity		EUR	503,220	EUR	-132,793	Farmagorà Ponte Nizza S.r.l.
Equity		EUR	1,069,636	EUR	-304,685	Farmagorà Presezzo S.r.l. (former Farmacia dell'Isola S.r.l.)
Equity		EUR	2,131,429	EUR	63,383	Farmagorà San Pietro S.r.l.
Equity		EUR	178,184	EUR	-5,241	Farmagorà Sanfré S.r.l. (former Farmacia Barberis S.r.l.)
Equity		EUR	240,115	EUR	242,937	Farmagorà Sant'Alberto S.r.l.
Equity		EUR	7,627	EUR	-2,373	Farmagorà Sant'Anna Rozzano S.r.l. (former Farmagorà 27 S.r.l.)
Equity		EUR	380,024	EUR	-241,035	Farmagorà Sant'Omobono T. S.r.l. (former Farmacia Vanoncini S.r.l.)
Equity		EUR	495,312	EUR	-114,289	Farmagorà Solza S.r.l.
Equity		EUR	1,286,252	EUR	-315,627	Farmagorà Trescore S.r.l.
Equity		EUR	-79,638	EUR	-262,540	Farmagorà Vicenza S.r.l.
Equity		EUR	228,736	EUR	38,118	Farmagorà Volpiano (former Farmacia degli Angeli S.r.l.)
Equity	-	EUR	22,185	EUR	11,590	FCM S.r.l.
Equity		RON	29,849,665	RON	-3,299,820	Feroneria Prod. S.A.
Fair Value		EUR	109,040,164 [3]	EUR	14,767,778 [3]	Fin.Priv. S.r.l.
Fair Value		EUR	669,793	EUR	96,270	FIT S.r.l. Società Benefit
Line-by-line		EUR	742,378	EUR	-15,116	Franco Tosi Ventures S.r.l.
Line-by-line		EUR	193,081,438	EUR	69,171	FT2 S.r.l.
Line-by-line		EUR	10,477,252	EUR	-7,288,197	FT3 S.r.l.
Cost		EUR	11,618	EUR	22,850	G.D.S. Media & Communication S.r.l. Società unipersonale in liquidation
Equity		EUR	1,155,563 [2]	EUR	-16,129 [2]	Gardawind S.r.l.
Cost		EUR	13,165,145	EUR	-1,707,443	Giornale di Sicilia Editoriale Poligrafica S.p.A.
Line-by-line		EUR	49,673	EUR	-515,327	Gres Art S.r.l. Società Benefit
Line-by-line		EUR	2,070,144	EUR	-868,899	GRES Hub S.r.l.
Line-by-line		EUR	1,794,717	EUR	-204,183	Idrodezzo S.r.l.
Line-by-line		EUR	2,965,617	EUR	-657,784	Idroenergy S.r.l.
Line-by-line		EUR	166,350	EUR	-1,330,616	Idrolima S.r.l.
Cost		EUR	-3,673,815)	EUR	-64,788)	Immobiliare Lido di Classe S.r.l. in liquidation

Company	Head Office		Share Capital		Interest held by Group Companies			
					Direct	Indirect	%	
IQ-Sports Verwaltungs GmbH	Mittersill	A	EUR	35,000.00		100.000	100.000	Tecnica Group S.p.A.
Iseo (Beijing) Security Technology Co., Ltd	Beijing	RC	CNY	500,000.00		100.000	100.000	Iseo Asia Limited
Iseo Asia Limited	Hong Kong	HK	HKD	1,000,000.00		100.000	100.000	Iseo Serrature S.p.A.
Iseo Asia Pacific Sdn Bhd	Puchong, Selangor D.E.	MAL	MYR	715,560.00		100.000	100.000	Iseo Asia Limited
Iseo Colombia S.A.S. in liquidation	Bogotà	CO	COP	1,800,500,000.00		100.000	100.000	Iseo Serrature S.p.A.
Iseo Denmark A.P.S.	Copenaghen	DK	EUR	18,000.00		55.000	55.000	Iseo Serrature S.p.A.
Iseo Deutschland GmbH	Gera	D	EUR	1,000,000.00		100.000	100.000	Iseo Serrature S.p.A.
Iseo France S.A.S.	Vaux Le Pénil	F	EUR	1,075,440.00		100.000	100.000	Iseo Serrature S.p.A.
Iseo Galvanica S.r.l.	Arad	RO	RON	2,800,000.00		99.500	99.500	Iseo Serrature S.p.A.
						0.500	0.500	Microhard S.r.l.
Iseo Gulf LCC	Dubai	UAE	AED	300,000.00		100.000	100.000	Iseo Middle East FZE
Iseo Iberica System & Services S.L. (former Locken Iberica S.L.)	Madrid	ES	EUR	5,000.00		100.000	100.000	Iseo Serrature S.p.A.
Iseo Middle East FZE	Dubai	UAE	AED	1,000,000.00		100.000	100.000	Iseo Denmark A.P.S.
Iseo Peru S.A.C.	Lima	PE	PEN	1,250,000.00		90.000	90.000	Iseo Serrature S.p.A.
Iseo Serrature S.p.A.	Pisogne (BS)	I	EUR	24,429,800.00	39.246		39.246	Italmobiliare S.p.A.
Iseo South Africa Proprietary Limited	Cape Town	ZA	ZAR	2,163.00		100.000	100.000	Iseo Serrature S.p.A.
Iseo UKI Limited (former Locken UK Limited)	London	GB	GBP	1,000.00		100.000	100.000	Iseo Serrature S.p.A.
Italgen S.p.A.	Villa di Serio (BG)	I	EUR	20,000,000.00	100.000		100.000	Italmobiliare S.p.A.
Italmobiliare Servizi S.r.l.	Milano	I	EUR	3,520,000.00	100.000		100.000	Italmobiliare S.p.A.
ITM Bacco S.r.l.	Milano	I	EUR	100,000.00	60.000		60.000	Italmobiliare S.p.A.
Lowa Boots LLC	Stanford	USA	USD	35,000.00		99.900	99.900	Lowa Sportschuhe GmbH
						0.100	0.100	Tecnica Group S.p.A.
Lowa Production Sro	Bošany	SK	EUR	1,068,115.00		100.000	100.000	Lowa R&D S.r.l. (former Riko Sport S.r.l.)
Lowa R&D S.r.l.	Caselle di Altivole (TV)	I	EUR	780,000.00		100.000	100.000	Lowa Sportschuhe GmbH
Lowa Schuhe AG	Interlaken	CH	CHF	1,100,000.00		100.000	100.000	MM Holding AG
Lowa Sportschuhe GmbH	Jetzendorf	D	EUR	5,000,000.00		80.000	80.000	Tecnica Group S.p.A.
Lowa Austria Gmbh	St. Martin im Innkreis	A	EUR	35,000.00		100.000	100.000	Lowa Sportschuhe GmbH
Microhard S.r.l.	Rovellasca (CO)	I	EUR	100,000.00		100.000	100.000	Iseo Serrature S.p.A.
MM Holding AG	Stans	CH	CHF	100,000.00		100.000	100.000	Lowa Sportschuhe GmbH
New Flour S.p.A.	Milano	I	EUR	163,000.00	16.974		16.974	Italmobiliare S.p.A.
Norfin S.r.l.	Giavera del Montello (TV)	I	EUR	95,000.00		100.000	100.000	Tecnica Group S.p.A.
Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.	Firenze	I	EUR	2,100,000.00		95.000	95.000	FT2 S.r.l.
Officina Profumo-Farmaceutica di Santa Maria Novella of America Corporation	New York	USA	USD	2,000,000.00		100.000	100.000	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
PLV S.r.l.	Genova	I	EUR	10,000.00		100.000	100.000	Casa della Salute S.p.A.
Polo Dentale Studio Odontoiatrico S.r.l.	Genova	I	EUR	10,000.00		100.000	100.000	Casa della Salute S.p.A.
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milano	I	EUR	1,300,000.00	100.000		100.000	Italmobiliare S.p.A.
R.T.P. Radio Televisione Peloritana S.r.l.	Messina	I	EUR	200,000.00		100.000	100.000	S.E.S. Società Editrice Sud S.p.A.
Rovale S.r.l.	Villa di Serio (BG)	I	EUR	10,000.00		51.000	51.000	Italgen S.p.A.
S.E.S. Società Editrice Sud S.p.A.	Messina	I	EUR	10,695,505.08	33.527		33.527	Italmobiliare S.p.A.
SA.LU.COM. S.r.l.	Genova	I	EUR	10,000.00		100.000	100.000	Casa della Salute S.p.A.
San Samuele S.r.l.	Venezia	I	EUR	30,000.00		100.000	100.000	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Santa Maria Novella France S.A.S.	Levallois-Perret	FR	EUR	1,500,000.00		100.000	100.000	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Santa Maria Novella Japan K.K.	Tokyo	JPN	JPY	100,000,000.00		100.000	100.000	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Santa Maria Novella UK Limited	London	UK	GBP	1,000.00		100.000	100.000	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Schema Piada S.p.A.	Milano	I	EUR	163,000.00	16.974		16.974	Italmobiliare S.p.A.
Schöffel-Lowa-Sportartikel GmbH & Co. KG	Schwabmünchen	D	EUR	100,523.00		50.000	50.000	Lowa Sportschuhe GmbH
Sicilia On Line S.r.l. in liquidation	Palermo	I	EUR	99,000.00		50.000	50.000	Giornale di Sicilia Editoriale Poligrafica S.p.A.
SIDI Romania S.r.l. (former La Sierra Scarpe S.r.l.)	Popeşti Leordeni	RO	RON	50,000.00		100.000	100.000	SIDI Sport S.r.l.
SIDI Sport S.r.l.	Maser (TV)	I	EUR	500,000.00	100.000		100.000	Italmobiliare S.p.A.
Sirap Gema S.r.l.	Bergamo	I	EUR	500,000.00	100.000		100.000	Italmobiliare S.p.A.

Method	Non-controlling interest %	Equity at 31/12/2023		Profit for the year 2023		Company
Equity		EUR	31,355,332	EUR	16,794,384	IQ-Sports Verwaltungs GmbH
Equity		CNY	5,014,526	CNY	-1,265,478	Iseo (Beijing) Security Technology Co., Ltd
Equity		EUR	67,040	EUR	-3,081	Iseo Asia Limited
Equity		MYR	30,369	MYR	-127,955	Iseo Asia Pacific Sdn Bhd
Equity		COP	303,573,075	COP	289,924,467	Iseo Colombia S.A.S.
Equity		EUR	-161,784	EUR	-80,590	Iseo Denmark A.P.S.
Equity		EUR	2,747,031	EUR	-725,477	Iseo Deutschland GmbH
Equity		EUR	21,444,587	EUR	3,570,045	Iseo France S.A.S.
Equity		RON	489,085	RON	-521,268	Iseo Galvanica S.r.l.
Equity		AED	432,829	AED	2,860	Iseo Gulf LCC
Equity		EUR	111,383	EUR	-368,099	Iseo Iberica System & Services S.L. (former Locken Iberica S.L.)
Equity		EUR	5,165,581	EUR	291,631	Iseo Middle East FZE
Equity		PEN	1,034,118	PEN	-368,581	Iseo Peru S.A.C.
Equity		EUR	93,372,564	EUR	4,847,547	Iseo Serrature S.p.A.
Equity		ZAR	2,741,732	ZAR	-12,728,920	Iseo South Africa Proprietary Limited
Equity		EUR	1,577,651	EUR	1,109,072	Iseo UKI Limited (former Locken UK Limited)
Line-by-line		EUR	33,099,688	EUR	3,975,336	Italgen S.p.A.
Line-by-line		EUR	11,442,221	EUR	125,062	Italmobiliare Servizi S.r.l.
Line-by-line	40,000	EUR	19,237,784	EUR	-12,207	ITM Bacco S.r.l.
Equity		USD	17,884,659	USD	1,237,806	Lowa Boots LLC
Equity		EUR	18,264,679	EUR	-5,834,482	Lowa Production Sro
Equity		EUR	33,053,553	EUR	5,945,245	Lowa R&D S.r.l.
Equity		CHF	6,382,005	CHF	343,594	Lowa Schuhe AG
Equity		EUR	110,629,224	EUR	15,853,536	Lowa Sportschuhe GmbH
Equity		EUR	525,930	EUR	387,445	Lowa Austria Gmbh
Equity		EUR	3,313,045	EUR	347,292	Microhard S.r.l.
Equity		CHF	7,899,106	CHF	67,726	MM Holding AG
Fair Value		EUR	27,653,661 [4]	EUR	27,458,060 [4]	New Flour S.p.A.
Equity		EUR	99,891	EUR	-134,049	Norfin S.r.l.
Line-by-line	5,000	EUR	159,141,195	EUR	1,872,209	Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A.
Line-by-line		USD	2,465,569	USD	-323,028	Officina Profumo-Farmaceutica di Santa Maria Novella of America Corporation
Line-by-line		EUR	250,039	EUR	100,523	PVL S.r.l.
Line-by-line		EUR	209,724	EUR	199,723	Polo Dentale Studio Odontoiatrico S.r.l.
Line-by-line		EUR	1,358,608	EUR	17,305	Punta Ala Promozione e Sviluppo Immobiliare S.r.l.
Cost		EUR	175,298	EUR	-274,987	R.T.P. Radio Televisione Peloritana S.r.l.
Line-by-line	49,000	EUR	541,988	EUR	65,787	Rovale S.r.l.
Equity		EUR	42,585,128	EUR	221,258	S.E.S. Società Editrice Sud S.p.A.
Line-by-line		EUR	7,880	EUR	-2,120	SA.LU.COM. S.r.l.
Line-by-line		EUR	139,558	EUR	23,956	San Samuele S.r.l.
Line-by-line		EUR	1,250,427	EUR	-277,186	Santa Maria Novella France S.A.S.
Line-by-line		JPY	180,893,030	JPY	-9,106,970	Santa Maria Novella Japan K.K.
Line-by-line		GBP	840,156	GBP	99,263	Santa Maria Novella UK Limited
Fair Value	-	EUR	n.a.	EUR	n.a.	Schema Piada S.p.A.
Equity		EUR	2,718,742	EUR	129,037	Schöffel-Lowa-Sportartikel GmbH & Co. KG
Cost		EUR	-25,740 [1]	EUR	- 62,743 [1]	Sicilia On Line S.r.l. in liquidation
Line-by-line		RON	-7,690,512	RON	-5,721,395	SIDI Romania S.r.l. (former La Sierra Scarpe S.r.l.)
Line-by-line		EUR	64,403,558	EUR	-4,015,176	SIDI Sport S.r.l.
Line-by-line		EUR	2,207,517 [6]	EUR	253,626 [6]	Sirap Gema S.r.l.

Company	Head Office			Share Capital	Interest held by Group Companies			
					Direct	Indirect	%	
Société d'Etudes de Participations et de Courtages S.A.	Montecarlo	MC	EUR	1,290.000.00	99.983		99.983	Italmobiliare S.p.A.
Sofia S.r.l.	Pisogne (BS)	I	EUR	18,918.00		55.001	55.001	Iseo Serrature S.p.A.
Solar Derthona S.r.l.	Villa di Serio (BG)	I	EUR	30.000.00		100.000	100.000	Italgen S.p.A.
Solar Rooftop S.r.l.	Villa di Serio (BG)	I	EUR	50.000.00		100.000	100.000	Italgen S.p.A.
T.G.S. Telegiornale di Sicilia S.r.l.	Palermo	I	EUR	336.000.00		98.099	98.099	Giornale di Sicilia Editoriale Poligrafica S.p.A.
						1.901	1.901	S.E.S. Società Editrice Sud S.p.A.
Tecnica Group Canada Inc	Saint-Laurent	CA	CAD	4.000.000.00		100.000	100.000	Tecnica Group S.p.A.
Tecnica Group France S.a.r.l.	Annecy-Le-Vieux	FR	EUR	1.000.000.00		100.000	100.000	Tecnica Group S.p.A.
Tecnica Group Germany GmbH	Jetzendorf	D	EUR	715,808.00		100.000	100.000	Tecnica Group S.p.A.
Tecnica Group Japan Ltd	Tokyo	JP	JPY	100.000.000.00		99.900	99.900	Tecnica Group S.p.A.
Tecnica Group S.p.A.	Giavera del Montello (TV)	I	EUR	38,533,835.00	40.000		40.000	Italmobiliare S.p.A.
Tecnica Group Schweiz AG	Stans	CH	CHF	500.000.00		100.000	100.000	Tecnica Group S.p.A.
Tecnica Group USA-Corp.	West Lebanon	USA	USD	5,800.000.00		100.000	100.000	Tecnica Group S.p.A.
Tecnica Group Ukraine LLC	Beregovo	UA	EUR	150.000.00		100.000	100.000	Tecnica Ungheria Kft.
Tecnica Ungheria Kft.	Nagykàllò	H	EUR	98,352.00		99.000	99.000	Tecnica Group S.p.A.
						1.000	1.000	Norfin S.r.l.
Tianjing Tecnica International Trading Co., Ltd	Tianjin Port	RC	CNY	2,417,770.00		100.000	100.000	Tecnica Group S.p.A.

(1) Financial Statement at 31/12/2012

(2) Financial year ended 31/01/2024

(3) Financial year ended 30/11/2024

(4) Financial year ended 30/06/2024

(5) Value as of February 29, 2024

(6) The financial statements refer to the fiscal year ended on December 31, 2024. As of February 10, 2025, the company was placed into liquidation.

Method	Non-controlling interest %	Equity at 31/12/2023		Profit for the year 2023		Company
Line-by-line	0.020	EUR	114,383	EUR	-125,761	Société d'Etudes de Participations et de Courtages S.A.
Equity		EUR	784,898	EUR	-168,648	Sofia S.r.l.
Line-by-line		EUR	12,505	EUR	-165,693	Solar Derthona S.r.l.
Line-by-line		EUR	8,057	EUR	68,866	Solar Rooftop S.r.l.
Cost		EUR	889,280	EUR	12,975	T.G.S. Telegiornale di Sicilia S.r.l.
Equity		CAD	6,371,220	CAD	-258,493	Tecnica Group Canada Inc
Equity		EUR	4,610,492	EUR	820,694	Tecnica Group France S.a.r.l.
Equity		EUR	440,508	EUR	-85,112	Tecnica Group Germany GmbH
Equity		YEN	327,433,900	JPY	68,164,712	Tecnica Group Japan Ltd
Equity		EUR	127,183,645	EUR	15,437,867	Tecnica Group S.p.A.
Equity		CHF	2,429,067	CHF	114,779	Tecnica Group Schweiz AG
Equity		USD	46,119,880	USD	5,020,552	Tecnica Group USA-Corp.
Equity		USD	-13,599	USD	-165,088	Tecnica Group Ukraine LLC
Equity		EUR	15,811,306	EUR	3,344,471	Tecnica Ungheria Kft.
Equity		CNY	-1,712,985	CNY	-25,659	Tianjing Tecnica International Trading Co., Ltd

ITALMOBILIARE
INVESTMENT HOLDING

Certification pursuant to art. 154-bis paragraph 5 of the Italian Consolidated Law on Finance (CLF) regarding the consolidated financial statements pursuant to art. 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions

1. The undersigned Carlo Pesenti, Chief Executive Officer, and Mauro Torri, Manager in charge of financial reporting of Italmobiliare S.p.A., hereby certify, also in consideration of art. 154-bis, paragraphs 3 and 4, of legislative decree no. 58 of February 24, 1998:
   - the adequacy in relation to the characteristics of the company and
   - the actual application

   of the administrative and accounting procedures adopted for the preparation of the **consolidated financial statements** during the period from January 1, 2024 to December 31, 2024.
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, 2024 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 Organisations 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, 2024:
   - a) have been prepared in compliance with the applicable International Financial Reporting Standards recognised by the European Community pursuant to European Parliament and Council Regulation no. 1606/2002 of July 19, 2002;
   - b) correspond to the contents of the accounting books and records;
   - c) are suitable to provide a true and fair view of the financial position, results of operations and cash flows of Italmobiliare S.p.A. and of the group of companies included in the consolidation scope;

   3.2 the Director's report includes a reliable analysis of the performance and results of operations, as well as of the situation of Italmobiliare S.p.A. in its capacity as an issuer, and of the group of companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

March 6, 2025

Chief Executive Officer	Manager in charge of financial reporting
Carlo Pesenti	Mauro Torri

Deloitte & Touche S.p.A.
Via Santa Sofia, 28
20122 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Italmobiliare S.p.A.

REPORT ON THE AUDIT OF THE 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, 2024, and the income statement, statement of comprehensive income, consolidated statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and 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.

Deloitte.

Measurement of financial assets with fair value levels 2 and 3	
Description of the key audit matter	The consolidated financial statements at December 31, 2024 include financial assets measured at fair value categorized into hierarchy levels 2 and 3 amounting to Euro 503,8 million, equal to 44,1% of total financial assets and 20,8% 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, 2024 considering: i) it entails a significant level of judgements by the Directors, ii) the complexity of the relevant valuation techniques and of the significant inputs and iii) the significance of the amounts. **Note 6) "Other equity investments", 7) "Trade receivables and other** non-**current assets" and 12) "Equity investments, bonds and current financial receivables" of the consolidated financial statements include** the disclosures about the measurement of financial assets.
Audit procedures performed	Our audit procedures, among others, included: • understanding of the relevant controls implemented for the acquisition, disposal and measurement of financial assets; • assessing the appropriateness of the accounting rules adopted by the Group in accordance with the requirements of IFRS 9 and IFRS 13; • testing, on a sample basis, the appropriate categorization of financial assets into the fair value levels; • testing, on a sample basis, the reasonableness and the accuracy of the valuation 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, 2024 include goodwill amounting to Euro 291,5 million, and intangible assets with **indefinite useful life related to the "Caffè Borbone", "Sidi Sport" and the "Officina Profumo Farmaceutica di Santa Maria Novella" trademark** amounting Euro 92,1 million, Euro 31,2 million and Euro 124,2 million respectively.

Deloitte.

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 2025 budget approved by the Board of Directors of the subsidiaries and the plans prepared by subsidiaries Management which include the projections of the financial and economic results (ii) the determination of an appropriate discount rate (WACC) and (iii) an estimate of the long-term growth rate (g-rate) for the cash flows beyond the plan explicit period. The determination of the value in use is also based on assumptions influenced by future expectations and external variables, including the evolution of the conditions for their respective markets.

The recoverable amount of the "Caffè Borbone", "Sidi Sport" and the "Officina Profumo Farmaceutica di Santa Maria Novella" trademarks with indefinite useful life were estimated by the Directors, also with the support of an independent external advisor, as their fair value, determined using an income approach method, based on assumptions made by the Directors relating to the expected turnover set out in the 2025 budget and the plan for the following years, the explicit royalty **rates and the discount rate ("Relief from royalty method").**

As a result of the impairment test, impairment losses were recognised **on the goodwill allocated to the "Callmewine" CGU for Euro 2,**4 million.

Given the significance of the assets recognized in the consolidated financial statements, the judgement required in the estimates of expected cash flows, implicit 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.

Deloitte.

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 (including the effects of the macroeconomic scenario and potential impacts coming from the climate change) and implicit royalties, together with the collection of other relevant information provided by the Directors; • evaluating the competences, capabilities and objectivity of the external advisor involved by the Directors for the preparation of the impairment test; • analyzing the differences between budgeted targets and actual results in order to understand the nature of the deviations, also considering, the changes of the macroeconomic scenario, and the reliability of the budgeting process; • analyzing the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate) in the value in use determination and of the market multiples in the fair value determination; • assessing the mathematical accuracy of the model used to determine the value in use of the CGUs and the fair value of the trademarks with indefinite useful life; • analyzing the appropriate determination of the carrying amount of the CGUs, in compliance with the methods used for the estimate of the value in use; • assessing the sensitivity analysis performed by Management; • assessing the appropriateness of the disclosures reported in the notes and its compliance with IAS 36.
Recoverability of investments in associates	
Description of the key audit matter	The consolidated financial statements at December 31, 2024 include investments in associates amounting Euro 154,9 million – accounted for using the equity method.

Deloitte.

	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 with their carrying amount. In fiscal year 2024, the recoverable amount has been assessed 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 2025 budget/forecast for year 2024 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. For Iseo Serrature S.p.A. its recoverable amount Euro 39,3 million and was lower than its carrying value Euro 47,5 million requiring the recognition of an impairment loss of Euro 8,2 million. For other investment in associated 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. .
Audit procedures performed	We have preliminary assessed the process used by Management to determine the recoverable amount of the investments in associates analyzing the methods and assumptions used for the development of the impairment test. Our audit procedures, which also involved our own valuation specialists, included: • understanding of the relevant controls implemented by the Group on the impairment test process of the investments in associates; • analyzing the reasonableness of the main assumptions used for developing the expected ebitda (including the effects of the macroeconomic scenario and potential impacts coming from the climate change), together with the collection of other relevant information provided by the Directors;

- evaluating the competences, capabilities and objectivity of the external advisor involved by the Directors for the preparation of the impairment test;
- analyzing the differences between budgeted targets and actual results in order to understand the nature of the deviations, also considering, the changes of the macroeconomic scenario, and the reliability of the budgeting process;
- analyzing the reasonableness of the market multiples method used to measure the fair value;
- assessing the mathematical accuracy of the model used to determine the recoverable amount of the investments in associates;
- comparing the recoverable amount of the investments in associates with their carrying amount;
- assessing the sensitivity analysis performed by Management;
- assessing the appropriateness of the disclosures reported in the notes and its compliance with IAS 36.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15, 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.

Deloitte.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Deloitte.

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 as at December 31, 2024, 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 as at December 31, 2024 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to 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 Italmobiliare Group as at December 31, 2024, 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 of 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;

Deloitte.

- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of 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;

- make a statement about any material misstatement in the report on operations and in 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.

In our opinion, the report on operations and the 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, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the 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 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), 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.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Massimiliano Semprini
Partner

Milan, Italy
March 24, 2025

As disclosed by the Directors on page A3, the accompanying consolidated financial statements of Italmobiliare S.p.A. constitute a non-official version which has not been prepared in accordance 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.*

ITALMOBILIARE
INVESTMENT HOLDING

ITALMOBILIARE S.P.A.

SEPARATE FINANCIAL STATEMENTS 2024

FINANCIAL STATEMENTS

Statement of financial position

(euro)	Notes	31.12.2024	31.12.2023 (*)	Change
Non-current assets				
Property, plant and equipment	1	8,570,477	8,005,379	565,098
Investment property	2	12,230,898	12,935,532	(704,634)
Intangible assets	3	-	-	-
Equity investments in subsidiaries and associates	4	689,021,378	666,216,382	22,804,996
Other equity investments	5	120,716,165	148,758,265	(28,042,100)
Deferred tax assets	6	3,845,404	4,008,128	(162,724)
Other non-current assets	7	308,619,892	274,169,524	34,450,368
Total non-current assets		**1,143,004,215**	**1,114,093,210**	**28,911,005**
Current assets				
Trade receivables	8	449,411	521,069	(71,658)
Other current assets including derivative financial instruments	9	1,154,711	7,428,178	(6,273,467)
Tax assets	10	14,224,856	17,906,874	(3,682,018)
Equity investments, bonds and current financial receivables	11	199,418,162	172,953,962	26,464,200
Cash and cash equivalents	12	32,519,612	18,195,557	14,324,055
Total current assets		**247,766,752**	**217,005,639**	**30,761,112**
Assets classified as held for sale	13		**60,388,245**	**(60,388,245)**
Total assets		**1,390,770,966**	**1,391,487,095**	**(716,129)**
Equity				
Share capital	14	100,166,937	100,166,937	-
Share premium reserve	15	55,606,873	55,606,873	-
Reserves	15	28,238,226	29,338,724	(1,100,498)
Treasury shares	16	(5,165,730)	(5,165,730)	-
Retained earnings	17	1,156,684,832	1,163,449,559	(6,764,727)
Total equity		**1,335,531,138**	**1,343,396,363**	**(7,865,225)**
Non-current liabilities				
Borrowings	19	552,693	414,961	137,732
Employee benefits	18	559,284	765,999	(206,715)
Provisions	20	16,110,000	16,110,000	-
Tax liabilities	20	67,031	4,489,464	(4,422,433)
Other non-current liabilities	21	8,080,992	4,084,594	3,996,398
Deferred tax liabilities	22	445,414	424,317	21,097
Total non-current liabilities		**25,815,415**	**26,289,335**	**(473,920)**
Current liabilities				
Loans and borrowings	19		36,196	(36,196)
Financial liabilities	19	2,336,542	4,405,442	(2,068,900)
Employee benefits	23	1,745,397	1,796,804	(51,407)
Provisions		-	-	-
Tax liabilities	24	11,101,062	-	11,101,062
Other current liabilities	25	14,241,413	15,563,055	(1,321,642)
Total current liabilities		**29,424,413**	**21,801,497**	**7,622,917**
Total liabilities		**55,239,828**	**48,090,832**	**7,148,997**
Liabilities directly associated with assets classified as held for sale				
Total equity and liabilities		**1,390,770,966**	**1,391,487,195**	**(716,228)**

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.

(*) Note that, for better representation, 1,105 thousand euro has been reclassified from “Other current liabilities” to “Financial liabilities” in the comparative period at December 31, 2023.

Income statement

(euro)	Notes	2024	%	2023 (*)	%	Change amount	%
Revenue							
Revenue and income		140,145,847		123,068,688		17,077,159	
Total revenue and income	**26**	**140,145,847**	**100.0**	**123,068,688**	**100.0**	**17,077,159**	**13.9**
Other revenue and income	27	916,254		892,957		23,297	
Raw materials and supplies	28	(341,575)		(323,581)		(17,994)	
Services	29	(7,648,042)		(7,432,081)		(215,961)	
Personnel expenses	30	(18,023,741)		(19,546,282)		1,522,541	
Other operating income (expenses)	31	(9,923,905)		(28,959,038)		19,035,133	
Gross operating profit		**105,124,836**	**75.0**	**67,700,663**	**55.0**	**37,424,173**	**55.3**
Amortisation and depreciation	32	(945,563)		(844,598)		(100,965)	
Operating profit		**104,179,273**	**74.3**	**66,856,065**	**54.3**	**37,323,208**	**55.8**
Finance income and costs	33	(111,518)		(56,685)		(54,833)	
Impairment of financial assets	34	(5,836,982)		(19,178,347)		13,341,365	
Profit/(loss) before tax		**98,230,773**	**70.1**	**47,621,033**	**38.7**	**50,609,740**	**n.s.**
Income tax	35	6,526,811		3,956,050		2,570,761	
Profit/(loss) for the year		**104,757,584**	**74.7**	**51,577,083**	**41.9**	**53,180,501**	**n.s.**

(*) Note that the 2023 data differs from what was previously published as the cost of Value Creation Sharing Incentive Plan has been reclassified from “Revenue” to “Personnel expenses” as explained in the “Measurement Criteria” section.

n.s. not significant

Statement of comprehensive income

(euro)	Notes	2024	2023	Change amount	%
Profit/(loss) for the year		**104,757,584**	**51,577,083**	**53,180,501**	**n.s.**
Items that will not be reclassified subsequently to profit or loss					
Financial assets measured at FVTOCI	5	14,254,268	31,948,573	(17,694,305)	
Income tax related to other comprehensive income		(21,508)	(289,473)	267,965	
Remeasurement of net defined benefit liability/asset		(6,779)	16,129	(22,908)	
Total items that will not be reclassified to profit or loss		**14,225,981**	**31,675,229**	**(17,449,248)**	
Items that may be reclassified subsequently to profit or loss					
Foreign exchange differences on translation of foreign operations					
Total items that may be reclassified subsequently to profit or loss					
Total other comprehensive income for the year		**14,225,981**	**31,675,229**	**(17,449,248)**	
Total comprehensive income		**118,983,565**	**83,252,312**	**35,731,253**	**42.9**

n.s. not significant

Statement of changes in equity

(euro)			Reserves				
	Share capital	Share premium	OCI reserve	Other reserves	Treasury shares	Retained earnings	Total equity
Balances at December 31, 2022	**100,166,937**	**55,606,873**	**(1,628,355)**		**(5,165,730)**	**1,140,762,377**	**1,289,742,102**
Statement of comprehensive income			31,659,100			16,129	31,675,229
Reclassification for sale of investments at FVTOCI			(692,021)			692,021	
Profit for the year							
Reduction of stock option plans for extinction and/or exercise						51,577,083	51,577,083
Stock options exercised							
Profit distribution:							
Dividends						(29,598,051)	(29,598,051)
Balances at December 31, 2023	**100,166,937**	**55,606,873**	**29,338,724**		**(5,165,730)**	**1,163,449,559**	**1,343,396,363**
Statement of comprehensive income			14,232,760			(6,779)	14,225,981
Reclassification for sale of investments at FVTOCI			(15,333,258)			15,333,258	
Profit for the year						104,757,584	104,757,584
Reduction of stock option plans for extinction and/or exercise							
Stock options exercised							
Profit distribution:							
Dividends						(126,848,790)	(126,848,790)
Balances at December 31, 2024	**100,166,937**	**55,606,873**	**28,238,226**		**(5,165,730)**	**1,156,684,832**	**1,335,531,138**

Statement of cash flows

(in thousands of euro)	Notes	2024	2023
A) Cash flows from operations			
Profit/(loss) before tax		98,231	47,621
Amortisation, depreciation and impairment losses		755	845
(Capital gains)/losses on securities, investments, PPE and investment property		(40,993)	(2)
Change in employee benefits and other provisions		(207)	452
Reversal of impairment adjustments to financial assets		5,836	19,178
Reversal of net finance income/costs	36	(92,034)	(111,793)
Cash flows from operating activities before tax, finance income/costs and change in working capital		**(28,412)**	**(43,699)**
Change in trade receivables (*)		102	(16)
Change in trade payables		(51)	(858)
Change in other receivables/payables, accruals and deferrals		15,440	6,839
Total changes in working capital		**15,490**	**5,965**
Net finance costs paid		5,163	11,789
Dividends received	26	52,233	46,287
Tax payments, net of rebates		(4,780)	(2,411)
Total A)		**39,695**	**17,931**
B) Cash flows from investing activities			
Capital expenditure:			
PPE and investment property	2	(778)	(6,484)
Intangible assets			
Change in financial receivables			(3,384)
Financial assets (Investments and Private Equity funds)	36	(53,897)	(64,735)
Change in current equity investments and securities	36	(173,305)	(50,972)
Total capital expenditure		**(227,980)**	**(125,575)**
PPE and investment property		403	
Change in receivables for sale of financial assets		7,311	
Proceeds from disposal of non-current assets	36	174,336	128,153
Change in current equity investments and securities	11	149,377	19,458
Total disposals		**331,426**	**147,611**
Total B)		**103,446**	**22,036**
C) Cash flows from financing activities			
Change in financial liabilities	19	(1,967)	(14,673)
Change in treasury shares and Other non-monetary change	16		(1)
Dividends paid	16	(126,849)	(29,598)
Total C)		**(128,816)**	**(44,272)**
D) Change in cash and cash equivalents (A+B+C)		**14,325**	**(4,305)**
E) Cash and cash equivalents at the beginning of the year		**18,195**	**22,500**
D+E) Cash and cash balances at the end of the year	**12**	**32,520**	**18,195**

(*) The value does not match the change in trade receivables in the “Statement of Financial Position” as it includes 30,000 euro of receivables related to AGN Energia, reclassified under “Assets held for sale” at December 31, 2023.

NOTES

The draft financial statements of Italmobiliare S.p.A. for the year ended December 31, 2024 were approved by the Board of Directors on March 6, 2025. During the meeting, the Directors authorised also the publication of a press release dated March 6, 2025, containing the abovementioned financial statements' key information.

The company that draws up the consolidated financial statements of the largest grouping that includes Italmobiliare is Cemital Privital Aureliana S.p.A., based in Milan.

The financial statements have been presented on a going-concern basis.

Core businesses

Italmobiliare S.p.A. is a legal entity established in accordance with the laws of the Republic of Italy and listed on the Milan Stock Exchange since 1980. Its core business is the management of a diversified portfolio of investments and equity investments.

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 accounting standards issued by the International Accounting Standard Board and endorsed by the European Union, applicable at December 31, 2024. The term "IFRS Accounting Standards" includes also the *International Accounting Standards* ("IAS®") still applicable and all the interpretation documents issued by the *IFRS Interpretation Committee*, previously called *International Financial Reporting Interpretations Committee* ("IFRIC®"), and before *Standing Interpretations Committee* ("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 Accounting Standards. Consequently, these financial statements are compliant with the Italian Civil Code and the corresponding indications of the Consolidated Law on Finance (CLF) for listed companies with regard to the Directors' report, the independent statutory audit and the publication of the financial statements. The separate financial statements and related notes also set out the details and additional disclosures required under the articles of the Italian Civil Code governing financial statements, since such requirements are not in conflict with the IFRS, and under other Consob regulations and dispositions governing financial statements.

In compliance with European Regulation no. 1606 of July 19, 2002, the policies adopted do not include the standards and interpretations published by the IASB and the IFRS IC at December 31, 2024 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, 2024

The following accounting standards, amendments and IFRS interpretations were applied for the first time by the Company starting from January 1, 2024.

- On January 23, 2020 the IASB published an amendment called "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on October 31, 2022 an amendment called "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". These amendments aim to clarify how to classify payables and other short or long-term liabilities. Furthermore, the amendments also improve the disclosure requirements for an entity when its ability to defer the settlement of a liability for at least twelve months is contingent upon meeting certain parameters (i.e., covenants). The adoption of these amendments did not have any effect on the Company's financial statements.
- On September 22, 2022 the IASB published an amendment called "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires the seller-lessee to measure the lease liability arising from a sale & leaseback transaction so as not to recognise income or loss that relates to the retained right of use. The adoption of these amendments did not have any effect on the Company's financial statements.

- On May 25, 2023 the IASB published an amendment called "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of the financial statements to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and understand the impact of such arrangements on the entity's exposure to liquidity risk. The adoption of these amendments did not have any effect on the Company's financial statements.

Accounting standards, amendments and IFRS and IFRIC interpretations endorsed by the European Union, not yet mandatory and not adopted in advance by the Company at December 31, 2024

At the date of these financial statements the competent bodies of the European Union have not yet completed the endorsement process necessary for adoption of the amendments and principles described below, but these standards are not yet mandatory and have not been adopted in advance by the Company at December 31, 2024:

- On August 15, 2023, the IASB published an amendment called "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". This amendment mandates that an entity adopts a consistent methodology to assess the exchangeability of one currency into another, determine the spot exchange rate to be utilised, and provide corresponding disclosure in the notes when exchangeability is not feasible. The amendment will apply starting from January 1, 2025, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Company's financial statements.

Accounting standards, amendments and IFRS interpretations published at December 31, 2024, 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 endorsement process required for adoption of the amendments and principles described below.

- On May, 30 2024 the IASB published an amendment called "Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS9 and IFRS17". The document clarifies some issues identified during the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon achievement of ESG objectives (i.e., green bonds). In particular, the amendments aim to:
  - clarify the classification of financial assets with variable returns and linked to ESG objectives, as well as the criteria to be used for the assessment of the SPPI test;
  - determine that the date of settlement of the liabilities through electronic payment systems is that on which the liability is extinguished. Nevertheless, an entity is permitted to adopt an accounting policy to allow for the write-off of a financial liability before delivering liquidity on the settlement date in the presence of certain specific conditions.

With these amendments, the IASB has also introduced additional disclosure requirements with regard, in particular, to investments in equity instruments designated to FVTOCI.

The amendments shall apply from the financial statements for years beginning on or after 1 January 2026. The directors are currently assessing the possible effects of the introduction of these amendments on the Company's financial statements.

- On 18 July 2024 the IASB issued a standard called "Annual Improvements to IFRS Accounting Standards—Volume 11". This standard includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The standard amends the following:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

Amendments will apply starting from January 1, 2026, but early application is permitted. The directors are currently assessing the possible effects of the introduction of these amendments on the Company's financial statements.

- On December 18, 2024, the IASB published an amendment called “Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7”. The document aims to support entities in reporting the financial effects of electricity purchase contracts generated from renewable sources (often structured as Power Purchase Agreements). Based on such contracts, the quantity of electricity generated and purchased may vary due to uncontrollable factors, such as weather conditions. The IASB has introduced targeted amendments to IFRS 9 and IFRS 7 standards. The amendments include:
    - a clarification regarding the application of the "own use" requirements to this type of contract.
    - criteria to allow the accounting of such contracts as hedging instruments.
    - new disclosure requirements to enable financial statement users to understand the impact of these contracts on an entity's financial performance and cash flows.

The amendment will apply starting from January 1, 2026, but early application is permitted. The directors do not expect this amendment to have a significant effect on the Company’s financial statements.

- On April 9, 2024, the IASB published a new standard “IFRS 18 Presentation and Disclosure in Financial Statements”, which will replace “IAS 1 Presentation of Financial Statements”. The new standard aims to improve the presentation of the financial statements, with specific regard to the income statement layout. In particular, the new standard requires:
    - the classification of revenues and costs into three new categories (operating, investing, and financing), in addition to the existing categories for taxes and discontinued operations in the income statement layout.
    - the presentation of two new subtotals: operating profit and profit before interest and taxes (i.e., EBIT).

Additionally, the new standard:

- requires more detailed information on management-defined performance measures.
- introduces specific new criteria for aggregating and disaggregating information.
- implements changes to the cash flow statement layout, including the requirement to use operating profit as the starting point for the cash flow statement prepared under the indirect method, and the removal of certain existing classification options (i.e., interest and dividends paid and interest and dividends received).

The new standard will apply starting from January 1, 2027, but early application is permitted. The directors are currently assessing the possible effects of the introduction of these amendments on the Company's financial statements.

MEASUREMENT CRITERIA AND BASIS OF PRESENTATION

The financial statements adopt the cost method, with the exception of derivatives and financial assets, which are measured at fair value. The carrying amounts of hedged assets and liabilities are adjusted to reflect changes in fair value on the basis of the hedged risks. The financial statements are presented in euro. All amounts in the accounting schedules and in the notes are rounded to thousands of euro, unless otherwise specified.

The basis of presentation of the Italmobiliare S.p.A. separate financial statements is as follows:

- current and non-current assets and current and non-current liabilities are presented as separate classifications on the statement of financial position. Current assets, which include cash and cash equivalents, are assets that the Company intends to realize, sell or consume during its normal business cycle; current liabilities are liabilities that the Company expects to settle during the normal business cycle or in the twelve months after the end of the reporting period;
- on the income statement, costs are analysed by nature;

- with regard to comprehensive income, Italmobiliare S.p.A. presents two statements. The first statement reflects traditional income statement components and the profit (loss) for the year, while the second statement, beginning with the profit (loss) for the year, presents other comprehensive income, net of tax: fair value changes on financial assets measured at FVTOCI and on fair value changes of derivative financial instruments designated in hedge accounting, translation differences and effects of the remeasurement of defined benefit plans, presenting separately the elements that can subsequently be recycled to profit or loss for the year from those that will not be reclassified;
- the indirect method is used for the statement of cash flows, with separate reporting of any cash flows by operating, investing and financing activities associated with discontinued operations, when present. In particular, although the Company does not diverge from the provisions of IAS 7 in the classification of items, please note:
  - cash flows from operating activities report cash flows from core operations, interest on loans granted and obtained and dividends received from subsidiaries and associates;
  - investing activities comprise investments in property, plant and equipment and intangible assets, shareholdings, private equity funds and disposals of such assets, as well as other minor investments;
  - cash flows from financing activities include cash flows generated by liability management transactions and leases, dividends and interim dividends paid to the owners of the Company;
  - a separate item is used to report the impact of exchange rates on cash and cash equivalents and their impact on profit or loss is eliminated in full in order to neutralize the effect on cash flows from operating activities.

USE OF ESTIMATES

In preparing the separate financial statements, the following significant judgments were made when applying the accounting standards of Italmobiliare S.p.A.

The investment in Archimede (17.24%) is measured at FVTOCI in Italmobiliare financial statements because management concluded that Italmobiliare does not have any significant influence over it. It should be noted that Italmobiliare has the right to appoint an "observer", who has the right to participate in meetings of the Board of Directors of Bacco and the right to be informed in advance of the matters under discussion, without having any right to vote on the resolutions passed by the Board of Directors, nor be considered a member of Bacco's Board of Directors (so IAS 28.6 does not apply, as it assumes that an investor has significant influence if it appoints a member of the Board).

Bene Assicurazioni in an investment measured at FVTOCI. On April 29, 2022, Italmobiliare finalised its investment in Bene Assicurazioni S.p.A. with an outlay of 40 million euro for a 19.99% stake, having received authorisation from IVASS, the Supervisory Authority for the Italian Insurance Sector. Although Italmobiliare has a member on the Board of Directors, at December 31, 2024 the Group management excludes the presence of a significant influence over the investee, because the controlling shareholder owns a 55% stake in the company and the remaining stake is owned by a second investor (Nurberger at 25%). As a consequence, the director appointed by Italmobiliare does not have a significant influence over the decision to be taken by Bene Assicurazioni's Board of Directors (in the absence of shareholders agreements among the parties).

The main assumptions regarding the future and the main causes of uncertainty in the estimate at the end of the reporting period that present a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities during the next financial year are shown below:

- measurement of the fair value of financial assets: as regards investments in listed companies, the fair value is measured 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 measuring the provisions (for further details, see note 20);
- impairment losses and reversals on investments in subsidiaries and associates (for further details, see note 4).

RELATED PARTIES

Related parties are mainly those that share the same parent with Italmobiliare S.p.A., the companies that directly or indirectly are controlled by Italmobiliare S.p.A., the associates (including their subsidiaries) of Italmobiliare S.p.A., or the associates (including their subsidiaries) of any Group company. Related parties also include statutory auditors, and their immediate family, and the key management personnel, and their immediate family, of Italmobiliare S.p.A. and its parent company. Key management personnel comprises management personnel who have the power and direct or indirect responsibility for the planning, management and control of the activities of the Company. They include directors (whether executive or not).

SUBSIDIARIES AND ASSOCIATES

Subsidiaries are companies in which the Company is exposed to variable returns, or holds rights to such returns, by virtue of its relationship with the companies in question, and simultaneously has the ability to affect such returns by exercising its power.

The Company ascertains the existence of control on the basis of the existence of three elements:

- power: the current ability of the company, arising from substantial rights, to decide key operations that have a material impact on the company's returns;
- the exposure of the company to the variability of the returns of the investee;
- correlation between power and returns, the company has the ability to exercise its power to affect the returns arising from the relationship.

Generally speaking, control is assumed to exist when the company holds, directly or indirectly, more than one half of voting rights, including potential voting rights deriving from convertible securities.

Associates are companies in which the company has significant influence over administrative and management decisions even though it does not hold control. Generally speaking, significant influence is assumed to exist when the company holds, directly or indirectly, at least 20% of voting rights at ordinary shareholders' meetings, or, even if it holds a lower percentage of voting rights, when it is entitled to take part in financial and management policy decisions by virtue of a specific juridical status including, but not limited to, participation in shareholders' agreements or other forms of material exercise of governance rights.

Equity investments in subsidiaries and associates are valued at cost. Based on this method, equity investments are initially recognised 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 recognised in the income statement. The costs relating to the purchase of the investments are recorded as an increase in its value.

TRANSACTIONS IN CURRENCIES OTHER THAN THE FUNCTIONAL CURRENCY

Foreign currency transactions are initially translated into the functional currency using the exchange rate at the transaction date. At the reporting date, foreign currency monetary assets and liabilities are translated into the functional currency at the closing rate. Exchange-rate gains and losses are taken to the income statement.

Non-monetary foreign currency assets and liabilities measured at cost are translated at the exchange rate ruling at the transaction date; those measured at fair value are translated with the exchange rate at the date fair value was determined.

PROPERTY, PLANT & EQUIPMENT

Recognition and measurement

Property, plant and equipment are recognised at cost, less accumulated depreciation and any impairment losses. Cost includes the purchase or production cost and the directly attributable costs of bringing the asset to the location and the conditions required for its operation. Production cost includes the cost of materials and direct labour costs. Finance costs relating to the purchase, construction and production of qualifying assets are capitalized.

Subsequent to initial recognition, property, plant and equipment are carried at cost and depreciated over the asset's useful life, less any impairment losses.

Assets under construction are recognised 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 recognised 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 recognised separately from buildings erected on it and is not depreciated.

Useful life determines the depreciation rate until such time that the residual useful life is revised. The useful life range adopted for the various categories of property, plant and equipment is disclosed in the notes.

Lease

The Company must assess whether the contract is or contains a lease on the date it was entered into. The Company recognises the Right of Use and the related Lease Liability for all the lease contracts in which it acts as a lessee, with the exception of short-term ones (lease contracts with a duration of 12 months or less) and leases relating to low-value goods (i.e. goods with a value of less than Euro 5,000 when new). The contracts for which this exemption has been applied fall mainly into the following categories:

- Computers, telephones and tablets;
- Printers;
- Other electronic devices;
- Furniture and fittings.

With regard to these exemptions, the Company recognises the related payments in the form of operating costs on a straight-line basis over the duration of the contract.

The Lease Liability is initially recognised at the present value of future payments at the start date of the contract. Since there is no implicit interest rate in most of the rental contracts entered into by the Company, the discount rate to be applied to future payments of rents was determined as the Italian risk-free rate, with maturities in line with the duration of the specific rental contract, increased by the credit spread that is specific to the Company.

Lease payments included in the Lease Liability include:

- The fixed component of lease payments, net of any incentives received;
- Payments of variable lease fees based on an index or rate, initially valued using the index or rate on the date the contract begins.

After initial recognition, the book value of the Lease Liability increases due to the interest accrued (using the effective interest method) and decreases to take into account the payments made under the lease contract.

The Right of Use asset includes the initial assessment of the Lease Liability, the lease payments made before or on the date of the contract and any other initial direct costs. The Right of Use is recorded in the financial statements net of depreciation and any impairment losses.

The incentives linked to the lease (for example, free lease periods) are recognised as part of the initial value of the Right of Use and the Lease Liability over the contractual period.

The Right of Use is depreciated on a straight-line basis over the lower of the lease term and the residual useful life of the underlying asset. If the lease contract transfers ownership of the asset or the cost of the Right of Use reflects the Company's willingness to exercise the purchase option, the Right of Use is depreciated over the useful life of the asset in question. Depreciation begins from the start of the lease.

The right-of-use asset is shown under "Property, plant and equipment" in the separate statement of financial position.

The Company applies IAS 36 “Impairment of Assets” in order to identify any impairment losses.

Variable lease payments that do not depend on an index or rate are not included in the value of the Lease Liability or the Right of Use. The related payments are accounted for in accordance with the accrual principle and are included in "Other expenses" in the income statement.

In the cash flow statement, the Company divides the total amount paid between the principal portion (recognised in cash flows from financing activities) and the interest portion (recorded in cash flows from operating activities).

INVESTMENT PROPERTY

Investment property is land and/or buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of services. Investment property is initially recognised 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 recognised at fair value.

Subsequent to initial recognition, intangible assets are carried at cost amortised over their useful life, less any impairment losses.

The Company has not identified intangible assets with an indefinite useful life.

FAIR VALUE MEASUREMENT

For all fair value measurements and disclosures of fair value, that are either required or permitted by IFRS, the Company applies IFRS 13. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date (i.e., an exit price). The fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the principal market, i.e., the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market to which the Company has access, i.e., the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, knowledgeable sellers and buyers who are able to enter into a transaction for the asset or the liability and who are motivated but not forced or otherwise compelled to do so. When measuring fair value, the Company considers the characteristics of the asset or liability, in particular:

- for a non-financial asset, a fair value measurement takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use;
- for liabilities and own equity instruments, the fair value reflects the effect of non-performance risk, i.e., the risk that the Company will not fulfil an obligation, including among others the credit risk of the Company itself;
- in the case of groups of financial assets and financial liabilities with offsetting positions in market risk or credit risk, managed on the basis of an entity’s net exposure to such risks, it is permitted to measure fair value on a net basis.

In measuring the fair value of assets and liabilities, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

IMPAIRMENT

At the end of each reporting period, the Company checks whether there are any internal or external trigger events of possible impairment or recovery in the value of property, plant and machinery or intangible assets according to IAS 36.

At the presence of such trigger events, the recoverable amount of these assets is estimated to determine the amount of any potential write-down or write-back.

The recoverable amount is the higher of the market value (fair value, net of disposal costs) and the value in use. In determining the value in use, the estimated future cash flows are discounted to their present value, using a discount rate which is determined on the basis of the Company's weighted average cost of capital (WACC).

If the recoverable amount of an asset is reckoned to be lower than its carrying amount, it is reduced to this lower value. Impairment losses are recognised 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 market multiples, quoted share prices on an active market for similar enterprises, comparable transactions on similar assets or other available fair value indicators applicable to the assets being measured.

Investments in subsidiaries and associates are tested for impairment if indications of impairment emerge. This assessment is performed at each reporting date for investments which give rise to a goodwill in the consolidated financial statements.

REVERSALS OF IMPAIRMENT LOSSES

If an impairment loss on an asset subsequently reverses in full or in part, the asset carrying amount is increased to reflect the new estimated recoverable amount, which may not exceed the amount that would have been reflected in the absence of the impairment loss. Impairment losses and reversals of impairment losses are taken to the income statement.

FINANCIAL ASSETS

All financial assets are recognised initially at cost at the trade date. Cost corresponds to fair value plus additional costs attributable to the purchase with the exception of financial assets held for trading (FVTPL).

All financial assets must subsequently be recognised at amortized cost or fair value based on the entity's business model for the management of financial assets and the characteristics of the financial asset's contractual cash flows.

Specifically:

- Debt instruments held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows, and which have cash flows represented only by payments of principal and interest on the amount of principal to be returned, are subsequently valued at amortised cost;
- Debt instruments held as part of a business model whose objective is achieved both through the collection of contractual financial flows and through the sale of financial assets, and which have cash flows represented only by payments of principal and interest on the amount of principal to be returned, are subsequently measured at fair value with changes recorded through other comprehensive income (FVTOCI);
- All other debt instruments and investments in equity instruments are subsequently valued at fair value with changes recognised through profit or loss (FVTPL).

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.

All the investment funds managed by the SGRs of Clessidra Group are measured at FVTPL. Although the SGRs of Clessidra Group have the power to manage the funds, the variable returns on the investment for the Italmobiliare Group are linked to the shares directly owned by Italmobiliare S.p.A., in addition to those deriving from the service of fund manager. Therefore, in a broad sense, Italmobiliare Group does not control them as there is no link between the management power and the exposure to the variability of the fund's returns. Consequently, the fund manager is considered to be an agent in its management of the fund for the benefit of the unitholders of the fund.

Impairment of financial assets

As regards the impairment of financial assets, the Company has applied a model based on expected credit losses, with reference to: Investments in debt instruments subsequently valued at amortised cost or FVTOCI.

In particular, the Company measures the provision to cover losses of a financial asset at an amount equal to lifetime expected credit losses (or Lifetime ECL) if the credit risk of this financial asset has significantly increased after initial recognition, or if the financial instrument is an impaired financial asset that has been purchased or originated. However, if the credit risk of a financial instrument has not increased significantly after initial recognition, the company has to measure the provision to cover losses for the financial instrument at an amount equal to the expected losses on receivables deriving from a default event in the next 12 months (or "12-months expected credit losses").

Current financial assets included in the net financial position (also "NFP") are those that accrue interest and have a financial counterparty; the net financial position is therefore made up of all financial assets and liabilities, with the exception of the capital instruments valued at FVTOCI and Private Equity funds (also referred to below as "non-NFP"), and cash and cash equivalents.

Derecognition of financial assets

The Company derecognises 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 recognised 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 EXPENSE

The Company operates pension plans, post-employment medical benefit plans and post-employment benefits.

It also has other commitments, in the form of bonuses payable to employees on the basis of length of service ("Other long-term benefits").

From January 1, 2007, companies with more than 50 employees at the date of introduction of the reform have an obligation to pay the new severance indemnity (TFR) flows to pension schemes chosen by the employees or, in the event that they have opted to keep these flows in the Company, to a treasury account set up at INPS.

For employees of Italian companies with less than 50 employees, the severance indemnities at December 31, 2024 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.

As regards the Value Creation Sharing Incentive Plan adopted by the Company, which is linked to the execution of extraordinary transactions, the Company records the related costs under the “Personnel expenses” item.

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 recognised 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 recognised net of the fair value of the plan assets that will be used to settle the obligations.

Actuarial gains and losses

Actuarial gains and losses on post-employment defined benefit plans may arise as a result of changes in the actuarial assumptions used in two consecutive years or as a result of changes in the obligation value in respect of the actuarial assumptions used at the beginning of the year.

Actuarial gains and losses are recognised 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 recognised in profit or loss immediately.

Curtailment and settlement

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised 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 recognised 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.

The LTI Plan accounted for by Italmobiliare is accrued each year by measuring its fair value at the end of the year (recognising the cost related to each year). This plan aims to reward long-term performance measured through the achievement of two objectives: the first objective is represented by the Net Asset Value (NAV) per share; the second objective is represented by ESG Performance. The Plan provides for the assignment of a certain number of Rights to receive Phantom Stock linked to the value of the share at the end of the Performance Period in relation to the achievement of the objectives described above in the three-year reference period.

PROVISIONS

The Company recognises 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 recognised in financial items.

Changes in estimates are recognised in the income statement in the year in which the change occurs.

LOANS AND BORROWINGS

Loans and borrowings are initially recognised at the fair value of the consideration paid/received less charges directly attributable to the financial asset/liability.

After initial recognition, loans and borrowings are measured at amortized cost using the effective interest-rate method.

TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables are stated initially at the fair value of the original consideration received and subsequently measured at amortized cost.

REVENUE

Given the specific nature of the activity carried out by the company, "Revenue and income" comprises "Income" which includes dividends received, interest and commission income received by financial and banking companies and revaluations and gains from financial assets valued at FVTPL (recognised and measured on the basis of the rules defined by IFRS 9 for financial instrument assets). Dividends are accounted for on the approval date of the associate company; interest, commissions and rents according to the terms of the individual contract.

Revenue is measured taking into account the consideration specified in the contract with the customer. The Company recognises revenue when it transfers control of the goods (i.e. property) or services.

Revenue is recognised 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 recognised 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 recognised as other revenue in the period that it accrues on a straight-line basis over the rental period, if they have been identified as operating leases.

COSTS

Costs are recognised 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 recognised 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 recognised 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 recognised on all taxable temporary differences. Deferred tax assets are recognised 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 realised (settled), based on rates that have been enacted or substantially enacted at the reporting date.

Taxes relating to items recognised directly in equity are recognised 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. Below are the companies included in the national tax consolidation as of December 31, 2024: Italmobiliare S.p.A., Punta Ala S.r.l., Franco Tosi Ventures S.r.l., FT2 S.r.l., FT3 S.r.l., Gres Hub S.r.l., ITM Bacco S.r.l., Italmobiliare Servizi S.r.l., Clessidra Private Equity SGR, Clessidra Capital Credit S.p.A., Clessidra Factoring S.p.A., Clessidra Holding S.p.A., Sirap Gema S.r.l., Caffè Borbone S.r.l., Capitelli S.r.l., Callmewine S.r.l., Casa della Salute S.p.A., CDS Sardegna S.r.l., CDS Medical S.r.l., Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. Italgen S.p.A., Idrodezzo S.r.l., Idroenergy S.r.l., Rovale S.r.l., Solar Rooftop S.r.l., Solar Derthona S.r.l., Sidi S.r.l., Gres Art S.r.l., Salucom S.r.l., PLV S.r.l.

Significant events during the period

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

On February 28, 2024, Italmobiliare sold its 32.02% interest in AGN Energia. On completion of the sale, Italmobiliare received 100 million euro, generating a capital gain of 39.6 million euro in the Company's separate financial statements (recognised in the item "Gains on disposals and fair value increases on equity investments and securities") and achieving a cash-on-cash return of 1.8x.

In August 2024, Italmobiliare sold its interest in KKR Teemo Co-Invest, co-investor vehicle in the FiberCop project, classified as investments FVTOCI. On completion of the sale, Italmobiliare received 21 million euro, with a cash-on-cash return of 2.0x.

ASSETS

Non-current assets

1) PROPERTY, PLANT AND EQUIPMENT

At December 31, 2024 and at December 31, 2023, property, plant and equipment totalled respectively 8,570 thousand euro and 8,005 thousand euro; the movements on the caption are set out below:

(in thousands of euro)	Land and buildings	Plant and machinery	Office machines and furniture	Vehicles	Total
Gross amount	7,678	1,327	1,204	329	10,538
Accumulated amortisation	(1,041)	(767)	(626)	(99)	(2,533)
Carrying amount at December 31, 2023	**6,637**	**560**	**578**	**230**	**8,005**
Additions	734	157	5	139	1,035
Decreases					
Amortisation	(99)	(158)	(117)	(121)	(495)
Utilisation of accumulated amortisation				25	25
Carrying amount at December 31, 2024	**7,272**	**559**	**466**	**273**	**8,570**
Gross amount	8,412	1,484	1,209	468	11,573
Accumulated amortisation	(1,140)	(925)	(743)	(195)	(3,003)
Carrying amount at December 31, 2024	**7,272**	**559**	**466**	**273**	**8,570**

The useful lives adopted by the Company for the main asset categories are as follows:

- Plant and machinery 5 – 10 years
- Other property, plant and equipment 4 – 8 years.

The Company has applied IFRS 16 - Leases, by presenting the right of use in the category of the asset to which it refers. Note that at December 31, 2024, the value of right-of-use assets amounts to 749 thousand euro (537 thousand euro at December 31, 2023).

The increase during the year, net of IFRS 16 impacts, is mainly related to the renovation of the Company head office.

2) INVESTMENT PROPERTY

Investment property amounting to 12,231 thousand euro (12,936 thousand euro at December 31, 2023) is measured at cost.

The fair value of investment properties at December 31, 2024 was 16,200 thousand euro. The designation of their fair value is a level 3 calculated yearly by verifying the value of comparable transactions and based on the appraisal prepared by independent external experts.

(in thousands of euro)	Investment property
Gross amount	15,089
Accumulated amortisation	(2,153)
Carrying amount at December 31, 2023	**12,936**
Investments	-
Disposals	(339)
Amortisation	(366)
Carrying amount at December 31, 2024	**12,231**
Gross amount	14,750
Accumulated amortisation	(2,519)
Carrying amount at December 31, 2024	**12,231**

Investment properties were depreciated at an annual rate of 3%, which reflects their residual useful life.

3) INTANGIBLE ASSETS

Intangible assets consist of investments in software applications for administrative purposes and are fully amortised.

(in thousands of euro)	Sundry licences and rights	Total
Gross amount	634	634
Accumulated amortisation	(634)	(634)
Carrying amount at December 31, 2023		
Amortisation		
Carrying amount at December 31, 2024		
Gross amount	634	634
Accumulated amortisation	(634)	(634)
Carrying amount at December 31, 2024		

4) INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The movements on this caption compared to December 31, 2023, are illustrated below:

(in thousands of euro)	
At December 31, 2023	**666,216**
Capital increase of Casa della Salute S.p.A.	24,183
Capital increase of Farmagorà Holding S.p.A.	3,225
Reclassification of SIDI Sport S.r.l.	1,700
Capital increase of FT3 S.r.l.	1,200
Value adjustment of FT3 S.r.l.	(3,700)
Value adjustment of ISEO Serrature S.p.A.	(3,352)
Value adjustment of Sirap Gema S.r.l.	(484)
Other	33
At December 31, 2024	**689,021**

The following corporate changes occurred in 2024:

- Capital increases of CDS-Casa della Salute (24,183 thousand euro), Farmagorà Holding S.p.A. (3,225 thousand euro) and FT3 (1,200 thousand euro);
- Value adjustments related to the impairment of FT3 (3,700 thousand euro), ISEO Serrature (3,352 thousand euro), and Sirap Gema (484 thousand euro).
- Reclassification of SIDI Sport (1,700 thousand euro), as further detailed below.

The investments in subsidiaries and associates at December 31, 2024 are listed below:

Subsidiaries	Head Office	% held
Caffè Borbone S.r.l.	Caivano	60.00%
Capitelli F.lli S.r.l.	Borgonovo Val Tidone	80.00%
Casa della Salute S.p.A.	Genova	87.85%
Clessidra Holding S.p.A.	Milano	100.00%
Credit Mobilier de Monaco	Monte Carlo	99.91%
Franco Tosi Ventures S.r.l.	Milano	100.00%
FT2 S.r.l.	Milano	100.00%
FT3 S.r.l.	Milano	100.00%
SIDI Sport S.r.l.	Milano	100.00%
Italgen S.p.A.	Villa di Serio	100.00%
Italmobiliare Servizi S.r.l.	Milano	100.00%
ITM Bacco S.r.l.	Milano	60.00%
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milano	100.00%
Société d'Etudes de Participations et de Courtages S.A.	Monte Carlo	99.98%
Sirap Gema S.p.A.	Verolanuova	100.00%

Associates	Head Office	% held
Farmagorà Holding S.p.A.	Bergamo	24.62%
Iseo Serrature S.p.A.	Pisogne	39.24%
Società Editrice Sud S.p.A.	Messina	33.53%
Tecnica Group S.p.A.	Giavera del Montello	40.00%

See annexes "A" and "B" for further information on the investments in subsidiaries and associates.

With reference to the subsidiary **Clessidra Holding S.p.A.**, an impairment test was carried out with the support of an independent expert according to the methods provided by IAS 36 (through a value in use configuration). In particular, the Sum-of-Parts (SoP) approach was adopted, which determines the equity value of the investee based on the sum of the economic values of the direct subsidiary Clessidra Holding S.p.A., and of its subsidiaries (i) Clessidra Private Equity SGR S.p.A., (ii) Clessidra Capital Credit SGR S.p.A., and (iii) Clessidra Factoring S.p.A. For Clessidra Holding S.p.A., the amount was determined according to an equity-side approach based on an estimate of its future discounted cash flows, available for the shareholders, net of the net financial position. The value of Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A. was determined on the basis of an equity-side approach based on the so-called "dividend discount model", which involves discounting the dividends that the companies are expected to distribute in the future. For Clessidra Factoring S.p.A. an equity-side approach was applied based on the average market P/E multiples for 2024 and 2025 (6.5x). In particular, the recoverable amount was estimated on the basis of the results provided by the company's financial projections of the plans of Clessidra Holding S.p.A. and 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. The cash flows were discounted using a post-tax discount rate of 11.6% for Clessidra Holding S.p.A. 13.6% for Clessidra Capital Credit SGR S.p.A., and 14.6% for Clessidra Private Equity SGR S.p.A., including an additional premium with respect to the Capital Asset Pricing Model (CAPM) for the specific risk. For the purpose of estimating the terminal value of Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A., an annual long-term sustainable growth rate for net profit (g rate) of 2.0% was used. The recoverable amount of the investment was higher than the respective carrying amount, so no adjustments were made. The sensitivity analysis showed that an increase of 100 basis points (+1.00%) in the discount rate (WACC), with all the other inputs unchanged, would not generate an impairment loss. A 3.5% increase in the reference rate (for Clessidra Holding S.p.A., Clessidra Private Equity SGR S.p.A. and Clessidra Capital Credit SGR S.p.A.), combined with a decrease of approximately 1.6x in the average P/E multiple for 2024-2025 (for Clessidra Factoring S.p.A.) would determine a recoverable amount in line with the carrying amount of the investment.

The recoverable amount for **Caffè Borbone S.r.l.** was estimated with the support of an independent expert in the configuration of value in use based on the present value of (unlevered) future cash flows, net of tax, based on the budget 2025 approved by the company's Board and business projections for the three-year period 2026-2028 prepared by its management and updated in 2024, net of the net financial position. The 2024-2028 CAGR of revenues foreseen in the plan is equal to 9.8%, compared with an actual growth rate of 12.6% in 2024 and 13.1% in 2023. The cash flows were discounted using a post-tax discount rate (WACC) of 8.3%, 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 2.0% was used. The test did not reveal any evidence of impairment losses since the recoverable amount is significantly higher than the carrying amount. In addition, a sensitivity analysis was carried out to quantify the potential risk of an increase in the price of the raw material (+18% increase in the cost of coffee) due to climate change. The recoverable value would be significantly higher than the carrying amount also in this scenario.
The sensitivity analysis showed that an increase of 100 basis points (+1.00%) in the discount rate (WACC), even in conjunction with a 100 basis point reduction in the growth rate (g) in the terminal value, would not generate any impairment loss. Moreover, another sensitivity analysis verified that a 69.9% decrease in future (unlevered) cash flows including the terminal value (net of tax), with the same discount rate (WAAC) and growth rate (g) in the terminal value, would lead to a recoverable amount in line with the carrying amount of the investment.

With regard to **Italgen S.p.A.**, the recoverable amount was estimated, with the support of an independent expert, based on the present value of expected future cash flows over the period 2025-2058, without a terminal value. The detailed projections of future (unlevered) cash flows (net of tax) are based on the 2025-2058 financial data from the plan updated in December 2024. A post-tax discount rate (WACC) of 7.4% was applied to discount the cash flows. The test did not reveal any evidence of impairment losses on the investment. An increase of 1,088 basis points (+10.9%) in the discount rate, using the value-in-use configuration, would lead to a recoverable amount in line with the carrying amount. Additionally, a further sensitivity analysis verified that a 82.9% decrease in future (unlevered) cash flows, net of tax, would lead to a recoverable value in line with the carrying amount of the investment.

As regards the subsidiary **Sidi Sport S.r.l.**, the recoverable value was estimated with the support of an independent expert in the configuration of the value in use based on the current value of future (unlevered) cash flows, net of tax, based on the 2025 budget data approved by the Company's Board of Directors and on the financial projections of the four-year plan for 2026-2029 developed by its management, updated in January 2025, net of the net financial position. The CAGR 2024-2029 of the revenues envisaged by the plan comes to 17.1% against a growth rate of 32.4% in 2024. The cash flows were discounted using a post-tax discount rate (WACC) of 12.3%, including an additional premium with respect to the CAPM to take account of the specific risk. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g rate) of 2.1% was used (determined based on the main countries in which the subsidiary operates). The test did not reveal any evidence of impairment losses on the investment. At the same long-term growth rate (g), an increase in the discount rate of 0.1%, using the value-in-use configuration, would lead to a recoverable amount in line with the carrying amount. Furthermore, by reducing the EBITDA margin of each plan year by 0.8% 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 0.9% decrease in future (unlevered) cash flows, net of tax, would not reveal any evidence of impairment loss. On the contrary, a reversal of the impairment of the investment for 1,700 thousand euro was recognised.

With regard to FT2 S.r.l., parent company of **Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. (SMN),** the recoverable amount of the subsidiary was estimated, with the support of an independent expert, using the present value of expected future cash flows of such operating entity. The analytical projections of future (unlevered) cash flows, net of tax, are based on the 2025 budget approved by the Company's Board and on the financial projections for the period 2026-2029 prepared by its management and updated in January 2025, (excluding the monetary impacts of new store openings), net of the net financial position. The CAGR 2024-2029 of the revenue envisaged by the plan is equal to 18.0%, compared with a growth rate of 23.7% in 2024, 21.3% in 2023 and 55.4% in 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. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g) of 2.0% was used from 2030 onwards. The test did not reveal any evidence of impairment losses on the investment.

At the same long-term growth rate (g), an increase in the discount rate of 340 basis points (+3.4%), using the value in use configuration, would lead to a recoverable amount in line with the carrying amount. Furthermore, by reducing the EBITDA of each year included in the plan by 24.5%, with the same discount rate (WACC) and growth rate (g) in the terminal value, no impairment loss would emerge. Lastly, a further sensitivity analysis verified that a 30.7% decrease in future (unlevered) cash flows, net of tax, would lead to a recoverable value in line with the carrying amount of the investment.

Capitelli F.lli S.r.l. was tested for impairment in accordance with IAS 36. In particular, the recoverable amount of the investment was estimated with the support of an independent expert using the fair value configuration on the basis of the EV/EBITDA multiple applied to the 2025 EBITDA adjusted (adjusted from the figure resulting from the 2025 budget approved by the Board of Directors, which considers a very high and deemed anomalous cost of raw materials). The test did not reveal any evidence of impairment losses on the investment. Furthermore, the estimate of the fair value carried out on the basis of the EV/EBITDA multiple applied to the 2025 EBITDA not adjusted would not identify any evidence of impairment losses on the investment. Furthermore, the sensitivity analysis carried out indicates that even in the event of significant changes (-15%) in the reference EBITDA adjusted, there would be no evidence of impairment. A 59% reduction in the multiple EV/EBITDA, or EBITDA adjusted, would result in a recoverable amount in line with the carrying amount of the investment.

With reference to the investment in **Casa della Salute S.r.l.**, the recoverable amount was estimated using the present value of expected future cash flows. The analytical projections of future (unlevered) cash flows, net of tax, are based on the 2025 budget approved by the company's Board and the financial projections for the period 2025-2029, updated by its management in June 2024, (excluding the monetary impacts of new diagnostic centre openings), net of the net financial position. The cash flows were discounted using a post-tax discount rate (WACC) of 11.4%, including an additional premium with respect to the Capital Asset Pricing Model (CAPM) to take into account the specific risk. For the purpose of estimating the terminal value, an annual growth rate for long-term sustainable revenue (g) of 2.0% was used from 2030 onwards. The test did not reveal any evidence of impairment losses on the investment. The sensitivity analysis showed that a 16.1% decrease in future (unlevered) cash flows, net of tax, or a decrease of 100 basis points (+1.0%) in the discount rate would lead to a recoverable amount in line with the carrying amount of the investment.

With regard to the investment in FT3 S.r.l., parent company of **Callmewine S.r.l.**, the recoverable amount was determined in the fair value configuration on the basis of the multiple EV/Sales of Callmewine (specifically, the average multiple EV/Sales 2025 was used, where sales 2025 are forecasted in line with the actual sales occurred in 2023). The test identified an impairment loss of approximately 3,700 thousand euro on the investment.

With regard to the associate **Tecnica Group S.p.A.**, the recoverable amount was determined in the fair value configuration on the basis of the multiple EV/EBITDA (applied to the company's average EBITDA 2021 and 2022), (in line with the provisions of the contractual option for the repurchase of the stake held by the controlling shareholder). In particular, reference was made to the EV/EBITDA multiple implicit in the contractual 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 reference EBITDA used, there would be no evidence of impairment.

An impairment test was also carried out for the associate **ISEO Serrature S.p.A.** based on an estimate of the fair value of the investment. The latter was determined by applying the market multiples method (specifically, the average multiple EV/EBITDA 2024-2025 was used). An adequate discount was taken into account with respect to the reference rate which consisted of the average of market multiples recorded for a sample of reference listed companies. Its measurement was defined in relation to facts and circumstances concerning the specific situation of the associate considered and the effective level of comparability in terms of size, profitability and risk of the listed companies that make up the sample. The test identified an impairment loss of approximately 3,352 thousand euro on 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 the fair value of the investment. The latter was determined by applying the market multiples method. Since there are no updates to the accounting data, nor any forward-looking indications formalised in a budget or business plan, the fair value of the investment was estimated on the basis of the EV/Sales 2023 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 multiples for the sample. The estimate of the fair value of the investment carried out according to the criteria described above did not reveal any impairment loss.

With regard to the investment in **Farmagorà Holding S.p.A.**, the recoverable amount was determined using the implicit value in the most recent capital transaction. The test did not identify any evidence of impairment losses on the investment.

In conclusion, the analyses carried out on the main investments of the Company revealed impairment losses with regard to the investments in ISEO Serrature S.p.A. for 3,352 thousand euro and FT3 S.r.l. (parent company of Callmewine S.r.l.) for 3,700 thousand euro, and a reversal of impairment loss on the investment in SIDI Sport S.r.l. for 1,700 thousand euro. Furthermore, the Company revealed an impairment loss of 484 thousand euro related to its subsidiary Sirap Gema (linked to the dividend distribution of the subsidiary for 700 thousand euro occurred in 2024).

5) OTHER EQUITY INVESTMENTS

The caption, classified in the non-current assets reflects equity investments designated at FVTOCI as allowed by IFRS 9.

(in thousands of euro)	
At December 31, 2023	**148,758**
Change in fair value	11,914
Capital increase of Archimede S.p.A.	983
Disposals	(36,927)
Capital decrease of New Flour	(4,102)
At December 31, 2024	**120,716**

The fair value of other equity investments was determined as follows:

- For investments in other listed companies (Level 1), the fair value corresponds to the stock market price on the last trading day;
- For investments in other companies (level 2 and 3), the fair value was determined as follows:

  With regard to the investment in **Cold Chain Capital Holdings Europe S.p.A.** (CCCHE), the fair value (7.5 million euro) was determined by applying the market multiple method. Since there are no updates to the accounting data, nor any forward-looking indications formalised in a budget/plan document, the fair value of the investment was estimated based on the EV/EBITDA 2023 multiple obtained from a sample of listed companies in the same sector. An adequate discount was taken into account with respect to 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.

  With regard to the investment in **SESAAB S.p.A.**, (0.6 million of euro) the fair value was determined by applying the market multiple method. Since there are no updates to the accounting data, nor any forward-looking indications formalised in a budget/plan document, the fair value of the investment was estimated based on the EV/EBITDA 2023 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.

  With regard to the investment in **Bene Assicurazioni S.p.A.**, the fair value (49.6 million of euro) was determined by applying the transaction multiples method. Specifically, the multiple of comparable transactions P/GWP applied to the company's Gross Written Premium (GWP) 2023 was used. Since the fair value of the investment estimated on the basis of this multiple is higher than the carrying amount of the investment, there is no evidence of impairment loss of the investment.

With regard to the investment in Fin. Priv. S.r.l. the fair value was determined based on the fair value of the underlying package of an Italian issuer’s share market price.

The decreases are related to the sale of the investments in Heidelberg Materials AG and KKR Teemo, which took place in 2024. The positive change in the fair value of other equity investments was due to the better performance of financial markets compared with the previous year.

Please refer to Annex "A" for other movements. Other equity investments measured at FVTOCI at December 31, 2024 were as follows:

(in thousands of euro)	Number of shares	December 31, 2024
Equity investments in listed companies (Level 1):		
Ariston Holding N.V.	942,266	3,252,702
Cairo Communication S.p.A.	189,198	462,589
Heidelberg Materials AG	5,000	596,500
Piaggio S.p.A.	169,699	369,944
Vontobel Holding AG	115,238	7,787,013
Can Fite Biopharma	20	31
Total		**12,468,780**
Equity investments in unlisted companies (Level 2-3):		
Cartiere Burgo	46,153,846	1
CCC HOLDINGS EUROPE S.p.A.	1,503,000	7,516,863
Compagnia Fiduciaria Nazionale S.p.A.	20,001	744,587
Fin. Priv. S.r.l.	2,857	29,096,780
Immobiliare Astra S.p.A.	12,012	29,293
Immobiliare Lido di Classe S.p.A.	45,991	1
New Flour S.p.A.	27,667	2,418,507
Schema Piada S.p.A.	27,667	102,183
Sesaab S.p.A.	700,000	600,000
Archimede S.p.A.	191,241	17,425,161
Bene Assicurazioni S.p.A. – Società Benefit	4,199,000	49,600,000
035 Investimenti S.p.A.	1,114,550	714,008
Total		**108,247,385**
Total equity investments		**120,716,165**

The analysis of movements in equity investments is shown in Annex "A".

6) DEFERRED TAX ASSETS

Deferred tax assets amount to 3,845 thousand euro (4,008 thousand euro at December 31, 2023) and consist of the deferred tax assets calculated on temporary differences of the company Italmobiliare and the subsidiaries included in the National Tax Consolidation.

7) OTHER NON-CURRENT ASSETS

The balance on this caption was as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Receivables due from subsidiaries and other Group companies	42,215	16,000	26,215
Bonds and Private equity funds	260,842	241,578	19,264
Other assets	796	2,681	(1,885)
Guarantee deposits	20	5	15
Receivables on tax consolidation due from subsidiaries	4,746	13,906	(9,160)
Total	**308,619**	**274,170**	**34,449**

The increase in "Receivables due from subsidiaries and other Group companies" is related to outstanding loans granted to Group companies. In particular, the item consists of:

- Loan to the subsidiary CDS-Casa della Salute for 10,500 thousand euro (10,000 thousand euro at December 31, 2023);
- Loan to the Group company Archimede S.p.A. for 6,000 thousand euro (6,000 thousand euro at December 31, 2023);
- Loan to the subsidiary Clessidra Holding S.p.A. for 14,000 thousand euro (zero at December 31, 2023);

- Loan to the subsidiary FT3 S.r.l. for 1,000 thousand euro (zero at December 31, 2023);
- Loan to the subsidiary Italmobiliare Servizi S.r.l. for 10,715 thousand euro (zero at December 31, 2023).

It should be noted that all the loans are remunerative for the Company and have been included in the impairment test of the related investments (where conducted).

The decrease in “Receivables on tax consolidation due from subsidiaries” is mainly due to the lower profit achieved in 2024 by the Group companies included in the National Tax Consolidation.

The increase in “Bonds and Private equity funds” is mainly due to the positive fair value performance and the exchange rate effect, net of the new investments made. Details of “Bonds and mutual funds” are provided in Annex “D”.

Current assets

8) TRADE RECEIVABLES

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Customers	110	107	3
Associates	38	99	(61)
Subsidiaries	301	315	(14)
Total	**449**	**521**	**(72)**

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, 2024	December 31, 2023	Change
Receivables from social security institutions	62	91	(29)
Receivables from subsidiaries	-	6,500	(6,500)
Receivables from tax authorities for VAT	-	17	(17)
Sundry other current receivables	880	647	233
Options on securities	30	-	30
Prepaid expenses – other	182	173	9
Total	**1,154**	**7,428**	**(6,274)**

The decrease mainly relates to the collection of the receivable due from the subsidiary Sirap Gema as a result of the company's share capital reduction, which took place in 2023 for 6,500 thousand euro.

10) TAX ASSETS

Tax assets totalled 14,224 thousand euro (17,907 thousand euro at December 31, 2023). The change mainly relates to withholdings on investment funds, which the Company will recover over the coming years.

11) EQUITY INVESTMENTS, BONDS AND CURRENT FINANCIAL RECEIVABLES

This caption is broken down as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Bonds and mutual funds held for trading (FVTPL)	173,509	145,004	28,505
Listed shares held for trading (FVTPL)	21,980	16,679	5,301
Other financial assets	2,205	2,133	72
Current financial receivables from subsidiaries	349	7,660	(7,311)
Accrued finance income	1,375	1,478	(103)
Total	**199,418**	**172,954**	**26,464**

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”.

Note that the decrease of “Current financial receivables from subsidiaries” is related to the closure of the current account with the indirect subsidiary Gres Hub.

12) CASH AND CASH EQUIVALENTS

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Cash and cheques in hand	2	2	-
Bank and postal accounts	32,518	18,194	14,324
Net amount	**32,520**	**18,196**	**14,324**

Short-term deposits were on demand deposits; accrued interests at the respective short-term rates. The fair value of cash and cash equivalents corresponds to their carrying amount.

The Company has escrow accounts of 11,400 thousand euro at December 31, 2024.

For more information on the change of the caption, please refer to the analysis provided in the cash flow statement.

13) ASSETS CLASSIFIED AS HELD FOR SALE

At December 31, 2023 the investment in AGN Energia and the amounts due from it, for a total of 60,388 thousand euro, were presented in this caption. The sale of the investment in AGN Energia was completed on February 28, 2024. Italmobiliare held a 32.02% stake in AGN Energia and realised 100,000 thousand euro from selling it, approximately 20% more than the latest valuation of its NAV, with a gain of around 40,000 thousand euro and a cash-on-cash return of 1.8x.

EQUITY AND LIABILITIES

Share capital, reserves and retained earnings

14) SHARE CAPITAL

At December 31, 2024, 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, 2024	December 31, 2023	Change
Ordinary shares	42,500,000	42,500,000	
Total	**42,500,000**	**42,500,000**	

15) SHARE PREMIUM AND OTHER RESERVES

At December 31, 2024 other reserves were positive for 28,238 thousand euro, showing an overall increase of 1,100 thousand euro compared with December 31, 2023, fully related to the changes of the OCI reserve.

16) TREASURY SHARES

At December 31, 2024, the cost of treasury shares purchased totalled 5,166 thousand euro, the same as at December 31, 2023, and was recorded as a decrease in equity.

Treasury shares were as follows.

	No. ordinary shares	Carrying amount in euro (in thousands of euro)
December 31, 2023	**217,070**	**5,166**
Exercise of stock options		
December 31, 2024	**217,070**	**5,166**

Dividends paid

Ordinary dividends declared and paid in 2024 and 2023 are detailed in the table below:

	2024 (euro per share)	2023 (euro per share)	December 31, 2024 (in thousands of euro)	December 31, 2023 (in thousands of euro)
Ordinary shares	3.000	0.700	126,849	29,598
Total dividends			**126,849**	**29,598**

17) RETAINED EARNINGS

The overall negative change, which amounted to 6,765 thousand euro, mainly relates to the payment of dividends for 126,849 thousand euro, offset by the positive change related to the 2024 fiscal year net profit of 104,758 thousand euro and the recycling upon disposal of FVTOCI investments for 15,333 thousand euro.

Non-current liabilities

18) EMPLOYEE BENEFITS

This caption includes post-employment benefits in accordance with IAS 19 (the Company has less than 50 employees) and liabilities relating to future commitments, in the form of bonuses or incentives, to be paid to employees.

Movements on the caption are detailed below:

(in thousands of euro)	Post-employment benefits	Seniority bonus	Total
At December 31, 2023	**523**	**243**	**766**
Utilisation of year	(180)	-	**(180)**
Provision for year	31	(70)	**(39)**
Actuarial gains/losses	12	-	**12**
At December 31, 2024	**386**	**173**	**559**

Costs for the year included:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Current costs of services	(43)	(50)	7
Finance costs	(22)	(25)	3
Total	**(65)**	**(75)**	**10**

The assumptions used to determine liabilities arising from long-term benefits are set out below:

	Post-employment benefits	Other employee benefits
Discount rate	3.50%	3.50%
Future wage and salary increases	2.93%	2.80%
Inflation	2.00%	n.a.

n.a. not applicable

The discount rate was determined with reference to market yields on high-quality corporate bonds, using the market yields on government bonds and the Eurozone Mercer Yield curve at December 31, 2024.

Inflation describes the implied inflation in the Eurozone for the duration of the company at December 31, 2024.

19) FINANCIAL LIABILITIES

Financial liabilities are shown below by category, broken down by current and non-current liabilities:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Bank loans and overdrafts	-	36	(36)
Current financial liabilities (*)	2,111	4,261	(2,150)
Current lease liabilities	225	145	80
Non-current lease liabilities	553	415	138
Options on securities (**)	-	243	(243)
Total financial liabilities	**2,889**	**5,100**	**(2,211)**

(*) Note that, for better representation, 1,105 thousand euro has been reclassified from “Other current liabilities” to “Financial liabilities” in the comparative period at December 31, 2023.

(**) The item “Options on securities” is included in the category of “Other current liabilities”.

The decrease of “Current financial liabilities” is due to the closure of the intercompany current account with Italmobiliare Servizi and its subsequent conversion into a remunerative medium- to long-term loan.

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, 2024	December 31, 2023	Change
Non-current financial liabilities	553	415	138
Loans and borrowings	-	36	(36)
Current financial liabilities (*)	2,336	4,405	(2,069)
Total financial liabilities	**2,889**	**4,856**	**(1,967)**

(*) Note that, for better representation, 1,105 thousand euro has been reclassified from “Other current liabilities” to “Financial liabilities” in the comparative period at December 31, 2023.

Current financial liabilities include the balances of the intragroup current accounts and the lease liabilities deriving from the application of IFRS 16. Furthermore, the item “Options on securities” is included in the category of "Other current liabilities".

Information on available credit lines is included in the section IFRS 7 (there are no covenants to comply with on existing loans).

20) TAX LIABILITIES AND PROVISIONS

The provisions at December 31, 2024 amounted to 16,110 thousand euro and mainly included provisions for risks from the sale of equity investments.

(in thousands of euro)	Opening amount	Increases	Decreases	Closing amount
Provisions	16,110	-	-	16,110

As explained in previous financial reports, following the completion of various M&A transactions in recent years, the Company - as the seller - is subject to compensation claims, notified by the respective purchasing parties, for alleged violations of the declarations and guarantees given by the seller and/or non-fulfilment of obligations placed on it by the related contractual documentation. In this regard, no events took place during the period that might entail substantial changes in the risk provisions already made.

Tax liabilities amounted to 67 thousand euro at December 31, 2024 (4,489 thousand euro at December 31, 2023). Movements on the caption are detailed below:

(in thousands of euro)	Opening amount	Increases	Decreases	Closing amount
Tax liabilities	4,489	67	4,489	67

The difference compared to 2023 relates to the CFC 2010 and 2021 tax assessment notices, for which the State Attorney’s Office waived the right to appeal to the Court of Cassation. As a result, these tax assessment notices must be considered definitively closed, resulting in the reversal of the related provisions accounted for in the financial statements, amounting to approximately 4,489 thousand euro.

Furthermore, on October 18, 2024, the Company was notified by post by the Municipality of Rome regarding a tax assessment for waste tax (TARI) covering the tax periods from 2018 to 2023 in relation to certain properties used as “garages” located in Rome. The amount requested, including penalties, totals approximately 67 thousand euro. The Company promptly filed an appeal with the First-Instance Tax Court of Rome.

Tax disputes

In 2024, the Italian Revenue Agency reimbursed the Company an amount of approximately 7.9 million euro following sentence no. 1237 of April 5, 2023, in which the Second-Instance Tax Court of Lombardy upheld the appeals filed by the Company against the CFC assessment notices for the years 2010 and 2011. Following this favourable outcome for the Company, the State Attorney's Office waived its right to appeal to the Court of Cassation. As a result, these tax assessment notices must be considered definitively closed, resulting in the reversal of the related provisions accounted for in the financial statements, amounting to approximately 4.4 million euro.

In July, the Company initiated discussions with the Italian Revenue Agency to explore the possibility of a penalty reduction settlement related to the Ansaldo dispute. In October, the Italian Revenue Agency confirmed the closure of the dispute, and Italmobiliare expects to receive a refund of approximately 4.8 million euro over the coming financial years (at the moment it cannot be assessed as reasonably certain to be collected).

21) OTHER NON-CURRENT LIABILITIES

The increase of 3,996 thousand euro is mainly due to LTI liabilities for the three-year period 2023-2025, which will be paid in April 2026.

Please note that the Long-Term Incentive Plan of the Company envisages the assignment of a specific number of rights to receive “Phantom Stocks” linked to a predefined level of Net Asset Value per share and ESG performance, at the end of a three-year vesting period (2023-2025). The plan envisages a threshold, target and maximum performance level in relation to the underlying goal. Failure to reach at least the threshold level will mean that the right to receive the bonus is lost.

The fair value of the LTI plan for the first two years was measured at December 31, 2024 and amounted to 4,003 thousand euro considering the target net asset value per share (80%) and the satisfaction of the ESG performance as evaluated by the main specialised rating agencies (CDP, Sustainalytics, S&P) (20%). Overall, the “Phantom Stock Grant 2023-205” Plan foresees the grant of 565,973 rights to 19 beneficiaries.

22) DEFERRED TAX LIABILITIES

Total deferred tax liabilities amounted to 445 thousand euro (424 thousand euro at December 31, 2023), divided as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Current and deferred taxes on shares at FVTOCI	441	420	21
Current and deferred taxes on taxable temporary differences	4	4	0
Total	**445**	**424**	**21**

Current liabilities

23) TRADE PAYABLES

This caption is made up as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Due to suppliers	979	1,232	(253)
Due to Group companies	766	565	201
Total	**1,745**	**1,797**	**(52)**

24) TAX PAYABLES

“Trade payables” amount to 11,101 thousand euro and relate to the Group's IRES payable, net of the advances paid during the year.

25) OTHER CURRENT LIABILITIES

(in thousands of euro)	December 31, 2024	December 31, 2023	Change
Payables to employees	2,838	5,271	(2,433)
Due to social security bodies	1,248	1,355	(107)
Due to the tax authorities	435	375	60
Accrued expenses and deferred income	89	59	30
Other liabilities	666	673	(7)
Payables on tax consolidation due to subsidiaries for IRES advances	8,965	7,587	1,378
Options on securities	-	244	(244)
Total	**14,241**	**15,564**	**(1,323)**

The change in "Payables to employees" is caused by payment of the liability for the Value Creation Sharing Incentive paid in 2024, net of the amount accrued in 2024.

COMMITMENTS

(in thousands of euro)	December 31, 2024	December 31, 2023
Collateral given	-	-
Deposits, guarantees, sureties, commitments and other	99,993	114,872
Total	**99,993**	**114,872**

Commitments include, for 76,551 thousand euro (91,429 thousand euro at December 31, 2023), the residual commitment for the subscription of private equity funds.

INCOME STATEMENT

26) REVENUE AND INCOME

Revenue from sales and services and income totalled 140,146 thousand euro, broken down as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Dividends	52,233	46,287	5,946	12.8%
Gains on disposals and fair value increases on equity investments and securities	39,691	47,941	(8,250)	-17.2%
Other finance income	47,277	27,818	19,459	69.9%
Services provided	944	1,023	(79)	-7.7%
Total	**140,146**	**123,069**	**17,077**	**13.9%**

The breakdown of the various items was as follows:

Revenue from dividends:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Subsidiaries				
Caffè Borbone S.r.l.	30,000	18,000	12,000	67%
Capitelli S.r.l.	2,000	1,200	800	67%
Italgen S.p.A.	8,000	4,000	4,000	n.s.
FT2 S.r.l.	-	7,802	(7,802)	n.s.
Sirap Gema S.p.A.	700	4,000	(3,300)	-83%
Total	**40,700**	**35,002**	**5,698**	**16%**
Associates				
AGN Energia S.p.A.	-	1,278	(1,278)	n.s.
Iseo Serrature S.p.A.	-	1,975	(1,975)	n.s.
Tecnica Group S.p.A.	2,400	4,000	(1,600)	-40%
Total	**2,400**	**7,253**	**(4,853)**	**-67%**
Other companies				
Ariston Holding NV	160	127	33	26%
Banco BPM	130	31	99	n.s.
BNP Paribas	54	46	8	17%
Cairo Communication S.p.A.	30	26	4	15%
Cartiere Burgo	97	343	(246)	-72%
Enel S.p.A.	45	42	3	7%
ENI S.p.A.	242	227	15	6%
Fin.Priv. S.r.l.	2,110	1,668	442	26%
Heidelberg Materials AG	135	793	(658)	-83%
Intesa SanPaolo S.p.A.	116	84	32	38%
Kuerig Inc	31	30	1	3%
MFE-MEDIAFORUROPE A	-	17	(17)	n.s.
MFE-MEDIAFORUROPE B	-	25	(25)	n.s.
OVS	35	21	14	67%
Piaggio S.p.A.	33	38	(5)	-13%
SHELL PLC	87	81	6	8%
STMICROELECTRON NV	3	2	1	50%
Total Energies	60	57	3	5%
Vontobel S.A.	355	351	4	1%
New Flour	4,793	-	4,793	n.s.
KKR Teemo	435	-	435	n.s.
Others	183	22	161	n.s.
Total	**9,133**	**4,031**	**5,102**	**n.s.**
Grand total	**52,233**	**46,287**	**5,947**	**13%**

n.s. not significant

Gains on disposals and fair value increases on equity investments and securities:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Florence InvestCo S.r.l.	-	47,359	(47,359)	n.s.
AGN Energia S.p.A.	39,642	-	39,642	n.s.
DoorDash INC	-	85	(85)	n.s.
Datadog ING	49	123	(74)	-60%
ENI S.p.A.	-	17	(17)	n.s.
IAG	-	15	(15)	n.s.
Intesa SanPaolo S.p.A.	-	17	(17)	n.s.
Mediobanca S.p.A.	-	57	(57)	n.s.
MFE-MEDIAFORUROPE A	-	91	(91)	n.s.
MFE-MEDIAFORUROPE B	-	88	(88)	n.s.
Others	-	89	(89)	n.s.
Total	**39,691**	**47,941**	**(8,250)**	**-17%**
Grand total	**39,691**	**47,941**	**(8,250)**	**-17%**

n.s. not significant

It should be noted that on February 28, 2024, Italmobiliare sold its 32.02% interest in AGN Energia. On completion of the sale, Italmobiliare received 100,000 thousand euro, with a capital gain of approximately 39,642 thousand euro, considering a net book value of the investment of 60,358 thousand euro. It should also be noted that the Company has in place a Value Creation Sharing Incentive plan, which matures in the event of sales of investments, for which the related costs are classified under “Personnel expenses” and amount to 860 thousand euro.

Other finance income:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Interest and finance income from subsidiaries	1,467	703	764	n.s.
Interest and finance income from others	366	365	1	0.3%
Interest income on bonds and securities	1,563	1,528	35	2.3%
Bank interest income	1,514	362	1,152	n.s.
Options on securities	1,117	1,757	(640)	-36.4%
Income from currency trading	353	45	308	n.s.
Income from currency valuation	7,035	168	6,867	n.s.
Income from futures	468	366	102	27.9%
Positive change in fair value of Funds	33,394	22,524	10,870	48.3%
Total	**47,277**	**27,818**	**19,459**	**70.0%**

n.s. not significant

It should be noted that the item “Interest and finance income from others” refers to interest receivable from the company Archimede.

The positive change in fair value for 33,394 thousand euro is mainly related to private equity funds, influenced by positive market performance. It mainly refers to JAB Consumer (4,299 thousand euro) and Clessidra (12,406 thousand euro), which are included in the “Other non-current assets” item. “Income from currency valuation” increased due to the positive impact of exchange-rate differences relating to investment and private equity funds.

“Interest and finance income from subsidiaries” increased due to the financing obtained during the year.

Revenue from services provided related to the management of certain centralised functions by the Company towards its subsidiaries and associates amounted to 944 thousand euro (1,023 thousand euro in 2023).

27) OTHER REVENUE AND INCOME

Other revenue and income amounted to 916 thousand euro (893 thousand euro at December 31, 2023) and included rents and recharges of condominium expenses for 591 thousand euro and other income for 325 thousand euro.

28) RAW MATERIALS AND SUPPLIES

Expense for raw materials and supplies amounted to 342 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Materials and machinery	9	15	(6)	-40.0%
Purchases of other materials	223	207	16	7.7%
Electricity and gas	110	102	8	7.8%
Total	**342**	**324**	**18**	**5.6%**

29) SERVICES

Services amounted to 7,648 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Legal expenses, consultancy and fees for the board of statutory auditors	5,704	5,590	114	2.0%
Rents and leases	54	56	(2)	-3.6%
Insurance	563	688	(125)	-18.2%
Residential building rent and expenses	19	12	7	58.3%
Repairs and maintenance	163	152	11	7.2%
Membership fees	273	257	16	6.2%
Communication and entertainment	584	359	225	62.7%
Post and telephone	40	41	(1)	-2.4%
Cleaning	94	100	(6)	-6.0%
Other expenses and services	154	177	(23)	-13.0%
Total	**7,648**	**7,432**	**216**	**2.9%**

30) PERSONNEL EXPENSES

Personnel expenses totalled 18,024 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Wages and salaries	12,947	14,734	(1,787)	-12.1%
Social contributions	3,387	3,121	266	8.5%
Pension fund contributions	(33)	78	(111)	n.s.
Directors' fees	1,270	1,218	52	4.3%
Miscellaneous costs	453	395	58	14.7%
Total	**18,024**	**19,546**	**(1,522)**	**-7.8%**

The number of employees is shown below:

(headcount)	December 31, 2024	December 31, 2023
Employees (headcount) at the end of the year	44	45
Average number of employees	44	44

31) OTHER OPERATING INCOME (EXPENSES)

Other operating expenses net of other operating income amounted to 9,923 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Finance income and costs				
Bank and loan interest expense	140	286	(146)	-51.0%
Bonds and securities	194	3,739	(3,545)	-94.8%
Currency trading	143	20	123	n.s.
Exchange-rate valuation differences	10	180	(170)	-94.4%
Options on securities	1,509	3,345	(1,836)	-54.9%
Other charges	37	40	(3)	-7.5%
Total	**2,033**	**7,610**	**(5,577)**	**-73.3%**
Losses on P&G	-	35	(35)	n.s.
Loss on trading investment	21	-	21	n.s.
Write-down of trading investments	1,776	113	1,663	n.s.
Write-down of mutual funds	2,395	10,278	(7,883)	-76.7%
Write-down of bonds	12	35	(23)	n.s.
Write-down of put/call options	-	1	(1)	n.s.
Total	**4,204**	**10,462**	**(6,258)**	**-59.8%**
Condominium expenses on own properties	209	169	40	23.7%
Other operating expenses	700	1,071	(371)	-34.6%
Non-deductible VAT	1,588	1,669	(81)	-4.9%
IMU (municipal tax)	219	214	5	2.3%
Registration tax	6	7	(1)	-14.3%
Other tax	52	74	(22)	-29.7%
Out-of-period expenses	546	8,075	(7,529)	-93.2%
Capital gain on vehicles	(63)	(2)	(61)	n.s.
Other income and expenses	(471)	(1,400)	929	-66.4%
Fondazione Cav. Lav. Carlo Pesenti	800	600	200	33.3%
Bocconi University	100	-	100	n.s.
Total	**3,686**	**10,477**	**(6,891)**	**-65.8%**
Accrual of provision for risks	-	410	(410)	n.s.
Total	**-**	**410**	(410)	n.s.
Total other operating income/expenses	**9,923**	**28,959**	**(19,136)**	-66.1%

n.s. not significant

The decrease in finance costs is mainly due to a positive performance in bonds and securities as well as to the positive performance of the fair value of options and trading securities.

Furthermore, it should be noted that the item “Out-of-period expenses” and “Other income and expenses” at December 31, 2023 mainly included net accruals related to the payment of LTI (Long-Term Incentives) and MBO (Management by Objectives) for 6,400 thousand euro.

32) AMORTISATION AND DEPRECIATION

The overall amount of 946 thousand euro (845 thousand euro at December 31, 2023) refers exclusively to the amortisation of property, plant and equipment.

33) FINANCE INCOME AND COSTS

Net finance costs amounted to 112 thousand euro. The amount is composed as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Financial services	107	53	54	n.s.
Other financial income (expenses)	5	4	1	25.0%
Total	**112**	**57**	**55**	**96.5%**

n.s. not significant

34) IMPAIRMENT OF FINANCIAL ASSETS

During the year, write-downs were made for 5,837 thousand euro, mainly related to the subsidiaries FT3 S.r.l. (3,700 thousand euro), Iseo Serrature S.p.A. (3,352 thousand euro) and Sirap Gema (484 thousand million euro), partially offset by the reversal of the previous impairment loss of SIDI Sport S.r.l. (1,700 thousand euro) after impairment tests carried out during the year. For further details, see note 4.

35) INCOME TAX

This caption reflects a positive effect for the year of 6,527 thousand euro, divided as follows:

(in thousands of euro)	December 31, 2024	December 31, 2023	Change	Change %
Current tax	(4,825)	3,945	(8,770)	n.s.
Deferred tax assets/liabilities on temporary differences	(162)	271	(433)	n.s.
Irrecoverable withholding tax on dividends	(953)	(163)	(790)	n.s.
Reimbursement of prior-year tax	12,401		12,401	n.s.
Other	66	(96)	162	n.s.
Total	**6,527**	**3,957**	**2,570**	**64.9%**

n.s. not significant

The change is mainly due to the Parent Company's status as a holding company, which has as its main component dividends and gains on disposals subject to the participation exemption (PEX) regime. In addition, during the year, the Company benefited from the closure of the CFC 2010/2011 litigation for 12,400 thousand euro (of which 4,489 thousand euro related to the reversal of the tax liabilities for uncertain tax positions and about 7,900 thousand euro collected by the Italian Revenue Agency).

36) 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 92,034 thousand euro includes other finance income (Note 33) and write-downs of financial assets (Note 31).

The item “PPE and Investment Property” (778 thousand euro) refers to investments in PPE, net of IFRS 16 adjustments.

Investments in financial assets (53,897 thousand euro) are due to acquisitions of subsidiaries and associates for 29,623 thousand euro (see Annex A), other companies and investment funds for 24,274 thousand euro (see Annex D).

The item “Proceeds from disposal of non-current assets” (174,336 thousand euro) is mainly due to sales of investments in subsidiaries and associates for 60,358 thousand euro (see Annex A), investments in other companies for 40,940 thousand euro and bonds and mutual funds for 31,057 thousand euro (see Annex D).

IFRS 7

Net financial position

At December 31, 2024, the Company had a positive net financial position of 273.8 thousand euro, showing an increase of 69.5 thousand euro from December 31, 2023.

The breakdown of the Net Financial Position is set out below:

(in thousands of euro)	December 31, 2024	December 31, 2023 (*)	Change
Cash and cash equivalents	32,520	18,195	14,325
Financial receivables due from Group companies	42,742	24,989	17,753
Government securities and bonds - non-current	2,462	2,209	253
Mutual funds	105,755	97,080	8,675
P&G bonds	18,297	18,180	117
Ordinary Treasury Bonds	49,458	29,745	19,713
Receivables for extended payment terms of companies sold	1,090	1,025	65
Receivable for Bea (Casa della Salute) escrow	1,105	1,105	-
Investments held for trading	21,980	16,679	5,301
Put/call options on equities	30	-	30
Derivatives on initial margin requirements	2	2	-
Prepayments and accrued income	1,198	148	1,050
Total financial assets	**276,639**	**209,357**	**67,282**
Bank loans and borrowings	-	(36)	36
Payable for Bea (Casa della Salute) escrow	(1,105)	(1,105)	-
Financial payables vs subsidiaries	(1,006)	(3,155)	2,149
IFRS 16 short-term portion	(219)	(145)	(74)
IFRS 16 long-term portion	(553)	(415)	(138)
Put/call options on equities	-	(243)	243
Total financial liabilities	**(2,883)**	**(5,099)**	**2,216**
Net financial position	**273,756**	**204,258**	**69,498**

(*) The 2023 figures have been restated for better comparability and clarity.

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 12/31/2024 and 12/31/2023.

	Carrying amount					Fair value			
(in thousands of euro)	**FVTPL**	**FVTOCI**	**Amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Equity investments		**120,716**			**120,716**	**12,469**	**29,097**	**79,150**	**120,716**
Trade receivables and other non-current assets	**303,057**		**468**		**303,525**		**2,462**	**258,380**	**260,842**
Financial assets held to maturity									
Financial assets at FVTPL in NFP	2,462				2,462		2,462		2,462
Financial assets at FVTPL not in NFP	258,380				258,380			258,380	258,380
Non-current receivables	42,215				42,215				
Guarantee deposits			20		20				
Trade receivables			**448**		**448**				
Current assets including derivative financial instruments			**845**		**845**		**30**		**30**
Derivatives			30		30		30		30
Other amounts due			815		815				
Equity investments, bonds and current financial receivables	**195,489**		**36,451**		**231,940**	**112,724**	**92,765**		**205,489**
Equity investments FVTPL in NFP	21,980				21,980	21,980			21,980
Financial assets at FVTPL in NFP	173,509				173,509	80,744	92,765		173,509
Financial receivables and accruals			3,931		3,931				
Bonds			10,000		10,000	10,000			10,000
Cash and cash equivalents			**22,520**		**22,520**				
Total	**498,546**	**120,716**	**38,232**		**657,026**	**135,193**	**124,354**	**337,530**	**597,077**
Financial liabilities									
Non-current financial liabilities			**553**		**553**		**553**		**553**
Finance lease payables			553		553		553		553
Other non-current payables and liabilities									
Other non-current payables									
Bank loans and overdrafts									
Current financial liabilities			**4,082**		**4,082**		**2,336**		**2,336**
Finance lease payables			225		225		225		225
Other loans and borrowings			2,111		2,111		2,111		2,111
Trade payables			1,746		1,746				
Other liabilities									
Derivatives									
Other payables, accruals and deferrals									
Total			**4,635**		**4,635**		**2,889**		**2,889**

	Carrying amount					Fair value			
(in thousands of euro)	FVTPL	FVTOCI	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Equity investments		**148,758**			**148,758**	**30,126**	**23,288**	**95,344**	**148,758**
Trade receivables and other non-current assets	**257,578**		**526**		**258,104**		**2,209**	**239,369**	**241,578**
Financial assets held to maturity									
Financial assets at FVTPL in NFP	2,209				2,209		2,209		2,209
Financial assets at FVTPL not in NFP	239,369				239,369			239,369	239,369
Non-current receivables	16,000				16,000				
Guarantee deposits			5		5				
Trade receivables			521		521				
Current assets including derivative financial instruments			**2,681**		**2,681**				
Derivatives									
Other amounts due			2,681		2,681				
Equity investments, bonds and current financial receivables	**131,939**		**59,208**		**191,147**	**74,177**	**87,506**		**161,683**
Equity investments FVTPL in NFP	16,679				16,679	16,679			16,679
Financial assets at FVTPL in NFP	115,260				115,260	27,754	87,506		115,260
Financial receivables and accruals			41,012		41,012	29,744			29,744
Bonds									
Cash and cash equivalents			18,196		18,196				
Total	**389,517**	**148,758**	**81,132**		**600,690**	**104,303**	**113,003**	**334,713**	**552,019**
Financial liabilities									
Non-current financial liabilities			**415**		**415**		**415**		**415**
Finance lease payables			415		415		415		415
Other non-current payables and liabilities									
Other non-current payables									
Bank loans and overdrafts									
Current financial liabilities			**6,237**		**6,237**		**4,440**		**4,440**
Finance lease payables			144		144		144		144
Other loans and borrowings			4,296		4,296		4,296		4,296
Trade payables			1,797		1,797				
Other liabilities		**244**	**1**		**245**		**244**		**244**
Derivatives		**244**			**244**		**244**		**244**
Other payables, accruals and deferrals									
Total		**244**	**8,450**		**6,897**		**5,099**		**5,099**

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
Balance at December 31, 2023	**239,369**	**95,344**	**334,713**
Changes arising from acquisitions	23,694	983	**24,677**
Gains and losses in profit or loss	19,763	-	**19,763**
Gains and losses in equity	**-**	(2,921)	**(2,921)**
Sales/reductions in capital	(27,013)	(14,256)	**(41,269)**
Other changes	2,567	-	**2,567**
Total changes	**19,011**	**(16,194)**	**2,817**
Balance at December 31, 2024	**258,380**	**79,150**	**337,530**

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)	Average Rating	Residual average life (in years)
Bonds held for trading	20.8	Baa1	4.5
Bonds held for sale	-	n.a.	-
Deposits	32.5	n.a.	n.a.
Other financial assets	312.2	n.a.	n.a.
Cash and cash equivalents	-	n.a.	< 1

n.a. not applicable

Assuming a parallel shift of +100 bps in the Credit Default Swaps (CDS) credit curve, the estimated total change in financial instruments would be -0.6 million euro, reflected entirely in the income statement.

Deposits are subject to counterparty risk, but a shift of +100 bps in the curve would not have an impact on the amount thereof.

Other financial assets and derivatives are excluded from the sensitivity analysis since their fair value does not depend on the creditworthiness of the counterparty.

Liquidity risk

Italmobiliare S.p.A. risk management policy is designed to optimise 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, 2024 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:

	Maturity				
(in millions of euro)	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**Beyond**	**Total**
Total financial liabilities	(1.2)	(1.1)	(0.5)		**(2.8)**
Total financial assets	57.3	1.1	42.2	176.0	**276.6**
Net financial position	**56.1**		**41.7**	**176.0**	**273.8**
Undrawn uncommitted lines of credit	85.6				**85.6**

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, 2024 and its exposure to interest rate risk; reference should be made to the specific note for a detailed analysis of the net financial position.

(in millions of euro)	
Balance at December 31, 2024	
Fixed-rate financial liabilities	0.8
Fixed-rate financial assets	(1.0)
Fixed-rate NFP at inception	**(0.2)**
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
Fixed-rate NFP after hedging	**(0.2)**
Floating-rate financial liabilities	1.0
Floating-rate financial assets	(39.0)
Floating-rate NFP at inception	**(38.0)**
Fixed-rate/Floating-rate hedging	
Floating-rate/Fixed-rate hedging	
Floating-rate NFP after hedging	**(38.0)**
Assets not exposed to interest-rate risk	(236.7)
Liabilities not exposed to interest-rate risk	1.1
Total NFP	**(273.8)**

Floating-rate assets include amounts due from Group companies and floating-rate bonds; fixed-rate liabilities include lease liabilities.

A sensitivity analysis was performed to determine the change in the fair value of the total net financial position caused by an instantaneous shift of 100 bps in forward interest rates (assuming a parallel shift in the curve), Modified Duration was used as the sensitivity criterion.

The analysis found an overall estimate of -1.8 million euro, with an effect exclusively on the income statement.

On demand and time deposits, an instantaneous shift in the curve would not generate an automatic effect on the income statement.

Symmetrical results would be generated by an instantaneous parallel downward shift in the rate curve.

CURRENCY RISK

Overall exposure to the currency risk is limited, Currency positions are limited and used with the objective of de-correlating the risk of traditional financial assets in the liquidity management portfolio.

OTHER PRICE RISK

Italmobiliare is particularly exposed to the risk of fluctuations in the prices of listed equities carried at fair value.

Since Italmobiliare is a holding company, exposure to equity risk is inherent to its core business, In some cases, for limited amounts, the Policies set out procedures and approvals for the use of derivatives to reduce this risk.

At December 31, 2024, listed financial assets exposed to price risk amounted to 34.5 million euro, of which 12.5 million euro measured at FVTOCI and 22 million euro measured at FVTPL.

A hypothetical reduction of 5% in share prices would have a negative impact of -0.6 million euro on the assets' fair value, with an effect of -1.1 million euro on equity and the income statement.

(in millions of euro)	Fair Value	Share price delta	Impact on income statement	Impact on equity
Shares at FVTPL	22	-5%	(1.1)	
Shares at FVTOCI	12.5	-5%		(0.6)

Other risks

CYBER SECURITY

Cyber security risk is one of the risks subject to periodic evaluation and continuous monitoring by the Company. Also during 2024, specific activities were carried out and planned, such as audits, training sessions and interventions aimed at strengthening or adopting organisational, procedural and technological measures to mitigate this type of risk. To this end, a security governance framework valid for Italmobiliare and for the entire group has also been defined, which provides for periodic follow-ups to verify the status of adoption.

CLIMATE CHANGE

Italmobiliare leads the Group's decarbonisation strategy. To this end, it has equipped itself with appropriate governance tools, defining science-based reduction targets that have been validated by the Science Based Target initiative (SBTi). These targets are publicly communicated and, with reference to the base year 2023, cover 76% of NAV and 100% of the carbon footprint of the entire investment portfolio.

The Code of Ethics explicitly commits Italmobiliare to adopt and promote environmental policies and actions to contribute in the fight against climate change, with decarbonisation initiatives aligned with the Science Based Targets initiative and the principles of climate justice, across all Group companies, tailored to specific sectors.

The “Guiding Principles” of the Sustainability Policies commit Italmobiliare to pursue the reduction of greenhouse gas emissions along the entire value chain, defining science-based objectives in line with the Paris Agreement and the principles of climate justice. The “Energy and Climate” Policy provides further implementation details for ambitious climate action, through science-based emissions reduction targets, which guide the Group towards a net-zero economy, promoting its sustainable growth.

In addition to excluding the most critical activities and sectors from investments (negative screening), the Responsible Investment Policy explicitly refers to the contribution to SDG 13 “Climate Action” among the value creation objectives, providing for all eligible investments to adhere to the Science Based Targets initiative and the activation of decarbonisation strategies.

With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations or sponsorships to contribute to the fight against climate change, with decarbonisation initiatives aligned with the Science Based Targets initiative and climate justice principles.

Italmobiliare systematically assesses the exposure of its investment portfolio to climate risks and the strategic and operational resilience of its business model and of its direct and indirect assets. To this end, Italmobiliare uses as a point of reference the risk definitions proposed by the Guidelines of the Task Force on Climate Related Financial Disclosures (TCFD). Over the years, the evaluation process has been refined, assisting and involving the most significant portfolio companies in identifying risks and opportunities related to the scenarios adopted or performing outside-in evaluations on the other entities. The aim is to assess the ability of the portfolio investments to adapt to climate change and to seize climate-related opportunities, including the ability to respond and adapt to transition and physical risks.

The analysis is supported by the use of scenarios, extended over short, medium and long-term time horizons. Physical risks are identified with respect to the “Current Policies” scenario (+3°C), defined by the Network for Greening the Financial System (NGFS). Transition risks are identified with respect to the scenario chosen as a strategic reference, i.e. "Net Zero 2050” (+1.5 °C) of the NGFS. In particular, the choice of the strategic scenario “Net Zero 2050” is consistent with the SBTi commitment. Furthermore, Italmobiliare has adopted the shadow price curve as an effective point of reference for quantifying in financial terms the evolution of political pressure, market preferences, available technologies and abatement costs.

The assessment of climate risks is systematically included in the annual risk assessment with the coordination of the Internal Audit Department, which is responsible for risk management, and the support of the Sustainability Department. The assessment extends to the entire value chain over a time horizon of up to at least ten years and adopts a precautionary approach, preferring to overestimate risks and activate improvement processes that go well beyond mitigation. The results are presented to the Control and Risk Committee and approved by the Board of Directors.

The impact of physical risks (“physical risk rating”) on direct and indirect assets is assessed on the basis of geographical exposure and specific characteristics of activities and operating sites, such as resilience to events, backup possibilities, supply chain diversification and the presence of insurance. To define its materiality, the financial dimension of the risk, estimated from the physical risk rating and the probability of occurrence, is compared with the financial dimension of each investment assessed to quantify its material effects on the NAV. Overall, the Company's direct assets are not particularly exposed to physical risks. In any case, Italmobiliare uses its control levers to promote the adoption or updating of mitigation and adaptation measures across the entire investment portfolio, supported by budgets and strategic planning. Italmobiliare also pays particular attention to investments in sectors that depend on agri-food commodities or ecosystem services, also considering the impacts on the supply chain. To this end, Italmobiliare uses its control levers to ensure that investment portfolio companies carefully monitor upstream operators, differentiating and creating alternatives in supplies, and engage them in mitigation initiatives.

Exposure to transition risks ("transition risk rating") depends on the ability to see and govern a complex set of critical factors along the entire value chain, including increasing transparency requirements on climate strategies and performance, the progressive entry into force of regulations directly or indirectly oriented towards the net-zero scenario, competition on business and consumer markets, technological developments in sectors and the adoption of decarbonisation strategies aligned with the Paris Agreement, such as those based on SBTi. To define its materiality, the financial dimension of the risk - i.e. the distance from the “Net Zero 2050” scenario, estimated by combining carbon footprint, transition risk rating and shadow price in the short, medium and long term - is compared with the financial dimension of each investment assessed to quantify its material effects on the NAV. The Company's direct or indirect assets are exposed in different ways. In any case, Italmobiliare uses its control levers to activate decarbonisation paths supported by budgets and strategic planning in all investments.

The items on which physical and/or transition risks could have a greater impact are identified in investments and other financial assets. With regard to investments, these risks are factored into the business plans used for the impairment test, or into the related sensitivities. In relation to other financial assets, physical and/or transition risks are factored into the determination of fair value. For further details, see the relevant section.

The section on sustainability reporting contains details on the main risks that have been identified and, above all, the numerous mitigation measures that have been adopted, refined or integrated, on the Group's carbon footprint including category 15 "investments" and on progress towards the SBTi objectives.

OTHER INFORMATION

Audit fees

The table below sets out details of the fees paid in 2024 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	268	-	-
Review of non-financial disclosure	67	-	-
Non-audit services	62	-	-
Total	**397**	**0**	**0**

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, 2024 for transactions with related parties are set out in the following table:

Receivables and payables with related parties

(euro)					
Description	**Company**	**Amount**	**% impact on carrying amount**	**Carrying amounts**	**Reference**
Trade receivables					
Subsidiaries	Caffè Borbone S.r.l.	72,827			
	Callmewine S.r.l.	3,750			
	Capitelli F.lli S.r.l.	23,750			
	Casa della Salute S.p.A.	34,059			
	Clessidra Private Equity SGR S.p.A.	15,000			
	Clessidra Capital Credit SGR S.p.A.	15,000			
	Clessidra Holding S.p.A.	42,010			
	Clessidra Factoring S.p.A.	0			
	Franco Tosi Ventures S.r.l.	2,907			
	FT2 S.r.l.	12,500			
	FT3 S.r.l.	5,851			
	Gres Art S.r.l. - Società Benefit	2,500			
	Gres Hub S.r.l.	2,500			
	Italgen S.p.A.	14,913			
	Italmobiliare Servizi S.r.l.	20,000			
	ITM BACCO S.r.l.	2,927			
	Officina Profumo-Farmaceutica di Santa Maria Novella	7,500			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	7,500			
	Sidi Sport S.r.l.	7,500			
	Sirap Gema S.p.A.	7,500			
Trade receivables					
Associates	AGN Energia S.p.A.				
	Farmagorà Holding S.p.A.	484			
	Iseo Serrature S.p.A.				
	Tecnica Group S.p.A.	37,500			
Total trade receivables		**338,478**	**75.32%**	**449,411**	**Note 8**
Other amounts due					
Subsidiaries	Casa della Salute S.p.A.	10,500,000			
	Clessidra Holding S.p.A.	14,000,000			
	Credit Mobilier de Monaco	1,405,000			
	FT3 S.r.l.	1,000,000			
	Italmobiliare Servizi S.r.l.	10,715,308			
Total other non-current assets		**37,620,308**	**12.19%**	**308,619,892**	**Note 7**
Receivables for tax consolidation					
Subsidiaries	Caffè Borbone S.r.l.				
	Capitelli F.lli S.r.l.	143,602			
	CDS Medical S.r.l.				
	Clessidra Factoring S.p.A.	523,309			
	Italgen S.p.A.	3,137,041			
	Officina Profumo-Farmaceutica di Santa Maria Novella	858,591			
	Rovale S.r.l.	8,053			
	Solar Derthona S.r.l.	75,146			
	Other related parties	5,221			
Total other current assets including derivatives		**4,750,963**	**n.s.**	**1,154,711**	**Note 9**
Current account receivables					
Subsidiaries	Credit Mobilier de Monaco	531			
	Franco Tosi Ventures S.r.l.	43,285			
	FT2 S.r.l.				
	FT3 S.r.l.	99,233			
	Gres Hub S.r.l.				
	Italgen S.p.A.	165,633			
	ITM BACCO S.r.l.	41,200			
	Sidi Sport S.r.l.				
Prepayments and accrued income					
Subsidiaries	Casa della Salute S.p.A.	133.769			
	Clessidra Holding S.p.A.	33.161			
	Credit Mobilier de Monaco	231			
	FT3 S.r.l.	10.184			
Associates	Tecnica Group S.p.A.				
Total current financial receivables		**527,227**	**0.26%**	**199,418,162**	**Note 11**

(euro)					
Description	**Company**	**Amount**	**% impact on carrying amounts**	**Carrying amounts**	**Reference**
Current account payables					
Subsidiaries	FT2 S.r.l.	(79,922)			
	Italmobiliare Servizi S.r.l.				
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(926,359)			
Total current financial liabilities		**(1,006,281)**	**-43.07%**	**2,336,542**	**Note 19**
Trade payables					
Subsidiaries	Caffè Borbone S.r.l.				
	Callmewine S.r.l.	(667)			
	Capitelli F.lli S.r.l.	(535)			
	FT2 S.r.l.	(747)			
	Gres Art S.r.l. - Società Benefit	(14,613)			
	Italgen S.p.A.	(12,271)			
	Italmobiliare Servizi S.r.l.	(708,719)			
	Officina Profumo-Farmaceutica di Santa Maria Novella	(19,149)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(8,971)			
	Sidi Sport S.r.l.				
Total trade payables		**(765,672)**	**-43.87%**	**1,745,397**	**Note 23**
Other payables for tax consolidation					
Subsidiaries	Caffè Borbone S.r.l.	(4,024,561)			
	Callmewine S.r.l.	(778,964)			
	Capitelli F.lli S.r.l.				
	Casa della Salute S.p.A.	(1,487,239)			
	Casa della Salute Sardegna S.r.l.	(54,100)			
	Casa della Salute Medical S.r.l.	(21,399)			
	Clessidra Capital Credit SGR S.p.A.	(127,159)			
	Clessidra Private Equity SGR S.p.A.	(120,218)			
	Clessidra Holding S.p.A.	(1,096,684)			
	Franco Tosi Ventures S.r.l.	(11,622)			
	FT2 S.r.l.	(35,739)			
	FT3 S.r.l.	(8,756)			
	Gres Art S.r.l. - Società Benefit	(163,082)			
	Gres Hub S.r.l.	(121,586)			
	Idrodezzo S.r.l.	(1,780)			
	Idroenergy S.r.l.	(3,589)			
	Italgen S.p.A.				
	Italmobiliare Servizi S.r.l.	(29,219)			
	ITM BACCO S.r.l.	(5,455)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(25,803)			
	PLV S.r.l.	(15,056)			
	SA.LU.COM. S.r.l.	(55,486)			
	Sidi Sport S.r.l.	(582,365)			
	Sirap Gema S.p.A.	(181,329)			
	Solar Rooftop S.r.l.	(13.942)			
	Other related parties	(10,000)			
Total other non-current liabilities		**(8,975,133)**	**n.s.**	**8,102,391**	**Note 21**
Total other current liabilities		**0**	**0.00%**	**14,220,014**	**Note 25**
COMMITMENTS WITH RELATED PARTIES					
Letters of patronage to					
Subsidiaries	Caffè Borbone S.r.l.	4,000,000			
	Clessidra Holding S.p.A.	5,500,000			
Total commitments		**9,500,000**			

Revenue and expenses with related parties

(euro)					
Description	**Company**	**Amount**	**% impact on carrying amounts**	**Carrying amounts**	**Reference**
Dividends					
Subsidiaries	Caffè Borbone S.r.l.	30,000,000			
	Capitelli F.lli S.r.l.	2,000,000			
	FT2 S.r.l.				
	Italgen S.p.A.	8,000,000			
	Sirap Gema S.p.A.	700,000			
Dividends					
Associates	AGN Energia S.p.A.				
	Iseo Serrature S.p.A.				
	Tecnica Group S.p.A.	2,400,000			
Total dividends		**43,100,000**	**82.51%**	**52,233,446**	**Note 26**
Current account and financial interest income and other income					
Subsidiaries	Caffè Borbone S.r.l.	18,442			
	Casa della Salute S.p.A.	917,373			
	Clessidra Holding S.p.A.	33,161			
	Franco Tosi Ventures S.r.l.	1,592			
	FT2 S.r.l.				
	FT3 S.r.l.	13,600			
	Gres Hub S.r.l.	473,065			
	Italmobiliare Servizi S.r.l.				
	Italgen S.p.A.	8,786			
	ITM BACCO S.r.l.	1,669			
Associate	Sirap Gema S.p.A.				
	Archimede S.p.A.				
	Tecnica Group S.p.A.				
Total interest income		**1,449,246**	**1.67%**	**86,968,000**	**Note 26**
Recovery of cost of services					
Subsidiaries	Caffè Borbone S.r.l.	91,885			
	Callmewine S.r.l.	25,000			
	Capitelli F.lli S.r.l.	35,000			
	Casa della Salute S.p.A.	35,000			
	Clessidra Private Equity SGR S.p.A.	36,000			
	Clessidra Capital Credit SGR S.p.A.	36,000			
	Clessidra Holding S.p.A.	122,717			
	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 Art S.r.l. - Società Benefit	5,000			
	Gres Hub S.r.l.	10,000			
	Italgen S.p.A.	72,539			
	Italmobiliare Servizi S.r.l.	40,000			
	ITM BACCO S.r.l.	10,000			
	Officina Profumo-Farmaceutica di Santa Maria Novella	90,000			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	30,000			
	Sidi Sport S.r.l.	45,000			
	Sirap Gema S.p.A.	30,000			
Associates	AGN Energia S.p.A.				
	Farmagorà Holding S.p.A.	484			
	Iseo Serrature S.p.A.	60,000			
	Tecnica Group S.p.A.	60,000			
	Other related parties	17,776			
Total services		**938,401**	**99.36%**	**944,401**	**Note 26**
Total revenue		**45,487,647**	**32.46%**	**140,145,847**	**Note 26**

(euro)					
Description	**Company**	**Amount**	**% impact on carrying amounts**	**Carrying amounts**	**Reference**
Other revenue and income					
Subsidiaries	Caffè Borbone S.r.l.	98,961			
	Callmewine S.r.l.	7,020			
	Capitelli F.lli S.r.l.	3,178			
	Casa della Salute S.p.A.	18,983			
	Clessidra Private Equity SGR S.p.A.	2,187			
	Clessidra Capital Credit SGR S.p.A.	1,254			
	Clessidra Factoring S.p.A.	2,921			
	Clessidra Holding S.p.A.	11,293			
	Gres Hub S.r.l.	3,356			
	Italgen S.p.A.	21,133			
	Italmobiliare Servizi S.r.l.	128,517			
	Officina Profumo-Farmaceutica di Santa Maria Novella	25,843			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	37			
	Sidi Sport S.r.l.	20,345			
Total other operating revenue and income		**345,028**	**37.66%**	**916,254**	**Note 27**
Services					
Subsidiaries	Gres Art S.r.l. - Società Benefit	(58,327)			
	Italgen S.p.A.	(103,938)			
	Italmobiliare Servizi S.r.l.	(2,439,176)			
	Officina Profumo-Farmaceutica di Santa Maria Novella	(4,200)			
	Sirap Gema S.p.A.				
	Other related parties	(91,310)			
Total services		**(2,696,951)**	**35.26%**	**(7,648,042)**	**Note 29**
Employee benefit expenses	Other related parties	(245,406)			
Total employee benefits expenses		**(245,406)**	**1.36%**	**(18,023,741)**	**Note 30**
Current account and financial interest expenses					
Subsidiaries	FT2 S.r.l.	(4,235)			
	Gres Hub S.r.l.				
	Italgen S.p.A.				
	Italmobiliare Servizi S.r.l.	(97,623)			
	Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	(38,397)			
Other (income) expense					
Subsidiaries	Caffè Borbone S.r.l.	(2,613)			
	Callmewine S.r.l.	(2,229)			
	Capitelli F.lli S.r.l.	(1,184)			
	Italmobiliare Servizi S.r.l.	(75,204)			
	Italgen S.p.A.				
	Officina Profumo-Farmaceutica di Santa Maria Novella	(100,071)			
	Sidi Sport S.r.l.				
Other related parties	(disbursement to Fondazione Cav. Lav. Carlo Pesenti)	(800,000)			
Total other operating income/expenses		**(1,121,556)**	**11.30%**	**(9,923,905)**	**Note 31**
Interest expense on trade payables					
Subsidiaries	Italmobiliare Servizi S.r.l.	(589)			
Total finance income/costs		**(589)**	**0.01%**	**(5,725,464)**	**Notes 33-34**

n.s. not significant

Impact of transactions with related parties on cash flows

	Cash flows	
(in thousands of euro)	**Amount**	**%**
Cash flow from operating activities with related parties	10,840	27.3%
Total A) - from statement of cash flows	**39,695**	
Cash flow from investing activities with related parties	120,439	n.s.
Total B) - from statement of cash flows	**103,446**	
Cash flow from financing activities with related parties	2,149	-1.7%
Total C) - from statement of cash flows	**(128,816)**	
Change in cash and cash equivalents with related parties	**133,428**	

n.s. not significant

Fees paid to Directors and the Chief Operating Officer

The table below sets out the amounts accrued during the financial year for the directors, the Chief Operating Officer and the Financial Reporting Officer (key management personnel) for positions held:

(euro)	**2024**	**2023**
Short-term benefits: fees and remuneration	7,322,659	7,217,945
Post-employment benefits	-	-
Other long-term benefits	3,782,290	4,748,121
Share-based payments (stock options)	-	-
Total	**11,104,949**	**11,966,066**

Outlook and events after the reporting date

In 2024, the global economy turned in a solid expansion, with a growth rate of 3.2%. However, the dynamics highlighted both a sectoral and geographical divergence. As in recent years, the service sector has driven the expansion, particularly in all areas of developed countries. In the manufacturing sector, which has been stagnant overall since the end of 2022, there has been an increase in the percentage of recovering economies (especially in the emerging Asian area).

The greatest weakness in manufacturing persists in the Eurozone, structurally burdened by the cost of energy, which has been accelerating since the second quarter of the year, and by the loss of competitiveness (in favour of China). On the growth potential of the Eurozone, below 1%, there persists, in addition to the demographic effect, a decreasing rate of productivity growth, from 0.75% (2015-2019) to 0.25% (2020-2024), and a high savings rate, which has also been rising in the last two years. The Eurozone economy closed the year at 0.7%, versus 2.8% in the USA. China, struggling with the vicious circle of debt-overcapacity-deflation, triggered by the real estate crisis and not yet definitively stabilized, has come close to the annual GDP target of 5%, benefiting from the support measures activated in the second half of the year. The global inflation rate fell further, albeit at a moderate pace: the contribution of goods disinflation, the main factor in the price decline since 2022, has gradually decreased, while energy prices have started to reverse their trend in recent months, with positive impacts on price indices.

The services price component decelerated with the slowdown in wage growth and housing spending, but remains sticky. The anchoring of medium-term inflation expectations in the main countries, close to the central banks' targets, and the decline in price dynamics, have allowed interest rates to be cut (by both Fed and ECB: -100 bps), supporting growth in the face of fiscal policy impulses that were mostly neutral or negative.

The 2025 scenario, on a global level, is characterised by a situation that remains expansive (average estimates +3%). In a context of generally stable or marginally increasing unemployment rates, growth in developed countries is supported both by the positive variation in real incomes (nominal wages are decelerating, but above the inflation trend) and by financial and credit conditions, with central banks' target interest rates gradually converging towards a level of neutrality. Japan is an exception in the international panorama, with the central bank in the process of normalizing by raising interest rates: despite inflation rising moderately, wage dynamics show a significantly positive gap versus inflation (i.e. real incomes are increasing).

The fiscal impulse remains generally neutral/negative, with the possible exception of the United States and especially some emerging countries, including China, where further expansionary measures are expected, not only in infrastructure but also in household consumption. The revival of consumption is part of the new Chinese development model, from export-led growth to one based on technology and domestic demand: the country's growth potential has been reduced by demographic effects and the decline in labour productivity. Global investment spending remains on the rise: in particular, capex to support the cross-industry diffusion of AI, in transition from hardware to software, with the development of applications and implementations.

In the Eurozone, given positive consumption dynamics and investment growth rates, driven by general financial and credit conditions (a reduction in ECB interest rates discounted by the market of 75 bps), energy prices and fiscal consolidation, particularly in Italy and France, weigh on the situation, without being offset by the expenditure generated by the Recovery Fund. Fiscal policy, at area level, could benefit from possible changes in debt constraints in Germany as well as, at a general level, from increased defence spending: however, it is likely that the effects on GDP will be reflected above all from next year. Italy's growth should remain below the overall Eurozone figure (estimated at 0.8% on average) as the effects of the superbonus have come to an end: since 2020, the weight of the construction sector (vs GDP) has increased by 1.5%, with the country's growth on average above that of France and Germany.

However, several factors of uncertainty weigh on the Eurozone and the global scenario. The multipolar world, the resulting reallocation of value chains and protectionism persist over the economic cycle: in particular, the announcement of tariffs by the new US administration against major trading partners. Tariffs in this second mandate are also being used as a political negotiating tool, with the possibility of a prolonged trade war and consequent repercussions on growth and inflation. In the geopolitical context, the possibility of a solution to the conflict in Ukraine has emerged.

The effects, including positive ones, particularly for the Eurozone, will depend on the degree of stability of the new situation that could emerge. If these uncertainties are reflected in a worsening of expectations on macro variables, growth and inflation, they would be amplified by commodity volatility and financial instability. In a context of high public debt vs. GDP in various developed countries, including Italy, economic growth is a key variable in the expected sustainability of debt, given the high interest expense: the increased risk of a global recession would impact both the stock markets and the bond markets of the countries most exposed.

The current context, characterized by deep geopolitical and macroeconomic uncertainties, together with the pressure and volatility of the prices of some raw materials, is influencing the performance of many manufacturing sectors, albeit to varying extents. The complexities of the scenario seem destined to continue throughout 2025, potentially aggravated by the risks of a possible trade war, whose perimeter and scope still have to be understood.

In 2024, Italmobiliare demonstrated remarkable resilience, reflected in the resilience of the NAV performance and in the aggregate results of the portfolio companies, as well as in the ability to remunerate shareholders with a significant dividend distribution. The valorisation of the stake in AGN Energia, at the end of a path that consolidated the company's leadership in the LPG business, and the sale of the shares in FiberCop and CRM Casa Della Piada in 2024, as well as the previous sale of the interest in the Florence Group in October 2023, confirmed Italmobiliare's ability to create value and seize opportunities for investment portfolio rotation.

In this context of profound uncertainty, it will be essential for Italmobiliare to maintain a firm focus on the two main axes of its development strategy. On the one hand, ensuring increasingly effective support to portfolio companies, providing them with the tools and resources needed to address the many challenges and intensify the path of organic and inorganic growth. On the other hand, seizing the opportunities offered by the market to enhance the value shareholdings and investments that have reached a mature stage of their development.

In line with the main challenges of the global context, Italmobiliare will focus its support to Group companies on two fundamental pillars. First of all, careful monitoring of production chains and international distribution channels, particularly affected by geopolitical and commercial tensions. This will have to happen through continuous improvements in production, commercial and financial planning capacity, diversification and control of distribution channels and supply sources, and implementation of hedging and pricing policies.

Lastly, the continuation and further intensification of transformative paths for the sustainability of the development of the portfolio companies, along all the main fronts through which this can be achieved: investments in technology, product innovation, brand positioning and strengthening the quality and skills of the management teams.

Milan, March 6, 2025

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

Proposal for approval of the financial statements and allocation of the profit for the year

2024 Annual Report

1. Financial statements for the year ended December 31, 2024.

2. Allocation of the profit for the year and distribution of the dividend.

Dear Shareholders,

We submit for your approval the financial statements for the year ended December 31, 2024, which closed with a profit of euro 104,757,584. 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 0.90 per share, gross of the withholdings required by law.

We would like to propose that the dividend be paid on May 7, 2025 (going ex-coupon on May 5, 2025 and with a record date of May 6, 2025).

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 38,054,637, allocating the residual amount of euro 66,702,947 to retained earnings.

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.

***

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, 2024,

resolves

to approve the 2024 financial statements, which show a profit of euro 104,757,584 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 2024 financial statements;
- considering that the legal reserve has reached one fifth of the share capital and consequently no further provisions need be made,

resolves

1. to distribute a gross dividend of euro 0.90 to each of the shares with rights, therefore excluding the treasury shares held in the Company's portfolio on the record date, to be paid out of the profit for the year in the amount of euro 38,054,637;
2. to establish that the dividend will be paid on May 7, 2025 with a coupon date of May 5, 2025 and a record date of May 6, 2025;
3. to allocate the residual profit amount, after dividend distribution, to retained earnings;
4. to authorise the Chairman and the *pro tempore* Chief Executive Officer, separately, if the number of treasury shares in portfolio changes before the record date, to increase the amount of retained earnings by the amount of the dividend pertaining to any shares bought or to reduce it for the amount of the dividend pertaining to any treasury shares sold."

Milan, March 6, 2025

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, 2024

(euro)								
Shares and quotas	**Balance on 1/1/2024**		**Increases**			**Decreases**		
Subsidiaries	**Quantity**	**Amounts**	**Quantity**	**Amounts**		**Quantity**	**Amounts**	
Casa della Salute S.p.A.	3,407,171	47,888,284		24,183,155	(1)			
Caffè Borbone S.r.l.	600,000	143,568,360						
Capitelli F.lli S.r.l.	1	14,232,033						
Clessidra Holding S.p.A.	10,000,000	32,701,118						
Credit Mobilier de Monaco	34,970	5,740,223						
Franco Tosi Ventures S.r.l.	1	757,523						
FT2 S.r.l.	1	193,775,333						
FT3 S.r.l.	1	10,500,000		1,200,000	(1)			
Italgen S.p.A.	20,000,000	20,131,526						
Italmobiliare Servizi S.r.l.	1	11,460,610						
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	1,300,000	1,558,523						
Société d'Etudes de Participations et de Courtages S.A.	85,985	1						
Sirap Gema S.p.A.	15,000,000	2,468,685						
ITM BACCO S.r.l.	60,000	11,572,613						
Sidi Sport S.r.l.	1	60,800,000		15,226				
Total subsidiaries		**557,154,832**		**25,398,381**				
Associates								
Autogas Nord S.p.A.	3,933,276	60,358,345						
Dokimè S.r.l.								
Florence InvestCo S.r.l.								
Farmagorà Holding S.p.A.	14,159,399	15,533,309	2,303,610	3,225,054	(4)			
Iseo Serrature S.p.A.	1,917,523	42,652,902						
Società Editrice Sud S.p.A.	31,560	7,499,085						
Tecnica Group S.p.A.	15,413,534	43,376,254						
Capitalised costs for ongoing investments				18,543				
Total associates		**169,419,895**		**3,243,597**				
Other companies	-	-	-	-	-	-	-	-
Archimede S.p.A.	172,414	14,471,779	18,827	982,769	(4)			-
Bene Assicurazioni S.p.A.	4,199,000	41,051,032						
Cairo Communication S.p.A.	189,198	342,070						
Can-Fite Biopharma	20	40						
Cartiere Burgo S.p.A.	46,153,846	1						
CCC HOLDINGS EUROPE S.p.A.	1,503,000	7,516,864						
Compagnia Fiduciaria Nazionale S.p.A.	20,001	744,277						
Fin.Priv. S.r.l.	2,857	23,288,135						
Heidelberg Materials AG	205,000	16,592,700						
Immobiliare Lido di Classe S.r.l. (under liquidation)	45,991	1						
Immobiliare Astra S.p.A.	12,012	29,178						
New Flour S.p.A.	27,667	9,253,411					4,114,228	(5-6)
Piaggio S.p.A.	169,699	505,364						
Sesaab S.p.A.	700,000	800,000						
Schema Piada S.p.A.			27,667	102,183	(6)			
UniCredit S.p.A. – ordinary shares								
Vontobel Holding AG	115,238	6,782,366						
KKR Teemo Co-Invest	1	20,739,882						
035 Investimenti S.p.A.	1,114,550	737,870						
Ariston Holding N.V.	942,266	5,903,297						
Total other companies		**148,758,267**		**1,084,952**			**4,114,228**	
Total equity investments		**875,332,994**		**29,726,930**			**4,114,228**	

Quantity and sale value		Adjustment		Profit (loss) FVTOCI	% held	Balance at 31/12/2024		
Quantity	Amounts	Amounts	(*)	Amounts	%	Quantity	Amounts	Subsidiaries
					87,852	3,407,171	72,071,439	Casa della Salute S.p.A.
					60,000	600,000	143,568,360	Caffè Borbone S.r.l.
					80,000	1	14,232,033	Capitelli F.lli S.r.l.
					100,000	10,000,000	32,701,118	Clessidra Holding S.p.A.
					99,914	34,970	5,740,223	Credit Mobilier de Monaco
					100,000	1	757,523	Franco Tosi Ventures S.r.l.
					100,000	1	193,775,333	FT2 S.r.l.
		(3,700,000)	(2)		100,000	1	8,000,000	FT3 S.r.l.
					100,000	20,000,000	20,131,526	Italgen S.p.A.
					100,000	1	11,460,610	Italmobiliare Servizi S.r.l.
					100,000	1,300,000	1,558,523	Punta Ala Promozione e Sviluppo Immobiliare S.r.l.
					99,983	85,985	1	Société d'Etudes de Participations et de Courtages S.A.
		(484,080)	(2)		100,000	15,000,000	1,984,605	Sirap Gema S.p.A.
					60,000	60,000	11,572,613	ITM BACCO S.r.l.
		1,700,000	(2)		100,000	1	62,515,226	Sidi Sport S.r.l.
		(2,484,080)					**580,069,133**	**Total subsidiaries**
								Associates
3,933,276	60,358,345			39,641,654			0	AGN Energia S.p.A. (*)
								Dokimè S.r.l.
								Florence InvestCo S.r.l.
					24,600	16,463,009	18,758,363	Farmagorà Holding S.p.A.
		(3,352,902)	(2)		39,245	1,917,523	39,300,000	Iseo Serrature S.p.A.
					33,527	31,560	7,499,085	Società Editrice Sud S.p.A.
					40,000	15,413,534	43,376,254	Tecnica Group S.p.A.
							18,543	Capitalised costs for ongoing investments
	60,358,345	**(3,352,902)**					**108,952,245**	**Total subsidiaries**
-	-	-	-	-	-	-	-	**Associates**
		1,970,613	-	-	19,1241	191,241	17,425,161	Archimede S.p.A.
		8,548,968			19,996	4,199,000	49,600,000	Bene Assicurazioni S.p.A.
		120,519			0,141	189,198	462,589	Cairo Communication S.p.A.
		(9)			0,001	20	31	Can-Fite Biopharma
					2,128	46,153,846	1	Cartiere Burgo S.p.A.
						1,503,000	7,516,864	CCC HOLDINGS EUROPE S.p.A.
		310			16,668	20,001	744,587	Compagnia Fiduciaria Nazionale S.p.A.
		5,808,645			14,285	2,857	29,096,780	Fin.Priv. S.r.l.
200,000	18,362,652	191,800		2,174,652	0,003	5,000	596,500	Heidelberg Materials AG
					18,036	45,991	1	Immobiliare Lido di Classe S.r.l. (under liquidation)
		115			1,784	12,012	29,293	Immobiliare Astra S.p.A.
		(2,720,676)			16,970	27,667	2,418,507	New Flour S.p.A.
		(135,420)			0,479	169,699	369,944	Piaggio S.p.A.
		(200,000)			7,000	700,000	600,000	Sesaab S.p.A.
					16,970	27,667	102,183	Schema Piada S.p.A.
								UniCredit S.p.A. – ordinary shares
		1,004,647			0,203	115,238	7,787,013	Vontobel Holding AG
1	20,739,882			--				KKR Teemo Co-Invest
		(23,862)			10,588	1,114,550	714,008	035 Investimenti S.p.A.
		(2,650,594)			0,751	942,266	3,252,703	Ariston Holding N.V.
	39,102,534	**11,915,056**		**2,174,652**			**120,716,165**	**Total other companies**
	99,460,879	**6,078,074**		2,174,652			**809,737,543**	**Total equity investments**

(1) Payment on account of future capital increase
(2) Impairment
(3) Capitalised commission
(4) Subscription and/or capital increase
(5) Reduction against capital increase
(6) Partial proportional demerger of New Flour S.p.A. in favour of the new company Schema Piada S.p.A.
(*) AGN Energia was sold on February 28, 2024 and reclassified at December 31, 2023 to “Assets classified as held for sale”.

Annex B - List of investments in subsidiaries and associates at December 31, 2024 (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)
Subsidiaries							
Casa della Salute S.p.A.	Genova	€	5,901,496	41,942,659	(7,373,711)	87,852	72,071,439
Caffè Borbone S.r.l.	Caivano	€	1,000,000	374,319,797	36,907,777	60,000	143,568,360
Capitelli F.lli S.r.l.	Borgonovo Val Tidone	€	51,480	16,937,645	2,015,117	80,000	14,232,033
Clessidra Holding S.p.A.	Milano	€	20,600,000	30,329,468	(478,544)	100,000	32,701,118
Credit Mobilier de Monaco	Montecarlo	€	5,810,000	6,042,154	169,444	99,914	5,740,223
Franco Tosi Ventures S.r.l.	Milano	€	100,000	894,262	(29,895)	100,000	757,523
FT2 S.r.l.	Milano	€	10,000	193,022,990	(58,448)	100,000	193,775,333
FT3 S.r.l.	Milano	€	10,000	7,950,502	(3,726,750)	100,000	8,000,000
SIDI Sport S.r.l.	Milano	€	500,000	64,396,969	(35,410)	100,000	62,515,226
Italgen S.p.A.	Villa di Serio	€	20,000,000	41,314,248	16,329,142	100,000	20,131,526
Italmobiliare Servizi S.r.l.	Milano	€	3,520,000	11,595,130	145,616	100,000	11,460,610
ITM Bacco S.p.A.	Milano	€	100,000	39,828,963	(14,333)	60,000	11,572,613
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milano	€	1,300,000	1,293,603	(66,547)	100,000	1,558,523
Société d'Etudes de Participations et de Courtages S.A.	Montecarlo	€	1,290,000	132,959	18,576	99,983	1
Sirap Gema S.p.A.	Verolanuova	€	500,000	2,207,516	156,094	100,000	1,984,605
Total subsidiaries							**580,069,133**
Associates							
Iseo Serrature S.p.A. (*)	Pisogne	€	24,429,800	95,547,921	7,267,913	39.245	39,300,000
Società Editrice Sud S.p.A. (*)	Messina	€	10,695,505	42,585,128	221,258	33.530	7,499,085
Farmagorà Holding S.p.A. (*)	Bergamo	€	58,765,714	53,314,751	(10,427,838)	24.620	18,758,363
Tecnica Group S.p.A. (*)	Giavera del Montello	€	38,534,000	151,407,000	25,907,000	40.000	43,376,255
Total associates							**108,933,703**

(*) Figures at 31/12/2023.

Annex C - Statement of changes in the accounts of trading investments that took place on December 31, 2024

Shares and quotas	Balance on 1/01/2024		Increases		Decreases		Adjustment	% held	Balance at 12/31/2024		Profits (losses) on sales
(euro)	Quantity	Amounts	Quantity	Amounts	Quantity	Market unit value at December 31, 2024	Market value amount at December 31, 2024	%	Quantity	Amounts	Amounts
Other companies											
Air Liquide S.A.			3,000	546,807			(28,971)	0.00%	3,000	517,836	
Banco BPM S.p.A.	135,000	645,435					409,185	0.01%	135,000	1,054,620	
BNP Paribas S.A.	11,718	733,430					(39,490)	0.00%	11,718	693,940	
Dassault Systèmes SE	11,340	501,625					(121,735)	0.00%	11,340	379,890	
EDP Renovaveis S.A.	4,802	88,957	76	965	0	4	(40,943)	0.00%	4,878	48,975	(1)
ENI S.p.A.	249,000	3,821,652					(562,242)	0.01%	249,000	3,259,410	
Enel S.p.A.	105,000	706,650					16,380	0.00%	105,000	723,030	
E.ON SE			20,000	267,375			(42,475)	0.00%	20,000	224,900	
EUROAPI S.A.	121	693					(345)	0.00%	121	348	
International Consolidated Airlines Group S.A.	293,400	522,546					542,203	0.01%	293,400	1,064,749	
Intesa Sanpaolo S.p.A.	359,820	951,184					438,800	0.00%	359,820	1,389,984	
KONINKLIJKE PHILIPS NV	15,000	316,275	513	12,750	1	11	49,479	0.00%	15,512	378,493	2
Marr S.p.A.	15,607	179,169					(22,162)	0.02%	15,607	157,007	
NESTE OYJ	7,300	235,133					(146,621)	0.00%	7,300	88,512	
OVS S.p.A.	348,642	791,417					393,268	0.12%	348,642	1,184,685	
Shell Plc	68,922	2,053,875					21,710	0.00%	68,922	2,075,585	
Sanofi S.A.	2,520	226,195					10,030	0.00%	2,520	236,225	
SAP AG	2,205	307,554					213,488	0.00%	2,205	521,042	
STMICROELECTRONICS NV	9,000	406,890					(190,800)	0.00%	9,000	216,090	
TeamViewer AG	11,970	168,299					(54,057)	0.01%	11,970	114,242	
Telecom Italia S.p.A.	450,000	132,390			450,000	132,390			0	0	(20,970)
Telecom Italia S.p.A. Risparmio			450,000	120,015			10,260	0.00%	450,000	130,275	
Total Energies S.A.	19,521	1,202,494					(176,079)	0.00%	19,521	1,026,415	
VEOLIA ENVIRONNEMENT S.A.			20,000	581,242			(39,042)	0.00%	20,000	542,200	
DATADOG INC.	4,063	446,305	15,371	2,024,297	3,000	372,450	162,176	0.00%	16,434	2,260,328	56,963
DOORDASH INC.	7,200	644,351					518,225	0.00%	7,200	1,162,576	
GitLab Inc. Classe A			6,089	326,192			4,076	0.00%	6,089	330,268	
Snowflake Inc.	2,368	426,454	4,348	775,287			(203,553)	0.00%	6,716	998,188	
KEURIG DR PEPPER INC.	38,808	1,170,210					29,629	0.00%	38,808	1,199,839	
Total other companies		**16,679,183**		**4,654,930**		**504,855**	**1,150,394**			**21,979,652**	**35,994**

Annex D - Statement of changes in bonds and mutual fund units that took place during 2024

(euro)	Balance on 01.01.2024	Increases	Decreases	Adjustment	Balance at 31.12.2024
Bonds and investment funds (non-current)					
Other variable-income securities	2,208,870			252,945	2,461,815
Investment funds	239,368,699	24,274,271	31,057,028	25,794,245	258,380,187
Total	**241,577,569**	**24,274,271**	**31,057,028**	**26,047,190**	**260,842,002**

The item "Investment Funds" of 258,380,187 euro is made up principally of:

Clessidra (quotas "A" and "B") for 73,920,161 euro, BDT Capital Partners Fund II and III for 72,613,612 euro and Jab Consumer for 19,331,896 euro.

(euro)	Balance on 01.01.2024	Increases	Decreases	Adjustment	Balance at 31.12.2024
Bonds and investment funds (non-current)					
Other variable-income securities	5,905,981	1,917,415	1,570	807,568	8,629,394
Other fixed-income securities	29,744,400	158,891,868	139,723,903	545,589	49,457,954
Investment funds	109,354,155	7,840,900	7,859,285	6,086,254	115,422,024
Total	**145,004,536**	**168,650,183**	**147,584,758**	**7,439,411**	**173,509,372**

The "Other variable-income securities" are mainly ETFs.

The item "Investment Funds" of 115,422,024 euro mainly consists of the Vontobel Fund for 92,765,239 euro. The balance at December 31, 2024 is equal to the market value at December 31, 2024.

Annex E - Comparison between carrying amounts and market prices at December 31, 2024 of investments in companies with listed shares

(euro)					
Shares	**Number of shares**	**Total carrying amount**	**Unit carrying amount**	**Unit market value at December 31, 2024**	**Total amount at market value at December 31, 2024**
Other companies					
Cairo Communication S.p.A.	189,198	462,589	2,4450	2.4450	462,589
Heidelberg Materials AG	5,000	596,500	119,3000	119.3000	596,500
Can-Fite Biopharma	20	31	1,5642	1.5642	31
Piaggio S.p.A.	169,999	369,944	2,1800	2.1800	369,944
Vontobel Holding AG	115,238	7,787,013	67,5733	67.5733	7,787,013
Ariston Holding N.V.	942,266	3,252,702	3,4520	3.4520	3,252,702
Total		**12,276,980**			**12,468,780**
Treasury shares (deducted from equity)					
Italmobiliare Società per Azioni - ordinary shares	217,070	5,141,901	23,6878	25.8500	5,611,260
		5,141,901			**5,611,260**

Annex F - Reconciliation between the theoretical tax charge and the actual tax charge recorded in the income statement

	(in thousands of euro)			
A)	**Profit/(loss) before tax**			**98,231**
B)	Current rate of corporation tax (IRES)	24.0%		
C)	**Theoretical IRES (AxB)**			**(23,575)**
D)	Permanent differences			
	- non-deductible			(4,784)
	- non-taxable/exempt			23,535
			tot. D)	**18,751**
F)	Withholdings on foreign dividends		tot. F)	**(954)**
G)	Deferred tax assets/liabilities arising during the year:			
	- deferred tax liabilities on taxable temporary differences not recorded			0
	- deferred tax assets on deductible temporary differences not recorded			(162)
	- deferred tax assets on tax loss not recorded			
			tot. G)	**(162)**
N)	Other changes		tot. N)	**12,467**
	Total		**(D+F+G+N)**	**30,102**
O)	**Actual IRES shown in the income statement**			**6,527**

Annex G - Analysis of equity items at December 31, 2024

(in thousands of euro)				**Summary of uses made in the previous three years**	
Nature/description	**Amount**	**Possibility of use**	**Available portion**	**to cover losses**	**for other reasons**
Share capital	**100,167**				
Reserves:					
Share premium	55,607	A, B, C	55,607		
Reserve for stock options	0	-			
Non-distributable OCI reserve	28,238	-	0		
Total reserves	**83,845**	**-**	**55,607**		**1,454**
Treasury shares at cost	**(5,166)**	**-**			
Retained earnings:					
Revaluation reserves	0	A, B, C	0		
Reserve for capital grants	0	A, B, C	0		
Merger surplus	159,938	A, B, C	159,938		(611)
Reserve as per art. 55 DPR 597/1973 and 917/86	0	A, B, C	0		
Reserve as per art. 54 DPR 597/1973 and 917/86	0	A, B, C	0		
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	20,033	B	0		
Extraordinary reserve		A, B, C	0		
Distributable retained earnings	777,739	A, B, C	777,739		(116,278)
Non-distributable retained earnings	32,914		0		
Reserve from net exchange gains		A, B, C	0		
Reserve as per art. 7 of Legislative Decree 38/2005	1,051	A, B, C	1,051		(104)
Profit for the year	104,758		104,758		
Total retained earnings	**1,156,685**		**1,103,738**	**0**	**(116,993)**
Total			**1,159,345**		
Non-distributable portion – art. 2426 no. 5 Civil Code	**1,240,530**				
Residual distributable portion	**1,240,530**		**1,159,345**		

Legend A: for increase in capital
B: to cover losses
C: for distribution to shareholders

ITALMOBILIARE
INVESTMENT HOLDING

Certification pursuant to art, 154-bis paragraph 5 of the Italian Consolidated Law on Finance (CLF) regarding the separate financial statements pursuant to art, 81- ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions

1. The undersigned Carlo Pesenti, Chief Executive Officer, and Mauro Torri, Manager in charge of financial reporting of Italmobiliare S.p.A., hereby certify, also in consideration of art. 154-bis, paragraphs 3 and 4, of legislative decree no, 58 of February 24, 1998:

   - the adequacy in relation to the characteristics of the company and
   - the actual application

   of the administrative and accounting procedures adopted for the preparation of the **separate financial statements** during the period from January 1, 2024 to December 31, 2024.

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, 2024 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 Organisations 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, 2024:

   a) have been prepared in compliance with the applicable International Financial Reporting Standards recognised 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 6, 2025

Chief Executive Officer	Manager in charge of financial reporting
Carlo Pesenti	Mauro Torri

Report of the Board of Statutory Auditors to the Shareholders' Meeting
pursuant to art. 153 of Legislative Decree 58/1998 and of art. 2429, paragraph 2, of the Italian Civil Code
2024

Milan, March 24, 2025

Shareholders,

We, the Board of Statutory Auditors, pursuant to art. 153 of Legislative Decree. 58/1998 ("CLF") and art. 2429, paragraph 2, of the Italian Civil Code, are called upon to report to the Shareholders' Meeting convened for the approval of the financial statements on our activities during the year, as well as on any omissions and any reprehensible facts that may be found. We can also make proposals regarding the financial statements and their approval, as well as any other matters within our sphere of competence. The Board of Statutory Auditors also reports on the activities it is required to carry out in its role as the Internal Control and Auditing Committee.

During the year, we carried out our supervisory tasks as required by the law, taking into account the guidelines of the standards of conduct recommended by the National Councils of Chartered Accountants and Accounting Experts, as well as by CONSOB and the Corporate Governance Code for Listed Companies.

* * *

Meetings of the Board of Statutory Auditors

The Board of Statutory Auditors met 15 times in 2024, 6 of which in joint session with the Control and Risk Committee.

During 2024, the entire Board of Statutory Auditors or, in any case, some of us also took part in the only Shareholders' Meeting held, all meetings of the Board of Directors (which met 9 times), the Control and Risk Committee (6 times), the Committee for Sustainability and Social Responsibility (3 times), the Remuneration and Nominations Committee (4 times), and the Committee for Transactions with Related Parties (2 times), as well as the 4 induction sessions organised by the Company. From the start of 2025 and up to the date of this report, we have all taken part in all meetings of the Board of Directors and the Committees.

Significant events during the year

In 2024, the investment and consolidation of the shareholding structure continued. The most significant events that took place during 2024 were as follows:

- on February 28 2024, the sale of the shareholding in AGN Energia S.p.A., in which the Company held a 32.02% stake, was finalised for a consideration of 100 million euro, with a capital gain of approximately 40 million euro and a money-on-money return of 1.8x;
- on 16 August 2024, the sale of the shareholding in KKR Teemo Co-invest LP, investor vehicle in the Fibercop project, was finalised for a consideration of 21 million euro, with a capital gain of approximately 10 million euro and a money-on-money return of 2.0x.

For further details of significant events that took place in the year ended December 31, 2024, 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 2024 and up to the date of approval of the draft financial statements.

Intragroup transactions or transactions with related parties and atypical or unusual operations

Pursuant to art. 2391-*bis* of the Italian Civil Code and the *Regulation on transactions with related parties* approved by Consob resolution 17221 of March 12, 2010, the Company has prepared and adopted a "Related-Party Transactions Procedure" ("RPT Procedure") and established a "Related-Party Transactions Committee" ("RPT Committee").

The current RPT Procedure was approved by the Board of Directors on April 21, 2021, coming into force on July 1, 2021. The Procedure is available on the Company's website at www.italmobiliare.it.

During 2024, the RPT Committee met twice.

In 2024, 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 a quarterly basis, the Financial Reporting Officer provides the Board of Statutory Auditors with a report containing information on transactions. No anomalies emerged from the analysis of the information.

Detailed information on related-party transactions is contained (i) in the *Directors' report on Group operations*, (ii) in the *Notes to the consolidated financial statements at December 31, 2024*, (iii) in the *Directors' report* and (iv) in the *Notes to the separate financial statements at December 31, 2024.*

Atypical or unusual transactions as defined by the CONSOB Communication no. DEM/6064293 of July 28, 2006 "*are those transactions which, due to their importance or materiality, nature of the counterparties, subject of the transaction, method of determining the transfer price and timing of the event (proximity to the end of the financial year), could give rise to doubts regarding the correctness or completeness of the information in the financial statements, conflict of interest, protection of company assets or the protection of minority shareholders*".

Within the sphere of the control activity that we carried out, no atypical or unusual transactions arose during the year.

Supervisory activity pursuant to Legislative Decree 39/2010

The activities that we performed in our role as the "Internal Control and Auditing Committee", pursuant to Legislative Decree no. 39/2010, in relation to 2024 and the results that emerged, are as follows.

(a) Information provided to the Board of Directors and Additional Report

The Board of Directors is required to inform the Company's Board of Directors about the outcome of the independent audit and to send the *Additional Report* referred to in Article 11 of the European Regulation 537/2014 ("European Regulation"), accompanied by any observations.

In order to fulfil this obligation, the Board of Statutory Auditors maintained a regular exchange of information with the independent auditors Deloitte & Touche S.p.A. ("Deloitte"), acquiring information on the progress and outcome of the audit.

It will be our responsibility to transmit the *Additional Report* received from Deloitte pursuant to art. 11 of the European Regulation to the Board of Directors, together with any observations that might be useful or necessary to allow the Board of Directors to improve the formation and dissemination of the financial reporting.

(b) Monitoring the financial reporting process and the presentation of recommendations or proposals aimed at guaranteeing its integrity

We verified that there were adequate rules and processes governing the process of "formation" and "dissemination" of financial information at meetings with Financial Reporting Officer and with the Head of Internal Audit (which audits the financial reporting process), obtaining an adequate description of the financial reporting process, the Company's administrative and accounting procedures and the process of reporting by subsidiaries, also pursuant to Article 114 of the CLF and the guidelines prepared by CONSOB. We also confirmed with the Head of Internal Audit the control activities carried out in coordination with the Financial Reporting Officer, focused on the obligations pursuant to art. 154-*bis*, CLF.

During the year, the Company continued to maintain and update the procedures that it had adopted. No real need for substantial actions 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 to improve 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 meetings of the Control and Risk Committee, organised jointly between the two committees. At these meetings, we maintained an exchange of information with the Committee on the activities carried out by both bodies.

We met periodically with the Head of Internal Audit, also as part of meetings of the Control and Risk Committee, obtaining updates on the audit plan and consequently, on the audits performed and their results.

We also regularly received from the Head of Internal Audit the reports prepared at the end of each specific control carried out by the department.

Also, at meetings with the Head of Internal Audit and from the reports prepared by the department, we were kept up-to-date on the results of the checks carried out at the subsidiaries of Italmobiliare.

At meetings with the Head of Internal Audit and examining the documentation produced by the department, we assessed the functioning of the Company's internal control system and its adequacy, compliance with the law, with company procedures and processes, as well as implementation of the improvements recommended by the department.

The Board of Statutory Auditors received and examined the 2024 Audit Plan and deemed it adequate. The Plan is consistent with the three-year risk-based plan, which has been updated for the 2024–2026 period while maintaining the criteria adopted in the preparation of the 2023–2025 three-year plan, drawn up according to a risk assessment approach by entity and process.

For the subsidiaries excluded from the Company's audit plan, as they have their own Internal Audit Departments, the Company's Head of Internal Audit and the Control and Risk Committee examined and assessed the reports received from the subsidiaries' control functions. This led to the conclusion that their internal control and risk management systems were adequate.

Also during 2024 and up to the date of preparation of this Report, we continued to oversee the adequacy of the Company's Internal Audit Department (especially as regards available resources) in consideration of the evolution of the Italmobiliare Group. Based on the information from the Head of Internal Audit and the Control and Risk Committee, it emerged that the powers, resources and means made available by the Company's Board of Directors were substantially adequate and suitable during the reference period of this Report. They are also adequate in relation to the 2024 Audit Plan, thanks to the strengthening of in-house business skills and the ongoing support from external providers.

In light of the results of this activity, the insights gathered 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,

3

without prejudice to the need to continuously monitor the adequacy - in both quantitative and qualitative terms - of the resources available to this "single function".

In conclusion, our opinion on the adequacy of the monitoring of operational risks at Group level is that it is adequate.

(d) Monitoring of the independent audit of the separate and consolidated financial statements

We have had regular meetings with the independent auditors for a periodic exchange of information. At meetings with Deloitte, we were kept up-to-date on the key aspects of the audit, which pertained to both the separate and consolidated financial statements. This included evaluative issues, particularly impairment, as well as the main implications concerning the consolidation area for the transactions that marked the 2024 financial year.

We also shared with the independent auditors the key accounting issues indicated by Deloitte, including the scope of consolidation, valuations of the investments and financial assets held by Company, and the accounting standards applicable in this area, in addition to the above matters. As in previous years, we also discussed the limited litigation involving the Company and the Group with the independent auditors.

(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 2024, at Deloitte's request, we issued 17 authorisations for the possible acceptance of assignments for NAS pursuant to art. 19 paragraph 1 letter e) of Legislative Decree 39/2010 and art. 5(4) of the European Regulation, as they are considered compatible with the independence requirements of the Auditors.

We also received from the Auditors their annual confirmation of independence pursuant to art. 6 (2) (a) of the European Regulation and paragraph 17 of the International Auditing Standard (ISA Italia 260). In particular, in the exchanges of information and communications with us, Deloitte confirmed that, based on the information obtained and the checks carried out, taking into account the regulatory and professional standards governing the audit activity, the ethical standards referred to in arts. 9 and 9-*bis* of Legislative Decree 39/2010, no situations were found that might compromise the independence of the Auditors pursuant to art. 10 and 17 of Legislative Decree 39/2010 and art. 4 and 5 of the European Regulation. Deloitte also confirmed that they had not come across any relationships with the Company or other profiles that could reasonably compromise their independence.

During the year ended December 31, 2024, Deloitte and the companies belonging to the same network earned fees for a total of 1,097 thousand euro from the Italmobiliare Group (excluding expenses), broken down as follows: 846 thousand euro for auditing activities, 70 thousand euro for activities that involved issuing an attestation and 147 thousand euro for other services.

It should be noted that the fees received by the Independent Auditors for the provision of Non-Audit Services to the Italmobiliare Group in 2024 represented approximately 18% of the total fees received by the firm in the same period for providing statutory audit services to the 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, 2025 and the date of preparation of this report, Deloitte has submitted three authorisation requests to us for the provision of NAS, all of which were granted.

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, 2024, 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, 2024 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 as of December 31, 2020, as explained in the notes;
- there is correspondence between the separate and consolidated financial statements at December 31, 2024, on the one hand, and the facts and information of which we became aware by participating in meetings of the Board of Directors, and in carrying out our control activities, on the other hand;
- we supervised the impairment tests carried out by the Company, with the support of external professionals, and subject to verification by the Independent Auditors;
- the provisions of art. 154-*ter*, CLF and, in particular, paragraphs 1-*bis* and 1-*ter* have been complied with.

As indicated above, we met periodically with the Independent Auditors in order to maintain a continuous exchange of information on the control activities carried out by them, on the one hand, and by ourselves, on the other. No critical issues worthy of note emerged during these meetings.

We have examined on March 24, 2025, the Reports prepared by the Auditors, Deloitte, on the separate and consolidated financial statements at December 31, 2024 and have taken note:

- of the opinions on the separate and consolidated financial statements at December 31, 2024, from which it emerges that they comply with the rules governing their preparation and give a true and fair view of the assets and liabilities and results of the Company and of the Group;
- the opinions of consistency and conformity of the Directors' report on operations and the Directors' report on Group operations with the separate and consolidated financial statements, respectively, as well as the information contained in the Report on Corporate Governance and the Ownership Structure, limited to those referred to in art. 123-bis, para. 1 c), d), f), l) and m) and para. 2 b), CLF.

We have also examined the certification reports issued by the Chief Executive Officer and the Financial Reporting Officer pursuant to art. 154-*bis*, paragraph 5, CLF with regard to the separate and consolidated financial statements, acknowledging the completeness of their contents.

Director's report on operations and on Group operations

We have checked the contents of the Directors' report on operations. The report summarises the main risks and uncertainties and discusses the outlook for the Company and for the Group.

After reviewing the report, we found that, to the best of our knowledge, it was complete with respect to current legal provisions, as well as the clarity of the information contained in it.

5

Sustainability reporting

With reference to the provisions of Legislative Decree No. 125 of September 6, 2024, which implemented EU Directive No. 2022/2464 (so-called CSRD), we, the Board of Statutory Auditors, have monitored the adequacy of the procedures, processes, and structures governing the preparation of the Group sustainability reporting, verifying compliance with the provisions set forth in the aforementioned Decree and the other applicable regulations.

In particular, we have supervised the risk management processes, compliance with national and EU regulations, and the preparation of the Sustainability Report, ensuring that the Company has, among other things, identified the IROs (Impacts, Risks, and Opportunities) and carried out the so-called double materiality analysis, as required by the applicable regulations.

Supervision activities were also carried out through specific meetings of the Board of Statutory Auditors, attended by the Head of Internal Audit, the Financial Reporting Officer, the Head of Sustainability and the Independent Auditors.

We verified the organisational structure responsible for preparing the Sustainability Report, and based on the information gathered, we found it to be adequate.

Further information on the aforementioned topics was provided to us through our participation in meetings of the Board of Directors, the Committee for Sustainability and Social Responsibility and Control and Risk Committee.

As the Internal Control and Auditing Committee, pursuant to Article 19 of Legislative Decree No. 39/2010, we have monitored the sustainability reporting process and the related procedures implemented by the Company, also for the purpose of ensuring compliance with the standards adopted by the European Commission, including the use of the electronic format. Furthermore, we have checked the effectiveness of the internal control systems, quality management, and risk management, as well as internal auditing, in relation to sustainability reporting. We monitored the process of the Sustanaibility Report drafting in 3 meeting held on 2024 and 2 meetings held on 2025.

It is noted that the Sustainability Report, pursuant to Article 4 of Legislative Decree 125/2024, is accompanied by the required declaration of compliance with the sustainability reporting standards, signed by the executive responsible for the Sustainability Certification appointed by the Board of Directors, who have been granted adequate powers and means for the performance of their respective duties.

We have also monitored the actual issuance by the Independent Auditors of the certification report on the conformity of the Sustainability Report in accordance with Articles 8 and 18, paragraph 1, of Legislative Decree No. 125/2024.

From the examination of the Sustainability Report as of December 31, 2024, no elements have been brought to our attention that would suggest that the Sustainability Report as of December 31, 2024, was not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission under Directive 2013/34/EU, and that the information contained in paragraph C.2.6 EU Environmental Taxonomy of the Sustainability Report was not prepared, in all material respects, in compliance with Article 8 of EU Regulation 852/2020 (Taxonomy Regulation).

Based on the activities performed and the information acquired during the supervisory activities, we, the Board of Statutory Auditors, also in our capacity as the for Internal Control and Auditing Committee, have no observations to report in relation to the aspects of this matter within our competence.

Further activities of the Board of Statutory Auditors

As required by art. 2403 of the Italian Civil Code and art. 149 of the CLF, we supervised compliance with the law and the By-laws and compliance with the principles of correct administration, in particular as regards the adequacy of the Company's organisational, administrative and accounting structure. As regards the organisational structure of the Company, we were able to ascertain that the Company required the Directors to carry out the annual self-assessment process regarding the composition, role and functioning of the Board of Directors and of the internal Board Committees. This self-assessment by the Company was also extended to the Board of Statutory Auditors (so we carried out our own self-assessment). The outcome of the self-assessment, explained anonymously to the Directors and Statutory Auditors at the meeting of the Board of Directors on February 20, 2025, 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 internal control system in practice.

Pursuant to art. 2405 of the Italian Civil Code, as indicated above, we attended all meetings of the Board of Directors, where we obtained periodic information on the results of operations and on their outlook. We were also kept up-to-date on the more important economic and financial transactions carried out by the Company, making sure that the resolutions adopted were not manifestly imprudent, risky, in potential conflict of interest, in contrast with the shareholders' resolutions or such as to compromise the Company's financial equilibrium. The entire Board of Statutory Auditors attended the Shareholders' Meeting that was held on April 23, 2024.

We received and examined the *Report on Corporate Governance and the Ownership Structure* for 2023, which explains in full the Company's adhesion to the Corporate Governance Code for Listed Companies.

With regard to the Corporate Bodies, we would point out that:

- at the date of this report, the Board of Directors appointed on April 27, 2023 is made up of 12 Directors, 6 of whom meet both the independence requirements of the CLF and the Corporate Governance Code, while 2 meet the requirements of the CLF. During 2024, the Board of Directors held 8 meetings;
- the Control and Risk Committee is made up of 3 Directors, 2 of whom meet both the independence requirements of the CLF and those of the Corporate Governance Code. In 2024, the Control and Risk Committee met 6 times;
- the Remuneration and Nominations Committee is made up of 3 Directors, all of whom meet the both independence requirements of the CLF and of those the Corporate Governance Code. In 2024, the Remuneration and Nominations Committee met 4 times;
- the RPT Committee is made up of 3 Directors, all of whom meet both the independence requirements of the CLF and those of the Corporate Governance Code. In 2024, the RPT Committee met twice;
- the Committee for Sustainability and Social Responsibility is made up of 5 Directors, 3 of whom meet both the independence requirements of the CLF and those of the Corporate Governance Code. In 2024, the Committee for Sustainability and Social Responsibility met 3 times.

Please refer to Report on Corporate Governance and the Ownership Structure for 2024, 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 hold regular 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
- the Head of Sustainability.

During our supervisory activity described above, no omissions, reprehensible facts or irregularities emerged such as to require reporting to the competent external control and supervisory bodies or to be mentioned in this report.

During the year, we did not receive any reports pursuant to art. 2408 of the Italian Civil Code, nor have we received any complaints.

We have issued in 3 occasions our favourable opinion, pursuant to art. 2389, paragraph 3, of the Italian Civil Code, at the end of the Remuneration and Nominations Committee investigation activity.

The Board has not been called upon to issue any further opinion pursuant to current legislation.

* * *

Considering the above and our sphere of competence, also in light of the report prepared by the Independent Auditors and their opinion on the financial statements, we are not aware of any impediments to the approval of the financial statements at December 31, 2024 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

Pierluigi De Biasi

Deloitte.

Deloitte & Touche S.p.A.
Via Santa Sofia, 28
20122 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Italmobiliare S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Italmobiliare S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2024, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Measurement of financial assets with fair value levels 2 and 3	
Description of the key audit matter	The separate financial statements at December 31, 2024 include financial assets measured at fair value categorized into hierarchy levels 2 and 3 amounting to Euro 461,9 million, equal to 70,3% of total financial assets and 33,2% of total assets. For the above financial assets, a listed price on an active market is not available and therefore the related measurement is based on complex valuation techniques that require a significant level of judgement. We considered the measurement of financial assets with fair value levels 2 and 3 a key audit matter of the separate financial statements at December 31, 2024 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 5) "Other equity investments", 7) "Other non-current assets" and 11) "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 Company in accordance with the requirements of IFRS 9 and IFRS 13; • testing, on a sample basis, the appropriate categorization of financial assets into the fair value levels; • testing, on a sample basis, the reasonableness and the accuracy of the valuation 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.

Deloitte.

Recoverability of equity investments in subsidiaries and associates

Description of the key audit matter	The separate financial statements at December 31, 2024 include equity investments in subsidiaries and associates amounting to Euro 580,1 million and Euro 108,9 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 FT3 S.r.l. (the vehicle that holds 80,7% of Callmewine S.r.l.) and Iseo Serrature S.p.A., their recoverable amount, respectively Euro 8 million and Euro 39,3 million, was lower than their carrying value, respectively Euro 11,7 million and Euro 42,7 million, requiring the recognition of an impairment loss of Euro 3,7 million for FT3 S.r.l. and Euro 3,4 million for Iseo Serrature S.p.A.. For the other equity investments in subsidiaries and associates, where an impairment test was carried out, their recoverable amount, estimated as either value in use or fair value, based on the market multiples method, resulted higher than their carrying amount and consequently no adjustment was made to the relevant values (on the contrary for Sidi Sport S.r.l., the test revealed the need for a reversal of the impairment loss recorded during 2023 for Euro 1.7 million). 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.

Audit procedures performed	We have preliminary assessed the process used by the Directors to determine the recoverable amount of the equity investments in subsidiaries and associates analyzing the methods and assumptions used for the development of the impairment test. Our audit procedures, which also involved our own valuation specialists, included: • understanding of the relevant controls implemented by the Company on the impairment test process of the equity investments in subsidiaries and associates; • analyzing the reasonableness of the main assumptions used for developing the expected cash flows (including the effects of the macroeconomic scenario and potential impacts coming from the climate change) and ebitda, together with the collection of the other relevant information provided by the Directors; • evaluating the competences, capabilities and objectivity of the external advisor involved by the Directors for the preparation of the impairment test; • analyzing the differences between budgeted targets and actual results in order to understand the nature of the deviations, also considering, the changes of the macroeconomic scenario, and the reliability of the budgeting process; • analyzing the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate) in the value in use determination and of the market multiples in the fair value determination; • assessing the mathematical accuracy of the model used to determine the recoverable amount of the equity investments in subsidiaries and associates; • comparing the recoverable amount of the equity investments in subsidiaries and associates with their carrying amount; • assessing the sensitivity analysis performed by Management; • assessing the appropriateness of the disclosures reported in the notes and its compliance with IAS 36.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and 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 financial statements that are free from material misstatement, whether due to fraud or error.

Deloitte.

In preparing the 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 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 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 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 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.

Deloitte.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 financial** statements as at December 31, 2024, to be included in the annual financial report.

Deloitte.

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 as at December 31, 2024 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to 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, 2024, including their consistency with the related 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 of 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 financial statements;

- express an opinion on the compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of 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;

- make a statement about any material misstatement in the report on operations and in 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.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Italmobiliare S.p.A. as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the 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 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), 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.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Massimiliano Semprini
Partner

Milan, Italy
March 24, 2025

As disclosed by the Directors on page A3, the accompanying financial statements of Italmobiliare S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. ***This independent auditor's report has bee****n translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

ITALMOBILIARE
INVESTMENT HOLDING

www.italmobiliare.it