

ANNUAL REPORT

2022



Angelini
Industries

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Letter from the CEO

The year 2022 was a turning point for Angelini Industries. It was a year when the investment strategy began to shape the Group's profile in the near future: a robust presence in the health sector, with a strong focus on the central nervous system and an organic portfolio in consumer healthcare, even greater expansion into industrial technology, where Italy expresses its absolute excellence at world level, and important coverage of the sector of consumer goods to bestow solidity upon the Group.

In an environment characterized by enormous uncertainty, with the outbreak of the war in Ukraine, the increase in the costs of commodities and energy and a particularly concerning inflationary dynamic, Angelini Industries not only demonstrated its resilience, but notably increased its ability to create value through its core activities.

As a matter of fact, in 2022, the EBITDA recorded an increase of over 30%, reaching 254 million euros, despite the considerable increase in production costs. Double-digit growth was also seen for overall revenues, which for the first time in the Group's history surpassed 2 billion euros.

Net profit stood at around 80 million euros, compared to 97 in the previous year. This figure can be explained, however, by the lower contribution of income deriving from financial management, which in 2021 had recorded extraordinary performance.

Beyond extremely positive numbers, 2022 was also characterized by the achievement of several fundamental milestones on the Group's path towards growth.

The first significant event was the creation of Angelini Ventures, the venture capital vehicle of Angelini Industries. The company will be capitalised up to 300 million euros, with over 70 million already committed, to invest in the coming years in start-ups that develop innovative solutions and ideas in biotechnology, life science and digital healthcare, focused in particular on the central nervous system, mental health and the market segments aimed at women, children, and the elderly.

The venture capital activities, with their long-term perspective, are profoundly in tune with the entrepreneurial vision of our Group and complementary to the historic presence of Angelini Industries in the pharmaceutical sector through Angelini Pharma. In 2022, Angelini Pharma drove the Group's performance with particularly positive results while continuing its commitment to marketing

cenobamate in Europe, a highly effective antiepileptic molecule, representing the largest investment ever made to date by Angelini Industries.

In the Industrial Technology sector, Fater — the 50/50 joint venture between Angelini Industries and Procter & Gamble — finalised the acquisition of 100% of the capital of Fameccanica. The aim is to make full use of Fameccanica's potential, on one hand, by strengthening its leadership in the converting sector and, on the other, by leveraging its expertise and ability to growth in the areas of robotics, automation and machinery for sustainable packaging production. To this end, Angelini Technologies was created, the first step in the construction of a genuine ecosystem within the Group of companies dedicated to designing and developing technologies, products and services aimed at improving industrial processes.

In Consumer Goods, 2022 marked the celebration of 30 years of the aforementioned partnership with Procter & Gamble at Fater. This is an important anniversary for a one-of-a-kind joint venture in the industry due to its longevity and success and symbolises the ability of Angelini Industries to create valuable collaborations. The new agreements signed during the year also confirm this, especially in the area of perfumes, which consolidate the appeal of Angelini Industries and its predisposition as a reliable and successful partner for sector operators.

On the subject of the future, I would like to conclude with a brief nod to another investment that, albeit not intended to generate revenues and profits in the short term, represents the best of the Angelini Industries vision: building a better future for all. In November 2022, together with Luiss Guido Carli University, the Group launched the Angelini Industries professorship in Strategic Innovation, led by Professor Giovanni Valentini. The end goal of this initiative is to constantly generate new ideas and knowledge, which will not only help grow our industry, but the economy, society and people as well, since people are the greatest wealth and the most important asset of any business.

Rome, May 2023

Sergio Marullo di Condojanni

CEO Angelini Industries

Corporate Governance

Angelini Holding S.p.A., as industrial holding company of the Angelini Industries Group, aims to manage the industrial equity investments in the businesses in which the Group operates.

In particular, the Holding Company is responsible for the strategic guidance and coordination of the Subsidiaries and also provides various types of services, including IT, financial, administrative, management, insurance, legal and corporate services.

Board of Directors⁽¹⁾

HONORARY CHAIRMAN	Francesco Angelini
CHAIRMAN	Franco Masera
VICE CHAIRMAN	Thea Paola Angelini
EXECUTIVE VICE CHAIRMAN ⁽²⁾	Thea Paola Angelini
VICE CHAIRMAN	Sergio Marullo di Condojanni
CEO/LR ⁽³⁾	Sergio Marullo di Condojanni
BOARD MEMBERS	Giovanni Ciserani Stefano Proverbio Lorenzo Tallarigo Attilio Zimatore

(1) Appointed on 06/28/2021 and in office until the Shareholders' Meeting called to approve the Financial Statements as of 12/31/2023.

(2) Delegation of powers to the Executive Vice Chairman (Thea Paola Angelini) appointed on 07/07/2021 in office until the Shareholders' Meeting called to approve the Financial Statements as of 12/31/2023.

(3) CEO/LR (Sergio Marullo di Condojanni) appointed on 07/07/2021 and in office until the Shareholders' Meeting held to approve the Financial Statements as of 12/31/2023.

Board of Statutory Auditors⁽⁴⁾

CHAIRMAN	Fabrizio Marchetti
STATUTORY AUDITORS	Riccardo Tiscini Lorenzo Barbone
ALTERNATE AUDITORS	Gianluca Leone Giuseppe Marciano

(4) Appointed on 06/28/2021 in office until the approval of the Financial Statements as of 12/31/2023.

Supervisory Body⁽⁵⁾

CHAIRMAN	Fulvia Astolfi
STANDING MEMBERS	Antonio Miani Daniele Del Monaco

(5) Appointed on 07/07/2021 in office until the approval of the Financial Statements as of 12/31/2023.

Independent Auditors

E&Y S.p.A.



Angelini Pharma Raw Materials Facility, Aprilia (LT), Italy

At a glance

Revenues

(billion euros)

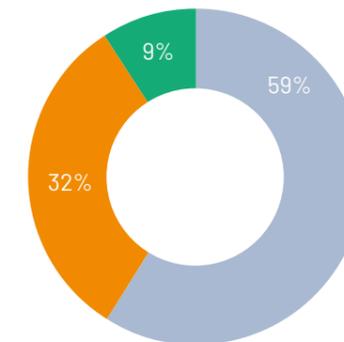
2.057

2022

1.790

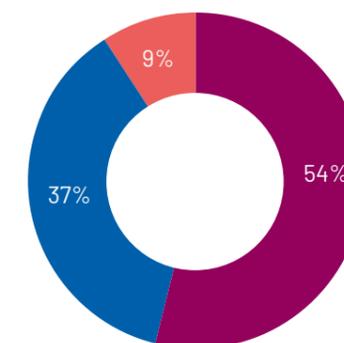
2021

2022 revenues by business segment



- Health
- Consumer Goods
- Industrial Technology

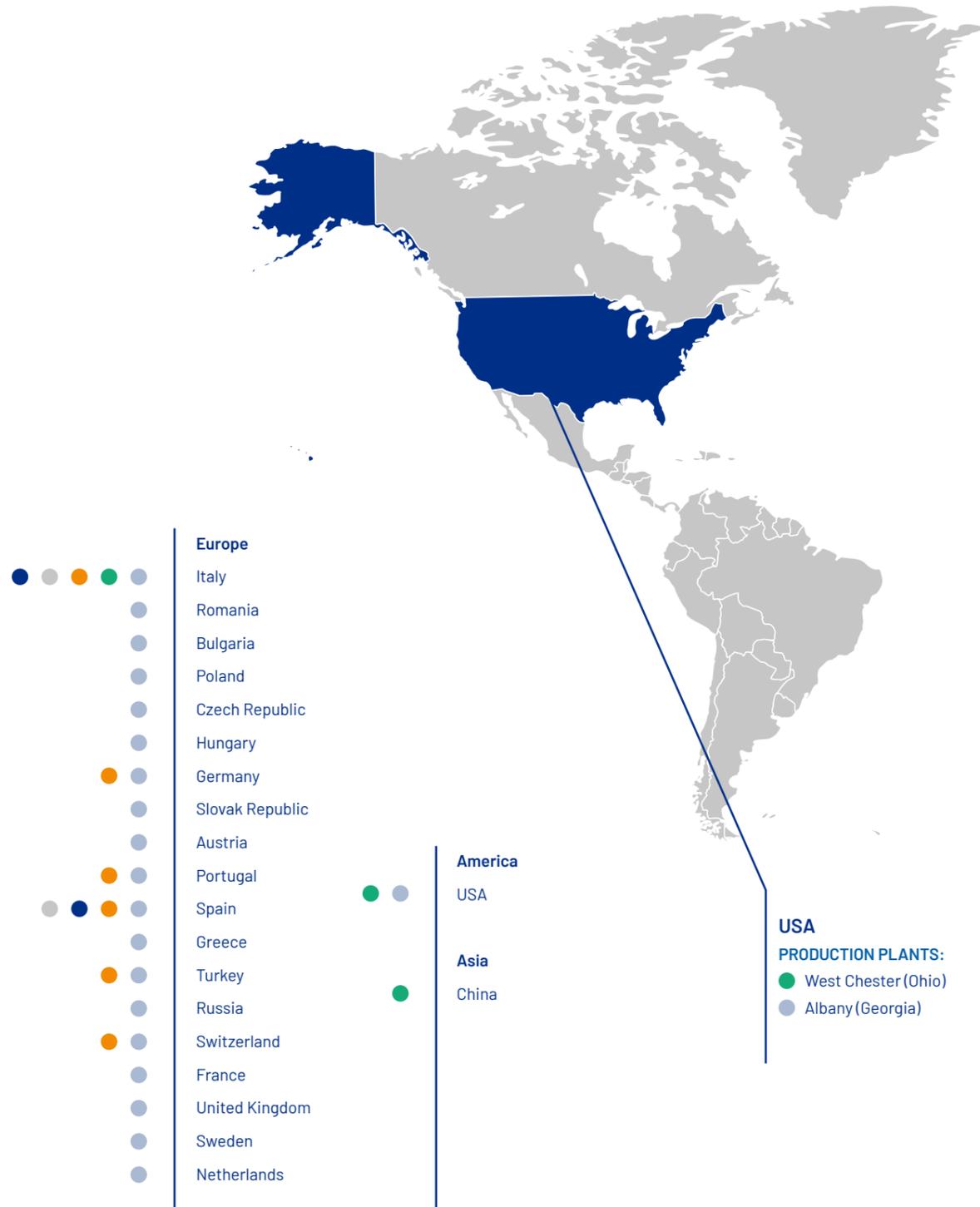
2022 revenues by geographical area



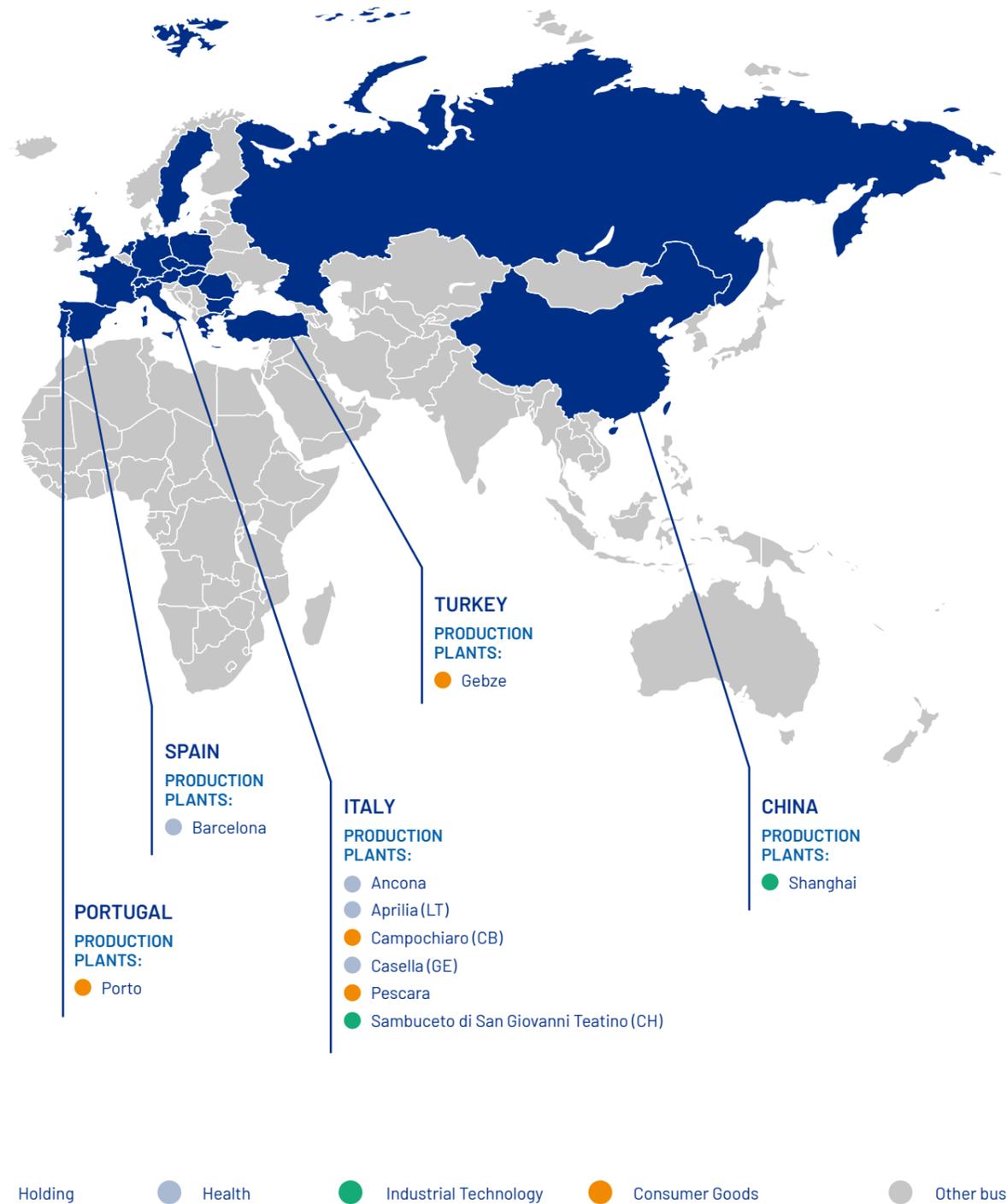
- Italy
- Europe
- Rest of the world



ANGELINI INDUSTRIES WORLDWIDE: DIRECT PRESENCE AND PRODUCTION PLANTS



The Angelini Industries Group operates with 12 production plants, 6 of which are in Italy.



Angelini Industries

Who we are

Angelini Industries is a multinational industrial group founded in Ancona, Italy in 1919 by Francesco Angelini. Today, it is a solid and well-structured industrial business with around 5,800 employees operating in 21 countries worldwide, with revenues of over 2 billion euros generated in the Health, Industrial Technology and Consumer Goods sectors.

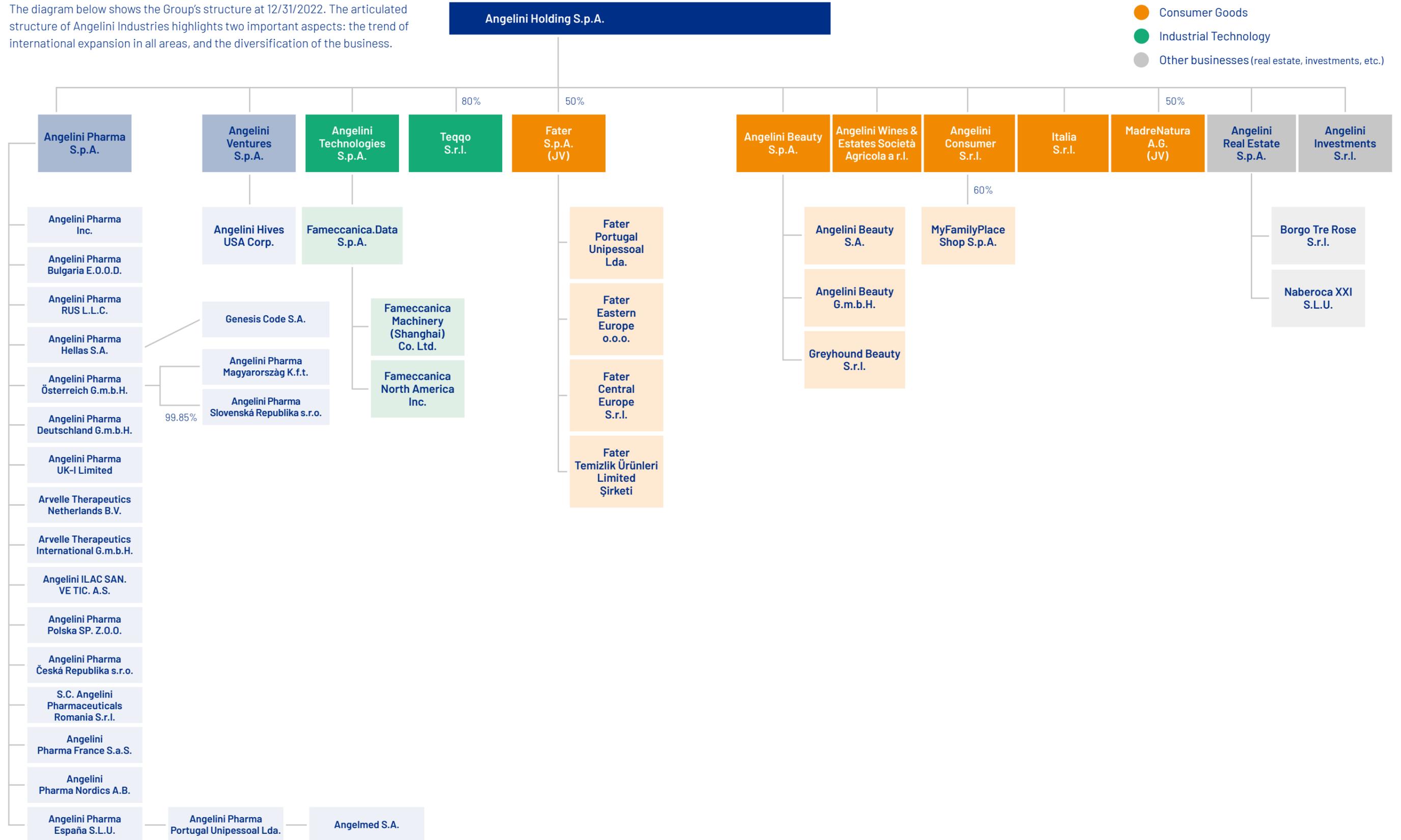
An investment strategy aimed at growth, a constant commitment to research and development and a deep knowledge of its markets and business sectors make Angelini Industries one of the foremost Italian companies in its sectors of operation. The Group is committed to lowering its environmental impact and finding increasingly more cutting-edge solutions from the perspective of circular economy. It adopts the most advanced standards on worker health and safety and the most rigorous processes to ensure maximum quality by checking the entire supply chain: from supplier certification to control of raw materials, from the production process to the finished product and packaging, all the way to spot checks in stores. For over 100 years, the Angelini family has guided the evolution of Angelini Industries with an entrepreneurial style that is typical of Italian family capitalism.



Corporate structure

The diagram below shows the Group's structure at 12/31/2022. The articulated structure of Angelini Industries highlights two important aspects: the trend of international expansion in all areas, and the diversification of the business.

- Corporate and Services
- Health
- Consumer Goods
- Industrial Technology
- Other businesses (real estate, investments, etc.)



Business sectors and operating companies

HEALTH

We have been taking care of people's health for more than 100 years. We operate in the pharmaceutical sector (Angelini Pharma) and venture capital applied to digital health and biotech (Angelini Ventures).



Angelini Pharma is an international group that researches, develops and markets health solutions with a main focus on brain health, which includes mental health and epilepsy, and consumer healthcare. It operates in 20 countries and employs about 3,000 people. Angelini Pharma is an integrated company with extensive, recognized research and development programs, world-class production plants and international marketing of leading active ingredients and pharmaceuticals in many sectors of the market.

Over the years, research has identified major active ingredients, such as trazodone and benzydamine. Innovation programmes, Research and Development, implemented with transparency, responsibility and full safety, are focused on the areas of Diseases and Disorders of the Nervous System, and Pain and Inflammation, with a strong commitment to the pediatric sector. The company has public-private partnerships with universities

and centers of excellence at national and international level, recognizing scientific partnerships as contributing significantly to innovation.

The five Angelini Pharma production plants are at the forefront of technology and industry standards as well as environmental protection, thanks to the use and integration of renewable sources. They are located in Italy – Ancona (Finished Products), Aprilia, LT (Raw Materials) and Casella, GE (Amuchina branded products), in Spain – Barcelona (dietary supplements such as Pastillas Juanola) and in the USA – Albany, Georgia (ThermaCare Heatwrap products).

Angelini Pharma has a direct presence in Italy, Spain, Portugal, Austria, Poland, the Czech Republic, Slovakia, Hungary, Germany, Romania, Bulgaria, Greece, Turkey, France, UK, Sweden, Netherlands, Switzerland, Russia and the USA. Strategic alliances with leading global pharmaceutical groups now allow Angelini Pharma pharmaceuticals to be distributed in over 70 countries. These include Trittico (trazodone, antidepressant), Latuda (lurasidone hydrochloride, antipsychotic), Tantum (benzydamine, anti-inflammatory), Aulin (nimesulide, anti-inflammatory analgesic), Vellofent (fentanyl, analgesic) and Xydalba (dalbavancin, antibiotic).



Angelini Ventures is the corporate venture capital company that employs the Group's know-how to create, support and invest in start-ups and companies while contributing to the transformation of current care paradigms and the creation of integrated healthcare platforms. Investments are mainly aimed at Europe and North America, with a particular focus on the central nervous system, mental health and the market segments aimed at women, children, and the elderly. The company's headquarters is in Rome and has a global team of experts in innovation, science, and investments that form an international network. Angelini Ventures has investment capital of 300 million euros, with over 70 million of that amount already planned. The current portfolio includes Argobio, a start-up studio in the biotech sector based in Paris, France, Angelini Lumira Biosciences Fund, a North American fund that invests in start-ups, Pretzel Therapeutics, a Boston-based company that develops mitochondrial therapies, Polo Extend, created by CDP Venture Capital in partnership with Angelini Ventures and Evotec, Serenis, a digital platform for mental well-being, Center for Molecular Medicine of the Austrian Academy of Sciences (CeMM) and Cadence Neuroscience, continuous neurostimulation to treat epilepsy.

CONSUMER GOODS

Consumer Goods is the second largest contributor to the Angelini Industries Group's revenues. Coverage of this sector is provided by the companies Fater, Angelini Beauty, Angelini Wines & Estates and MadreNatura.



Fater, founded in 1958 by the Angelini family, has been a 50/50 joint venture between Angelini Industries and Procter & Gamble since 1992. Fater is a leader in the Italian market for personal care products, with the brands Lines, Lines Specialist and Pampers, and a key player in the European market of home care products, with the ACE, Neoblanc and Comet brands, which it markets in

38 countries worldwide. In Italy, three out of four households have at least one Fater product.

Innovation has guided the company's development since its founding: first in Italy, in the early 1960s, to develop the market for baby diapers and female sanitary pads. Over the decades, Fater has expanded into new categories, such as incontinence sanitary pads (1979) and ultra-thin sanitary pads (1992), culminating, after the acquisition (2013) of ACE, Neoblanc and Comet, re-designing the entire range for all home and fabric cleaning needs. From an environmental perspective, Fater is committed to developing according to three guidelines: reducing virgin plastic by 50% by 2025; designing less impactful products; and analyzing its environmental footprint throughout the value chain. Each of the company's brands has developed its own social purpose that affects, with specific projects, themes related to the different categories in which it operates.

Fater invests about 4% of its annual sales in innovation and has around 1,600 employees (Italy and abroad). It has its headquarters in Spoltore (PE) and production facilities in Italy (Pescara and Campochiaro - CB), Portugal (Porto), and Turkey (Gebze).



Angelini Beauty is the business unit of Angelini Industries, based in Milan, which operates in the selective perfume and dermocosmetics (skincare and suncare) sectors. It is responsible for the creation, development and international distribution of the Trussardi, Laura Biagiotti, Chiara Ferragni, Angel Schlessler, Mandarina Duck and Armand Basi perfume lines and the Anne Möller skincare and suncare lines.

The business unit has its own branches in strategic markets such as Italy, Germany, Austria, Switzerland, Spain and Portugal, and is managed by sector professionals with a team of 200 employees, who breathe and convey "Made in Italy" excellence.

Helping the consumer dream through the magic and uniqueness of its products while developing a sustainable, responsible business model is Angelini Beauty's mission.

Ethics and Responsibility, Innovation, Performance and Engagement are the distinguishing values of Angelini Industries that bring all of its business units together.

These values give rise to creativity, passion, enthusiasm, sustainability, and collaboration, the pillars of Angelini Beauty, which, in unwavering respect for the identity and uniqueness of each brand, creates fragrances and skin care and protection products, while paying close attention to design and communication and collaborating with the industry's foremost international talents.

Angelini Wines & Estates

In the wine field, **Angelini Wines & Estates** operates by combining tradition and innovation. It consists of 6 wineries, for a total area of 1,700 hectares, 460 of which are cultivated as vineyards, and produces around 4 million bottles a year. At its three historic Tuscan wineries, it produces fine wines in three different appellations of origin: Brunello di Montalcino in Val di Suga, Vino Nobile di Montepulciano in Tenuta Trerose and Chianti Classico in San Leonino.

In the Marche region, Fazi Battaglia winery, a historic brand of Italian wine, is renowned for the production of Verdicchio dei Castelli di Jesi Classico. Cantina Puiatti in Romans d'Isonzo (GO) is dedicated to the production of the great white wines of Friuli, whereas Bertani is known for the production of Amarone della Valpolicella Classico. In 2018, it became an agricultural company, thus tying its wine production exclusively to the vineyards owned. A courageous choice, which is more than a simple change of company and which explains the commitment of the Group in investing and enhancing its viticulture heritage. Angelini Wines & Estates has always been a company with a vocation for sustainable production, which drove it to embark on the process that led it to obtain organic and Equalitas certification for Tenuta Trerose in Montepulciano.



Founded in 2019 and based in Lenzburg, Switzerland, **MadreNatura** is a 50/50 joint venture between Angelini Industries and the Hero Group. It brings together the knowledge of the two companies to offer moms and dads a healthy, balanced food path for their children.

The brand under which MadreNatura is presented to consumers is Hero SOLO 100% Organic. MadreNatura aims to relate to families with small children, thanks to the know-how of both industrial groups. With the mission "Giving children the best start in life", MadreNatura's goal is to bring healthy growth to every home where there is a child, through a natural diet based on fruits and vegetables. The Hero SOLO product line includes homogenized foods, puréed fruit, cereal, baby pasta and snacks. It is all 100% organic and natural baby food made with simple ingredients and nothing more.

INDUSTRIAL TECHNOLOGY

Angelini Technologies

Angelini Technologies is the industrial technology division of Angelini Industries. Its goal is to bring together an ecosystem of companies dedicated to designing and developing technologies, products and services aimed at improving manufacturing and industrial processes. In keeping with the aims of Angelini Industries, the mission of Angelini Technologies is to improve the daily lives of people, whether they are the direct users of this technology or the end users of the products it develops.



The main company of Angelini Technologies is **Fameccanica**, which designs and develops technologies and services for automation and industrial production of fast-moving consumer goods (FMCG), sustainable packaging and digital services dedicated to process optimization, with a constant focus on sustainability and continuous innovation.

Founded in 1975, historically specializing in designing and manufacturing production lines for consumer goods and a leader in the disposable hygiene products sector, it has innovated continuously over the years, developing new high-productivity technologies and high-value-added

digital services, becoming a key player in smart factory automation.

In 2021, it was the most innovative Italian company according to the European Patent Office report, with 85 patent applications filed. Today, with more than 1,200 machines delivered worldwide, over 750 patents under its belt and around 700 employees in its three production facilities in Italy (San Giovanni Teatino, in the province of Chieti), China (Shanghai) and the United States (West Chester, Ohio), Fameccanica designs and develops products, solutions and services to improve automation and production processes for a wide range of products, including disposable sanitary pad products for personal hygiene, personal and home products, single-dose detergents, disposable first aid devices and products (e.g., band-aids), and sustainable packaging.

OTHER HOLDING COMPANY ACTIVITIES

Angelini Real Estate

Angelini Real Estate manages investment properties belonging to Angelini Industries and develops investments in the real estate sector. It offers these types of services to all Group companies. The Company's portfolio is concentrated in Italy and Spain, where it operates with a local branch.

Angelini Investments

Angelini Investments is the Angelini Industries company that aims to enhance the value of its assets over the medium and long term, operating in the financial markets by acquiring and managing minority interests in Italian and foreign companies, taking advantage of the investment opportunities offered by the market.

The Angelini Way

OUR VALUES

At the heart of the Angelini Industries Group's identity and culture are four founding values that inspire and guide all the choices, actions, and interactions that are made on a daily basis, both through the work of its employees and through the trust created and renewed in its customers.



Ethics and Responsibility

We take care of our employees, of patients and consumers. Respect for the highest ethical standards is the basis of all our actions, and our decisions are guided by a long-term perspective. We are committed to ensuring a sustainable economic development of the company, to safeguarding the environment and the communities in which we operate.



Innovation

We encourage the development and testing of new effective and concrete solutions. We challenge the *status quo*. We manage complexity and demands in a world that is constantly changing. We take responsibility for courageous choices aimed for the growth and development of the company. We learn from our mistakes and pursue continuous improvement.

Ethics, innovation, results and involvement are the foundations on which the Group was created, stands and is projected into the future. These values are the basic premise for conducting the company's business.



Performance

Each of us is responsible for achieving their goals and those of our team. We are determined to get things done and to do our best in all circumstances, with speed, rigor and transparency. We seek excellence, constantly looking for ambitious goals. We face difficulties with determination and resilience.



Engagement

We are positive, motivated and open to new ideas, styles and perspectives. We promote collaboration within the Group. We value skills and reward merit. We share and celebrate the company's successes and the achievements of our people.



Vision

The vision represents the entrepreneur's and shareholders' dream, what they would like to achieve going forward. It is the highest moment in defining the path of the enterprise. It is a tension toward the future that shareholders want to shape through their actions. The vision guides development and, together with values, is the foundation of company culture. The Angelini Industries Group's vision is to build a better future. We aim to achieve sustainable growth for everyone, with the objective of creating value for new generations.



Purpose

The purpose is the *raison d'être* of an enterprise, representing the imprint it would like to leave on the world; the rationale for all business and organizational decisions. From the purpose derive the business choices, the products and services, the benefit that the daily actions of the company bring to all its stakeholders and society in general. The focus of the purpose is on others and the Group's commitment to them. We are an entrepreneurial group oriented to the world from Italy. Taking care of people and families in everyday life is the purpose that has always guided us and inspired the quality and attention we put into our products. We listen to the needs and desires of the community and give our best in pursuit of new and sustainable solutions and opportunities that benefit communities, our employees and shareholders.



Governance

Angelini Industries has adopted a modern system of corporate governance inspired by the highest standards of transparency and correctness in the management of the company and in its dealings with stakeholders. The Board of Directors of the Parent Company, inspired by market best practices, is made up of 7 members, 5 of whom are independent. The Group's governance and organizational model is based on accountability. All the operating company managers come from the market and have been selected on the basis of the strictest selection criteria. Fully autonomous and accountable in their respective roles, they are characterized by an open approach to change and innovation.

This system of corporate governance, as well as being an essential tool for ensuring the effective management and control of activities within the Company, is oriented towards the creation of value for shareholders, the quality of service to customers, the control of business risks and transparency towards the market.

More than 100 years of history

1919–1940 ORIGINS: In 1919, the 32-year-old pharmacist Francesco Angelini from the Marche region, together with two partners, established a company to make and sell medicines based in Ancona, where his pharmacy was located. In 1922, the company took the name of ANFERA and distinguished itself for the development of a network of direct delivery of medicines to pharmacies in central and southern Italy so as to become, in 1939, the first Italian distributor in the sector. In 1941, the company was dissolved, and Francesco Angelini founded ACRAF – Aziende Chimiche Riunite Angelini Francesco.



1950s

INDUSTRIAL DEVELOPMENT: The post-war years were characterized by the industrial development of the company led by Angelini. The drug Dobetin is its first commercial success, a response to a serious health need such as the spread of pernicious anemia in the starving Italian population during the war. The 1950s marked three fundamental stages in the company's expansion: the decision to move the management offices to Rome, the beginning of the marketing of Tachipirina, which is still one of the best-selling drugs in Italy, and the acquisition of Fater, a company producing consumer goods.

1960s

RESEARCH, DEVELOPMENT AND INNOVATION: Angelini invested in pharmaceutical research and started producing its first original and patented molecules: oxolamine (anti-cough), benzydamine (anti-inflammatory), trazodone (antidepressant), and dapiprazole (anti-glaucoma). In the same decade, Fater entered the homes of Italian families with the Lines brand and revolutionized the sanitary market in our country with the first disposable baby diapers and feminine sanitary napkins.



1970s

NEW MARKETS AND TERRITORIES: In 1972, Tantum Verde, based on benzydamine, and Trittico, based on trazodone, were put on the market. In 1975, Fameccanica, specialized in the production of industrial machines, was founded in Abruzzo. During this period, Angelini went beyond national borders. In 1979, the Lepori Pharmaceutical Group based in Barcelona was acquired, from which a process of international expansion began, starting with Spain and Portugal.

1980s

ON THE FRONT LINE IN COMMUNICATION WITH MOMENT:

In 1985 Angelini realized the potential of the analgesic ibuprofen in Italy and launched a self-medication drug specifically for headaches, Moment, the first example of marketing applied to pharmaceutical products.



1990s

AN ARTICULATED INDUSTRIAL GROUP: In 1992, Angelini further consolidated its position in the hygiene-sanitary sector by setting up a 50/50 joint venture with Procter & Gamble to manage Fater and Fameccanica. In 1994, it entered the wine sector, with the acquisition of the three Tuscan wineries Trerose, Val di Suga and San Leonino, and the fragrance sector, with the acquisition of the Spanish company Idesa Parfums.

2000s

INCREASINGLY GLOBAL: In 2000, Angelini acquired Amuchina, a company known for its disinfectant and sanitizing products. Fameccanica expanded into China and North America. Puiatti wineries were acquired in Friuli and Bertani in Valpolicella, known as one of the most prestigious producers of Amarone.



2010s

A LEADING GROUP: In the pharmaceutical sector, Angelini focused its efforts on the therapeutic areas of pain and inflammatory disorders, diseases and disorders of the nervous system, and pediatrics. The launch of the antipsychotic Latuda, for which Angelini is the Marketing Authorization Holder, testified to its commitment to the field of mental health. Completed the acquisition of Fazi Battaglia, a historic enological company from the Marche region, producer of Verdicchio dei Castelli di Jesi Classico Superiore.



2019

THE 100TH ANNIVERSARY: Angelini celebrated its 100th anniversary by looking to the future with renewed entrepreneurial commitment, as expressed by Francesco Angelini: "We are preparing to celebrate the 100th anniversary of our Group with great excitement. We look to the future with deep respect for the founding principles and an entrepreneurial philosophy that is renewed today, also thanks to the commitment of the new generation, and in particular my daughter Thea Paola and her husband Sergio. I would like to thank the people who work at Angelini, our customers, partners and stakeholders who have trusted our company for 100 years".



2020-today

A NEW ERA: In 2020, a new Group governance model is developed which combines an industrial-style Holding Company with the independence and accountability of an operating company. The concept of taking care is the underlying theme of Angelini's activities in all of the sectors in which it operates. A new name and a new visual identity are born. On December 3, 2021, the Angelini Group became Angelini Industries.

In the world of Consumer Goods, MadreNatura was established, a joint venture with Hero Group. In the Health field, Angelini Pharma acquired the brand ThermaCare (2021). The year 2021 is also when the biotech Arvelle Therapeutics was acquired, the largest acquisition in the history of the Angelini Industries Group. Efforts in the field of Industrial Technology became even more strategic. In 2022, all shares in Fameccanica were purchased and Angelini Technologies was created, the division dedicated to designing and developing technologies, products and services to improve industrial processes. In 2022, Angelini Industries made its entrance into venture capital applied to digital health and biotech with the creation of Angelini Ventures, which consolidated and expanded the Group's efforts in Health.



Strategic positioning and products

Angelini Industries is a multi-industry, multinational group. As explained above, it operates in the following business sectors: Health, Consumer Goods, and Industri-

al Technology. The figure summarizes the major brands associated with each business sector.



Health

Acutil, Amuchina, Aulin, Daparox, Erdomed, Infasil, Latuda, Momendol, Moment, Moment Act, Ontozry, Resilient, Tachidol, Tachifludec, Tachipirina, Tantum Verde, ThermaCare, Trittico, Vellofent, Xydalba (Angelini Pharma).



Consumer Goods

Pampers, Lines, Lines Specialist, Tampax, ACE, Neoblanc, Comet, Hero SOLO (Fater).

Creation, development and international distribution of the Trussardi, Laura Biagiotti, Chiara Ferragni, Mandarina Duck, Angel Schlessler, Armand Basi perfume lines and the Anne Möller skincare and suncare lines (Angelini Beauty).

Bertani (Veneto)
Cantina Puiatti (Friuli-Venezia Giulia)
Val di Suga, Tenuta Trerose, San Leonino (Tuscany)
Fazi Battaglia, Tenute San Sisto (Marche)(Angelini Wines & Estates).



Industrial Technology

Design and development of technologies and services for automation and industrial production of FMCG, sustainable packaging, and digital services dedicated to process optimization.

In **2022**

Angelini Pharma produced:



279.5 million

packages of finished product

Angelini Technologies - Fameccanica:



made

1.7 billion

single-use hygiene products from machines produced by Fameccanica

Fater sold in Italy:



112 million

packs of pads

Angelini Beauty produced:



more than
9 million

bottles

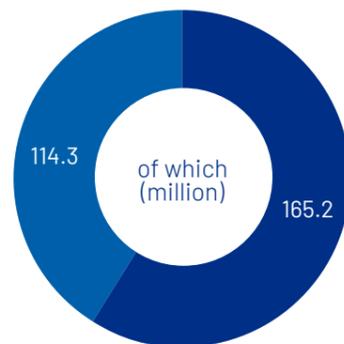
Angelini Wines & Estates:



vinified around
4,000

tons of grapes

■ internally
■ externally



exchanged

20 billion

pieces of data from the machines produced by Fameccanica



31.6 million

packages of diapers



around
650,000

liters of perfume



produced
3.9 million

bottles



227.5 million

liters of bleach



Angelini Pharma Finished Products Plant, Ancona, Italy

Strategies and business models

Angelini Industries has ambitions to become a European champion, recognized for its strength and ability to innovate in its businesses.

This ambition is achievable by clearly defining business strategy and identifying key enabling factors. The distinctive elements of the Group's business strategy and enabling factors, shown in the figures on the following pages, represent the key factors of success on which the operating companies are constantly working.

BUSINESS STRATEGY

1. **BRAND RECOGNITION:** Strengthening the notoriety and image of the Angelini brand.
2. **INTERNATIONAL EXPANSION:** International growth and expansion in all business areas, with a focus on strategic countries.
3. **PARTNERSHIPS AND ACQUISITIONS:** Consolidation of partnerships, collaborations with public and private entities, and new acquisitions.
4. **INTEGRATION AND EXECUTION:** Close coordination between Marketing, Sales, Research and Development, and Operations.
5. **INNOVATION:** Focus on product innovation, functional R&D in core areas and new models for businesses already in portfolio.
6. **DIVERSIFICATION:** Sustained growth even on new businesses, new products and new markets.

ENABLING FACTORS

Governance: Angelini Industries has designed a governance model that allows it to have a Board of Directors with diversified yet vertical competencies in each of the businesses in its portfolio, in addition to a process of continuous exchange of information between holding and operating companies to foster the development of strategies always consistent with the Group's objectives.

People: The Group aims to attract and cultivate top talent internally by offering numerous training opportunities, customized career paths and rotation programs within different functions/businesses.

Brand identity: Angelini Industries aims to provide a consolidated view of its business portfolio, offering the end consumer a clear view of the Group's offerings, centered on the concept of care.

LONG-TERM VISION

Angelini Industries aims to continue to grow through continuous innovation in consolidated and new businesses.

WHERE WE WANT TO GET TO

"We want to assure sustainable growth for everyone"



- Achieve a **leadership** position across Europe in selected business segments
- Grow and become a **leader of innovation** for the **new businesses**
- Be a **benchmark** of excellence for the **organizational** and **operational** aspects

WHERE WE ARE

"We are structuring our work to stay on a route of lasting, continuous growth"



- **Unlock the Group's potential** by investing in **consolidated** and **new businesses**
- Implement **organizational** and **operational** changes

WHERE WE WERE

"Angelini is one of the best examples of Italian excellence"



- Solid Group with a **strong focus** on the **main products/markets**

ENABLING FACTORS

People, governance and the brand are all factors that will enable lasting success.



1 Governance

Rely on the **expertise** of the **BoD** and managers to guide the Group, assuring a suitable **balance of control and delegation**.



2 People

Attract, retain and take care of talent through **training** opportunities, personalized **career paths, rotations and special programs**.



3 A unique selling proposition

A unique brand identity, based on the **corporate purpose** and its **positioning**, to increase the **brand's notoriety** and **value**.

Sustainability

For Angelini Industries, sustainability is an opportunity for competitive leverage that makes it possible to express and represent a model of excellence, adopting a **wide-spread approach to business** capable of responding to challenges in a changing globalized world with a growing focus on the impacts generated by industrial processes on society and the environment.

All of this is in keeping with the Group's purpose, which identifies **long-term value creation as the key objective** for formulating the corporate vision and executing sustainable strategies.

The process undertaken by Angelini Industries, which led to the **publication of the Group's second Sustainability Report in September 2022**, continued with the aim to:

- streamline the entire accounting and disclosure process for ESG information within the Parent Company and the operating companies;

- engage with the ESG representatives of the operating companies for the purposes of updating the materiality matrix as well as sharing the best practice in each business area;
- plan Leadership Team Induction sessions with the aim of updating all members of the Leadership Team on European sustainability regulations;
- consolidate the Group's Sustainability Plan.

The **third Group Sustainability Report** is scheduled to be published in 2023, reporting the 2022 ESG performance, the main results of which are presented below:

Self-generated
57,487 GJ
of electricity thanks
to **photovoltaic** and
cogeneration systems

-42%
occupational injuries
for all Group companies

Welfare and **work-life balance** initiatives
(including: #Angelini4you,
agile working, digital
collaboration and
coworking ecosystem,
well-being)

Support for small companies from the Marche region (Fondazione Angelini - Restart Project) with an **investment of 2 million euros**, with the scientific support of Università Politecnica delle Marche and regional associations

>700
new employees
hired in 2022,
46% of which were women and **25% under 30**

Launch of the **Angelini Industries partnership with MIT (the Massachusetts Institute of Technology)** as part of the **Industrial Liaison Program (ILP)**

More than 750 active patients in industrial technology
(Fameccanica)

Carbon footprint initiatives in Consumer Goods (Fater) and LCA Project (Angelini Beauty)

>187,000 total training hours, with >10,000 provided by Angelini Academy

Educational and **patient support campaigns**

Constant attention was paid to protecting people's **health and safety in the work environment**, continuously improving the **quality** of products and services, ensuring **responsible sourcing** of raw materials throughout the supply chain, ensuring respect for **human rights**, and promoting sustainable practices to protect natural resources

Angelini Holding S.p.A., a single- shareholder company

Consolidated financial statements at December 31, 2022

01. Report on operations

Introduction

This Report has been prepared in accordance with Article 2428 of the Italian Civil Code to accompany the consolidated financial statements of Angelini Holding S.p.A. as of and for the year ended December 31, 2022 and is intended to provide information and detailed clarification useful for understanding the operating performance and results achieved by the Angelini Industries Group during the re-

porting period and broken down into the business sectors in which Angelini Industries operates: Health, Consumer Goods, and Industrial Technology, as well as financial and real estate investment holding activities.

See Annex A for the specific indication for each individual Group company for the respective business segment.

Company performance

The Angelini Industries Group (hereinafter also “the Group”) ended 2022 with a consolidated net profit of 80,046 thousand euros, down by 17.19% compared to 2021.

The positive performance of the operating results, which was only partially offset by the higher proportion of costs for raw materials and the increase in energy prices, allowed the Group to record a significant increase in margins. The decrease in net profit compared to the previous year is therefore mainly attributable to the performance of financial management, the result of which, albeit significantly positive for 61,479 thousand euros, did not reach the total at the end of 2021, which had a balance of 159,455 thousand euros, benefiting from non-recurring financial income.

In detail, as a result of its business diversification and internationalization, the Group reported consolidated revenues of 1,998,039 thousand euros, a significant increase of 15.81% compared to the previous year, for 1,725,224 thousand euros.

EBITDA was 254,739 thousand euros, up by 61,442 thousand euros on the previous year. The increase reflects the sharp rise in the value of production, driven by the Health business, partially absorbed by the notable increase in op-

erating costs, which characterized every business sector, in particular Consumer Goods.

Consequently, the EBIT equalled 39,271 thousand euros, up compared to 1,454 thousand euros at December 31, 2021, despite the simultaneous increase in the weighting of amortization and depreciation.

Financial income and expenses closed 2022 with a positive balance of 61,479 thousand euros, despite being down by 97,976 thousand euros compared to 2021, on the basis of the information mentioned previously.

FY 2022 closed with earnings before tax at 91,716 thousand euros, compared to 125,632 thousand euros the previous year. Due to the effect of the tax burden, net profit as of December 31, 2022 amounted to 80,046 thousand euros, down 16,620 thousand euros on 2021.

The Report on operations analyzes the main factors that gave rise to this decrease, breaking them down into the Group’s different areas of management, namely the result of operations, assets and liabilities and cash flows, highlighting the contribution of each business area to the Group’s reported results as of and for the year ended December 31, 2022.

Significant events during the year

CONTROL OF THE SHARE CAPITAL OF FAMECCANICA.DATA S.P.A. ACQUIRED

In June 2022, the Angelini Industries Group finalized the acquisition of control of Fameccanica.Data S.p.A., which from 1992 had been a 50/50 joint venture between the Group and the American multinational P&G.

Thanks to this agreement, announced in March 2022, the Angelini Industries Group rose to 100% in its control of Fameccanica.Data S.p.A., a company specializing in factory automation and a leader in the sector of disposable sanitary products, with around 700 employees, 3 operating sites (Italy, China and North America) and revenues of around 200 million euros. The operation was the first step towards creating, within the Angelini Industries Group, an ecosystem of companies dedicated to designing and developing technologies, products and services aimed at improving manufacturing and industrial processes.

In particular, the operation was finalized through Angelini Technologies S.p.A., established on January 26, 2022 by Angelini Holding S.p.A., with share capital of 20 million euros, which took over 100% of the share capital of Fameccanica.Data S.p.A. from the company Fater S.p.A. for a fee of 146,783 thousand euros.

CORPORATE REORGANIZATION OF THE ARVELLE THERAPEUTICS GROUP

During the year, the Arvelle Therapeutics Group underwent a corporate reorganization. Angelini Pharma S.p.A. acquired the Group in 2021, and it was originally made up of five companies, three of which were based in the Netherlands, one based in Switzerland and one in the United States, plus 6 more branches. The process of optimizing the corporate structure, launched in 2021, concluded in 2022 with the cross-border mergers into Angelini Pharma S.p.A. of Arvelle Therapeutics B.V. in June and the Swiss company Arvelle Therapeutics International G.m.b.H. in December, with the simultaneous formation of a branch

named Angelini Pharma S.p.A., Rom, Zweigniederlassung Zug (based in Zählerweg 6, 6301 Zug, Switzerland). As of December 31, 2022, the only company of the original Arvelle Therapeutics Group still active is Arvelle Therapeutics Netherlands B.V., a company based in the Netherlands, which, following the reorganization, changed its name to Angelini Pharma Netherlands B.V., concentrating the entire management of the acquired business into Angelini Pharma S.p.A. and its Swiss branch.

LAUNCH OF ANGELINI VENTURES S.P.A.

During the year, venture capital investment activity was reorganized through the merger of Angelini Pharma Ventures S.p.A. into Angelini Hive S.p.A., giving rise to a single vehicle named Angelini Ventures S.p.A.

Angelini Ventures S.p.A. is the Angelini Industries Group company that operates in the sector of venture capital applied to the fields of digital health and biotech. Angelini Ventures S.p.A. uses the Group’s expertise to create, support and invest in start-ups and companies while helping to transform current care paradigms and create integrated healthcare platforms. Investments are concentrated in Europe, North America and Israel and are particularly focused on the central nervous system, mental health and the market segments aimed at women, children, and the elderly.

SUBSCRIPTION OF A NEW LOAN FOR A TOTAL OF 1 BILLION EUROS

On March 11, 2022 the Board of Directors of Angelini Holding S.p.A. approved the signing and execution of a loan agreement, structured as described below:

- a first cash loan of 600 million euros with a maturity of six years and an average debt life of four and a half years, to be used to fully repay the loan of 500 million euros held by Angelini Pharma S.p.A. and increase the Company’s cash, also in view of the acquisition of Fameccanica.Data S.p.A.;

- a second cash loan totaling 400 million euros, with the same maturity as the above, which may be used within 18 months after the signing of the relevant contract for any extraordinary transactions.

LONG-TERM AGREEMENT BETWEEN ANGELINI BEAUTY S.P.A. AND TRUSSARDI FOR THE EXCLUSIVE MANAGEMENT OF THE TRADEMARKS IN CLASS 3

In October 2022, Angelini Beauty S.p.A. signed a long-term agreement with Trussardi to expand and accelerate the exclusive management of the perfumes and cosmetics of the historic fashion house, for which it has been the licensee since 2010. The objective of the operation is to continue developing the perfumes of the Trussardi fashion house, consolidating its presence in the markets already covered, such as Italy, Germany, Spain, Eastern Europe and the Middle East, and promote penetration in strategic markets for the brand's growth, such as the Far East, including through investments in development and communication of new products.

The agreement covers all brands of fragrance by the historic company, namely Trussardi Uomo and Trussardi Donna, the luxury collection Le Vie di Milano and the Levriero Collection for men and women, for a total of over 15 product lines. Additionally, Angelini Beauty can develop new perfumes under the Trussardi brand. The transaction is part of a process to strengthen the company portfolio, which not only includes investments in new brands, with the acquisition of new licences, but the development of historic and prestigious brands such as Trussardi perfumes, present in over 80 countries around the world, with fragrances for men and women positioned in the premium and ultra-premium segment.

Economic scenario

Inflation rose nearly everywhere, continuing to reflect the increases in energy prices, bottlenecks in supply, and recovery in demand.

Following the aforementioned conflict in Ukraine, a large part of the international community took swift action against Russia, with unprecedented sanctions in terms of severity and extent. The immediate effects of the conflict on prices on the global financial markets were significant, and volatility remains high in many market segments. Prices of commodities, especially energy, for which Russia holds a significant portion of the global market, increased further, and, overall, the war exacerbated the risks of a downturn in the international economic cycle and of an upswing in inflation.

To promote the prompt return of inflation to sustainable levels in the long term, thus normalizing the monetary policy, the central banks of the most advanced economies embarked upon a policy of interest rate hikes, which is still

ongoing, contributing to the slowdown in global demand, consequently slowing the increase in energy prices. Even at the end of Q4 2022, economic activity slowed in advanced countries, still affected by the repercussions of the war in Ukraine and high inflation. International trade recorded a sudden slowdown due to energy prices remaining high, the weakness in the disposable income of households and less favorable financial conditions (source: Bank of Italy Economic Bulletin).

Italy was no exception, and, according to Bank of Italy estimates, the economy was to further weaken in the final quarter of the year mainly due to the decline in industrial production and lower household spending, despite the available income support measures implemented by the Italian government.

See below for the breakdown of the main macroeconomic dynamics that characterized the various business segments in which the Group operates.

HEALTH

In 2022, the pharmaceutical industry continued to record excellent results at world level, with an estimated growth in turnover of around 1.5 trillion dollars, and at national level, with a 4.6% growth on the domestic market (+2.2% Ethical market and +7.7% OTC segment).

In particular, the markets where Angelini Pharma operated in 2022 were impacted by the return of the seasonal flu and the increase in COVID-19 cases (18.8 million cases). The Prescription Medicine Italy pharmaceutical market (classes A+C+SoP), in the pharmacy channel, grew by 2.9% compared to the previous year, recording a total value slightly above 9 billion euros, a threshold it had not surpassed since 2017. The fever market grew for adults (+23% compared to 2021) and children (97% growth). The pain market grew mainly as a result of the therapeutic needs of the Omicron variant of COVID-19 seen in the second half of 2021 (+5.1% compared to the previous year). The self-medication market grew in an extraordinary manner compared to the previous year, recording a 22.1% increase in value and 18.4% in terms of units, achieving its highest ever sell-out. The positive performance was driven by the self-medication sub-markets affected most by Omicron/COVID, which mainly manifested as nasal congestion (including cold and cough/respiratory system and pain relief). The hand sanitizer market decreased by 39% compared to the previous year. However, it should be noted that, in 2022, the market was worth four times as much compared to the pre-pandemic period (2019).

In the Prescription Medicine segment, Angelini Pharma S.p.A. was a solid company, demonstrating growth and success and outperforming the market, with a sell-in value of 288 million euros and a +13% growth on the previous year, ranking it as the seventh leading company on the market, with a market share of 3.2%, up by 0.3 points. As for the performance of the main brands on the individual reference markets, very positive performances were recorded in 2022. In particular, the adult fever market closed at +23% compared to the previous year, where Tachipirina Adulti recorded +14%. The children market closed at +97% compared to the previous year, with Tachipirina Pediatrica at +71%. The pain market closed at +5.1% compared to the previous year, with Tachipirina 1000 at +9.2%, Tachifene at +35.4%, and Vellofent at +6.6%. The antipsychotics market

ended 2022 at +2.7% over the previous year, where Latuda recorded +14.5%. The injectable antibiotics for ABSSSI market ended 2022 at +1.1% over the previous year, where Xydalba closed with +40%. Lastly, the antidepressants market ended 2022 at +1.5% over the previous year, where Trittico closed with +3.6%. The significant launch of the marketing in Italy of Ontozry (cenobamate) on the market of third-generation antiepileptics occurred in June 2022. The drug, which closed the year with a sell-in at 438 thousand euros and a market share of 0.8 points, represents an important therapeutic innovation and confirmation of Angelini Pharma's commitment to brain health. In the consumer healthcare and self-medication sectors, Angelini Pharma S.p.A. consolidated its leading position on the market in terms of volume and its third-place position in terms of value (after Opella Healthcare and GlaxoSmith-Kline CH) and in both cases grew more than the Top 3 competitors (+13.1% in volume and +16.3% in value compared to the previous period). Nevertheless, with a portfolio less focused on the Omicron/COVID segment, its market share decreased (-0.5% compared to 2021 in volume and value), substantially returning to the pre-COVID levels of 2019. Lastly, with reference to the Home & Personal Care segment, now three years from the start of the pandemic, many of the markets where Amuchina and Infasil operate have gradually realigned with the pre-COVID period. The exception is the hand sanitizer market, which, albeit recording a 39% decrease in 2022 compared to 2021, remains four times higher than 2019 (pre-pandemic year). In this scenario, Amuchina and Infasil strengthened their competitiveness, recording an Evolution Index 2022 vs 2019 of 150 and 104 respectively.

INDUSTRIAL TECHNOLOGY

In the Industrial Technology sector, the main challenges faced by the Group were the ongoing geopolitical crisis in Ukraine, the restrictive monetary policy undertaken by the main economies to lower inflationary dynamics, and the possible resurgence of COVID, which caused new forced lockdowns in China in 2022. With reference to the ongoing war in Ukraine, Fameccanica.Data S.p.A. has rather limited exposure to Ukraine, Russia and Belarus. Furthermore, it adopted an export control procedure that carries out objective and subjective controls, ensuring compliance

with regulations on dual-use products, and monitors the evolution in the regulatory and sanction framework in light of the ongoing geopolitical situation. Tensions on the energy market generated a significant increase in the prices of commodities, first and foremost electricity. Furthermore, due to the loss in production capacity of certain key suppliers and the ongoing geopolitical tensions, substantial delays were recorded in the procurement of key components for the production process, generating longer delivery times for orders. To mitigate the adverse effects of these dynamics, framework agreements were signed with strategic suppliers, anticipating the procurement policies. In 2022, the hygiene market saw around 2% growth compared to the previous year, approximately half of the estimated amount. Growth was slowed by the increase in the cost of commodities, the increase in energy prices and lower consumption by end customers, mostly attributable to inflationary dynamics. The same trend was found in home and personal care with growth forecasts near 5% per year, while the robotics and automation segment saw double-digit growth; however, at the end of the year, there was a slowdown in investments by the main players resulting from the hikes in interest rates, which contributed to the drop in liquidity on the market.

CONSUMER GOODS

With specific reference to the joint venture Fater S.p.A., in 2022 the markets of **hygiene products**, including diapers and sanitary pads, remained substantially stable in volume, despite a negative trend in the demographic variable (newborns -1%, menstruating women -2.4%). The bleach market, following the growth deriving from the COVID period, returned to its consumption values and trends pre-COVID, but also grew in value thanks to inflation. In value, excluding the VAT reduction on sanitary pads (-12.0%), all markets recorded an upward trend in volume, also in light of the increase in prices. In relation to the Russia/Ukraine crisis, which culminated in the outbreak of conflict between the two countries in February 2022 and the consequent international sanctions adopted against Russia by most western countries, including Italy, it should be noted that the company Fater S.p.A. is exposed indi-

rectly on the Russian market through its subsidiary Fater Eastern Europe. The company prudentially wrote down its entire equity investment, the intangible assets relating to the Comet business and the majority of the receivables in relation to the Russian subsidiary.

As for **beauty**, 2022 was an extremely positive year for prestige beauty, a sector in which Angelini Beauty S.p.A. and its subsidiaries operate. The year saw the full recovery following the profound crisis that hit various markets caused by the COVID-19 pandemic, returning to 2019 levels (Europe +17%, North America +16%, United States +15%, Canada +25%, South America +42%, China -9%). In the prestige sector Europe achieved a volume of 14.3 billion euros in 2022, an increase of 2 billion euros compared to 2021 (+16.8%). With reference to the main European markets, Italy and Spain (where the Beauty division of the Angelini Industries Group has a direct presence, in addition to Germany) were the most dynamic markets in value, recording increases of 20.2% and 20.8% respectively, while the negativity in the UK was part of the wider crisis affecting it. Inflation was high in 2022, and the increase in the average price contributed decisively to the growth on the fragrances market (+7.3% vs 2021 and +12.2% vs 2019), while it was the driver of the slowdown for skincare (+3.2% vs 2021 and -0.3% vs 2019). After the dizzying growth of the last two years, e-commerce now shows stabilization, with flat values at EU level, and the market growth was indeed driven by the brick and mortar stores, which made up a significant proportion of total sales volumes. In any case e-commerce tripled its weighting compared to the pre-COVID period, with online sales closing in on 300 million euros in 2022 (compared to 105 million euros recorded in 2019). Italy was the country where most of the growth in prices of personal care products took place, equal to +4.4% compared to other countries in the European area, such as France +4.2%, Germany +2.5%, UK +3.7%, and Spain +3.2%. The price increase played a decisive role, from April 2022, in supporting the growth of the market, surpassing pre-COVID levels in euros. On average, volumes were flat compared to 2019, albeit showing movement in the Christmas season. In Italy, fragrances were the most dynamic category, after makeup (which saw a profound collapse during the pandemic), recording increases of 20.3% in the fragrance sector, +12.5% for skincare, and 27.2% for makeup. Perfume sales were concentrated in key consumption periods (KCPs), including but not limited

to the Christmas period, Black Friday/Cyber Monday, Valentine's Day, Father's Day and Mother's Day, with the top 10 weeks accounting for 37% in 2022 in Italy and 39% for the fragrance brands of Angelini Beauty, therefore in line with the market.

With reference to the **wine** market, 2022 was the year when the impact of post-pandemic recovery unfolded on the international economy, with positive outcomes also for the agri-wine sector within which Angelini Wines & Estates Società Agricola a r.l. operates. At the end of the current year, the best ever result in terms of revenues was achieved, not only thanks to the general recovery of the market, but also the variety of actions carried out during the year in support of sales. Particular attention was dedicated to the core brands such as Bertani, Val di Suga and Puiatti, which were the subject of targeted projects to elevate the value of the brand, in the form of marketing mix initiatives involving offline communication and digital marketing, including with the guidance of external agencies.

HOLDING ACTIVITIES

Lastly, with reference to investment activity on the financial markets, carried out by the companies Angelini Investments S.r.l. and Angelini Holding S.p.A., FY 2022 was characterized by an inversion in the trend compared to the significant growth recorded in the previous year. While it is true that, in 2021, trading on the Milan-based FTSE MIB recorded an overall increase of 23%, the reporting period closed down at 13.3% (source: Il Sole 24 Ore). Overseas recorded a similar trend, with Wall Street closing with its worst year since 2008. In particular, the Nasdaq closed 2022 down by over 33%, the Dow Jones and the S&P 500 closed the year down by 8.58% and 19.24% respectively. This trend had a widespread impact on the main equity markets across the world, destabilized by the slowdown in the global economy, mainly caused by the Russia/Ukraine conflict.



Summary of the consolidated economic, equity and financial results

INCOME STATEMENT

The reclassified Income Statement for FY 2022 is shown below to highlight some financial performance indicators:

Reclassified Income Statement

(thousands of euros)

	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE IN ABSOLUTE VALUE	DIFFERENCE IN %
Net turnover	1,998,039	1,725,224	272,815	15.81%
Internal production	(3,013)	(3,887)	874	(22.49%)
Other revenues and income	58,594	64,969	(6,375)	(9.81%)
VALUE OF PRODUCTION	2,053,620	1,786,306	267,314	14.96%
Operational external costs	1,351,599	1,184,624	166,975	14.10%
Other operating charges	50,371	37,393	12,978	34.71%
Staff costs	396,911	370,992	25,919	6.99%
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION (EBITDA)	254,739	193,297	61,442	31.79%
Amortization, depreciation, and write-downs of Working Capital	215,468	191,843	23,625	12.31%
EARNINGS BEFORE INTEREST AND TAX (EBIT)	39,271	1,454	37,817	> 100%
Adjustments on financial activity	(9,034)	(35,277)	26,243	(74.39%)
Financial income and charges	61,479	159,455	(97,976)	(61.44%)
FINANCIAL RESULT BEFORE TAXES	91,716	125,632	(33,916)	(27.00%)
Income taxes	11,670	28,966	(17,296)	(59.71%)
FINANCIAL RESULT OF THE YEAR	80,046	96,666	(16,620)	(17.19%)

The consolidated **Value of Production** at the end of the year exceeded 2 billion euros for the first time in the history of the Angelini Industries Group, an increase of 14.96% compared to the previous year.

There was a widespread increase in revenues in every industrial business segment of the Group, with the Health segment recording revenues for 1,179,370 thousand euros (equivalent to 59% of total revenues), the Consumer Goods segment closing the year with overall revenues of 634,510 thousand euros (representing 32% of total revenues) and the Industrial Technology business generating overall revenues for 177,487 thousand euros (or 9% of total revenues). In the **Health** business, the growth in revenues was mainly attributable to two phenomena: the seasonal flu, characterized by two peaks in Q1 and Q4, and the continuation of the COVID-19 pandemic. When combined, the two phenomena led to growth in the Cold, Cough & Flu market, where Angelini Pharma is present with historic brands such as Tachipirina, Tachifludex, Tachifene and Tantum Verde. Revenues increased by 180,621 thousand euros compared to 2021, driven by the Prescription Medicine business unit, where overall turnover for 2022 was 340 million euros, a 20% increase on the previous year (+57 million euros). As regards the performance of the main brands and therapeutic areas, the Tachipirina brand – also thanks to incremental consumption generated by the Omicron wave and the particularly intense flu epidemic in Q4 2022 – saw significant growth, closing at 230 million euros, an increase of 49 million euros compared to the previous year. This result saw contributions from all 3 lines that form the Tachipirina brand (Tachipirina 1000, Tachipirina Febbre Adulti and Tachipirina Febbre Pediatrica), especially Tachipirina Febbre Pediatrica (+88%; +18 million euros compared to the previous year), where consumption increased significantly, as well as the entire related market segment, due to widespread respiratory viruses among the pediatric population after two years of limited social contact and the use of masks. Growth of the business was also determined by the performance of the Consumer Healthcare division, driven by the products most affected by Omicron/COVID, especially Moment, which, in 2022, saw record turnover, and on the International market, by the superior performance of the product Tantum.

The **Consumer Goods** sector also performed extremely

well, recording an overall net increase of 15,658 thousand euros. Specifically, Fater S.p.A., 50% owned, and its subsidiaries showed revenues for 492,325 thousand euros, and the improvement on the previous year was substantially attributable to the organic growth in volumes and the sale of patents developed by the company in the sector of recycling used sanitary pads.

The Beauty division of the Group also closed the year up on the previous period, with overall revenues of 112,447 thousand euros, an increase of 17,580 thousand euros compared to 2021, driven especially by the highly profitable markets in Italy, Iberia, Russia, and the Middle East, which showed a positive double-digit trend, confirming the effectiveness of the expansion strategy on an international scale. In particular, consolidated brands like Trussardi, Biagiotti, and Armand Basi made a significant contribution to the increase in turnover in absolute value, recording a high single-digit and double-digit increase. Lastly, with reference to the Wine segment, revenues amounted to 29,354 thousand euros, recording an increase of 4,254 thousand euros compared to 2021. On the domestic market, the communication activities introduced and the consolidation of the launches of new lines and products supported the effect of the economic recovery, achieving a 4.4% increase in revenues compared to the previous year, especially in the traditional Horeca channel, which reacted very positively, confirming its position as the biggest sales channel. Decisive growth was also recorded on the overseas markets, with revenues up by 33%, which not only recovered to pre-pandemic turnover, but significantly exceeded it. Specifically, the driving markets of growth were the United States and China, with increases even higher than 50% compared to 2021. In Europe, however, inconsistent performances were recorded in the various countries. Lastly, the Russian market, albeit subject to restrictions on exports due to the events linked to the invasion of Ukraine, maintained stable revenues compared to the previous year.

The **Industrial Technology** business recorded an increase in revenues of 76,537 thousand euros, ending fiscal year 2022 with a turnover of 177,487 thousand euros, compared to 100,950 thousand euros in the previous year. The performance was largely due to the recovery of investments with leading sector players following the pandemic wave, and, in particular, the business that made the biggest

contribution was hygiene. Nevertheless, it should be noted that the difference compared to 2021 was significantly influenced by the different percentage of consolidation of the comparable periods, as a result of the acquisition of the additional controlling stake of 50% of Fameccanica.Data S.p.A., consolidated on a line-by-line basis for the first time at December 31, 2022.

Lastly, with reference to **Holding** Activities and, specifically, managing the Group's real estate assets by Angelini Real Estate S.p.A., revenues of 4,956 thousand euros were recorded, in line with the previous year.

At December 31, 2022 the Group recorded an **EBITDA** of 254,739 thousand euros, up by 61,442 thousand euros compared to the previous year, despite the notable increase in external operating costs, which closed the current year with an increase of 166,975 thousand euros, and personnel costs, which increased by a total of 25,919 thousand euros.

In the **Health** business, following the aforementioned increase in revenues, there was a significant increase in external costs (for 87,550 thousand euros) as a result of the increase in demand as well as inflation, which impacted all products needing to be purchased, starting from the raw materials (active ingredients, excipients, solvents, chemical intermediates) strongly impacted by increases in the Brent (+42%) and oil derivatives such as naphtha (+39%), benzene (+24%), ethylene (+29%) and propylene (+28%). These increases then affected the costs of the plastic materials used in the primary packaging of pharmaceuticals and cosmetics: polypropylene (+34%), polyethylene (+13%), and PET (+31%). Again, in terms of packaging, there was a moderate increase in aluminium (+25%) and materials derived from paper (+32%) with an impact on package leaflets, cases, and boxes. Regarding services, the highest increases were recorded in the energy segment, where the average increase in energy and gas prices was 142% and 191% respectively compared to 2021. The Group offset the effects of these increases by leveraging the discounts obtained from suppliers during contractual renewals. The aforementioned price increases had a significant impact on the **Industrial Technology** business, where the surge in raw material prices was only partially passed on to end customers, generating a contraction in the margins

for sector players. In particular, compared to the previous year, there was an increase in the costs for raw materials equal to 34,810 thousand euros and costs for external services equal to 13,248 thousand euros.

The **Consumer Goods** business also recorded significant increases in operating costs, forcing the Group companies operating in this sector to respond by adjusting sales prices and optimizing internal processes. In detail, the overall value of costs for raw materials was 263,859 thousand euros, compared to 215,800 thousand euros at the end of the previous year, and a less accentuated increase in costs for external services, which at December 31, 2022 stood at 231,859 thousand euros, against 221,503 thousand euros in 2021.

The increase in the operating costs deriving from the **Holding Activity** was, on the other hand, mainly attributable to the higher costs for ICT services incurred by the company Angelini Holding S.p.A. and to the increase in costs for advertising linked to the rebranding campaign of the Angelini Industries Group.

The **EBIT** stood at a total of 39,271 thousand euros, with an increase of 37,817 thousand euros compared to the previous year (1,454 thousand euros at December 31, 2021). However, the item is affected by the increase in amortization and depreciation recorded in 2022 following new investments made by the Group. In this regard, the increase in amortizations of intangible fixed assets should be noted, mainly attributable to the consolidation of the further 50% stake in Fameccanica.Data S.p.A. and the new investments in ICT licences.

Earnings before taxes recorded by the Angelini Industries Group at the end of FY 2022 were 91,716 thousand euros, down by 33,916 thousand euros compared to the previous year (125,632 thousand euros at December 31, 2021). The decrease in the item is mainly attributable to the lower financial income achieved at the end of the current year, equal to 61,479 thousand euros, compared to 159,455 thousand euros in the previous year. The downward trend should be analyzed considering the exceptional and non-recurrent financial income achieved during the previous year. At the same time, the minor adjustments made to financial assets should be noted, relating to the recognition of the MTM of the derivative financial instru-

ments and the write-down of equity investments in other non-consolidated companies, which at December 31, 2022 amounted to 9,034 thousand euros compared to 35,277 thousand euros in FY 2021.

At the end of FY 2022 the Angelini Industries Group reported **Net Profit** of 80,046 thousand euros, down 16,620 thousand euros from the previous year. The tax effect on taxable income was 11,670 thousand euros, a sharp decrease on the previous year for 17,296 thousand

euros, following the approval by the Revenue Agency of the request relating to the reorganization of the Arvelle Therapeutics Group and which led to a decrease of around 13 million euros in the 2022 tax burden of the company Angelini Pharma S.p.A.

Finally, the main profitability ratios are shown with a comparison to the values for the previous year:

Economic ratios

	CURRENT YEAR	PREVIOUS YEAR
Net ROE (Net Income/Shareholders' Equity)	2.68%	3.31%
ROI (EBIT/Total Assets)	0.88%	0.03%
ROS (EBIT/Net Turnover)	1.97%	0.08%

Despite the decrease in the profitability of equity capital, as a direct consequence of the increase in net profit and the simultaneous increase in shareholders' equity, there

was a clear improvement in the profitability ratios and ROI and ROS benefited from the recovery in the margins achieved by the Group during FY 2022.

BALANCE SHEET

Below is the Consolidated Balance Sheet as at December 31, 2022, reclassified according to financial criteria:

(thousands of euros)

Reclassified Balance Sheet - Assets

	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE IN ABSOLUTE VALUE	DIFFERENCE IN %
CURRENT ASSETS	2,286,794	2,074,747	212,047	10.22%
Cash and cash equivalents	458,609	505,291	(46,682)	(9.24%)
Receivables	1,466,932	1,280,554	186,378	14.55%
Inventory	361,253	288,902	72,351	25.04%
TOTAL FIXED ASSETS	2,192,739	2,197,842	(5,103)	(0.23%)
Intangible assets	1,426,508	1,502,113	(75,605)	(5.03%)
Tangible fixed assets	420,894	403,782	17,112	4.24%
Financial fixed assets	345,337	291,947	53,390	18.29%
TOTAL INVESTMENTS	4,479,533	4,272,589	206,944	4.84%

Reclassified Balance Sheet - Liabilities

	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE IN ABSOLUTE VALUE	DIFFERENCE IN %
CURRENT LIABILITIES	769,699	704,005	65,694	9.33%
CONSOLIDATED LIABILITIES	618,090	560,675	57,415	10.24%
PROVISIONS FOR RISKS AND CHARGES AND EMPLOYEE SEVERANCE INDEMNITY	102,729	85,710	17,019	19.86%
EQUITY	2,989,015	2,922,199	66,816	2.29%
TOTAL INVESTMENTS SOURCES	4,479,533	4,272,589	206,944	4.84%

Overall, the increase in non-current liabilities did not undermine the situation of strong balance and financial stability of the company, which, at the end of the current year, stood out for total coverage of fixed investments through Equity and for an effective correlation between short-term assets and liabilities and between medium/long-term sources of financing and loans.

Current Assets at December 31, 2022 were 2,286,794 thousand euros, an increase of 212,047 thousand euros compared to the previous year. The decrease of 46,682 thousand euros in immediate liquidity was more than offset by the increase recorded among deferred liquidity and inventories, which increased by 186,378 thousand euros and 72,351 thousand euros respectively compared to the previous year.

The decrease in cash and cash equivalents, mainly concentrated in the company Angelini Holding S.p.A., holder of the cash pooling arrangement with the Group companies, was substantially determined by the distribution during the year of a dividend of 60 million euros to the sole shareholder Angelini Finanziaria S.p.A.

The financial Holding Activity had a significant impact on the increase in the deferred liquidity of the Group and, thanks to the operations carried out during the year, the value of the securities in the portfolio increased by 168,232 thousand euros compared to the previous year.

Furthermore, the Industrial Technology sector made a significant contribution to the increase in deferred liquidity, thanks to the increase in receivables from third-party customers resulting from a peak in invoicing in the final quarter of the year.

Across all industrial sectors of the Group there was an unsurprising increase in inventories due substantially to the increase in the prices of commodities used in the production cycles. In particular, the Health business sector contributed to the increase in inventories for 19,529 thousand euros, the Consumer Goods sector for 20,534 thousand euros and the Industrial Technology sector for 32,869 thousand euros, also as a result of the different percentage in consolidation of Fameccanica.Data S.p.A.

At the end of the year, **Fixed Assets** amounted to 2,192,739 thousand euros, a decrease of 5,103 thousand euros compared to the previous year. Changes to the item came in particular from Holding Activities, with new financial

investments made by Angelini Investments S.r.l. and Angelini Ventures S.p.A., the Consumer Goods sector, as a result of the investments made in brands and, in particular, following the acquisition of several Trussardi brands within the Group's Beauty division for 23,250 thousand euros, and the Industrial Technology sector, mainly as a result of the consolidation difference generated by the purchase of the remaining 50% of Fameccanica.Data S.p.A. for 39,854 thousand euros, now wholly owned by the Angelini Industries Group. Furthermore, the increase in tangible fixed assets for 17,112 thousand euros reflects several important investments made by the Group during the year which, with reference to the companies operating in the Consumer Goods sector, concerned the production plants and the installation of new production lines, whereas, in the case of the Health sector, investments were focused on the renovation and extraordinary maintenance of warehouses, plants and laboratories.

Current Liabilities and **Consolidated Liabilities** closed the year higher than the previous year, for 65,694 thousand euros and 57,415 thousand euros respectively. Current liabilities rose substantially due to the increase in payables to suppliers, recognized in all industrial sectors of the Group, and for the recognition of the short-term portion, equal to 42,487 thousand euros, of the bank loan, as specified in more detail below. Consolidated liabilities, on the other hand, rose following the subscription of a new loan for 1 billion euros by Angelini Holding S.p.A., used at the end of the year for 600 million euros, which, in addition to providing the Group with cash to fund current activities and ordinary and extraordinary investments, settled the Angelini Pharma S.p.A. loan for 500 million euros.

Provisions for risks and charges increased by 17,019 thousand euros compared to the previous year. Provisions for the period in the Health sector mainly derive from returns of goods and provisions for payback regarding the repayment of healthcare expenses. In the Consumer Goods sector, the item refers mainly to provisions for discount vouchers and prize contests. Lastly, in the Industrial Technology sector, there was an increase in the provisions for risks and charges relating to the guarantee services and installation of machinery already delivered to the end customer, in addition to the recognition of a provision for personnel reorganization and incentives.

Group **Equity** at the end of the year amounted to 2,989,015 thousand euros, an increase of 66,816 thousand euros compared to December 31, 2021. This change was determined by the profit for the period, by the dividends approved and paid to the sole shareholder Angelini Finanziaria S.p.A., by the effect arising from the line-by-line

consolidation of the company Fameccanica.Data S.p.A. and finally, by the change in the cash flow hedge reserve.

The main balance sheet ratios, compared with the values for the previous year, are shown below:

Asset structure ratios

(thousands of euros)

	CURRENT YEAR	PREVIOUS YEAR
Primary structure margin (Equity-Fixed Assets)	796,276	724,357
Primary structure quotient (Equity/Fixed Assets)	1.36	1.33
Secondary structure margin (Equity+Cons. Liabilities)-Fixed Assets	1,517,095	1,370,742
Secondary structure quotient (Equity+Cons. Liabilities)/Fixed Assets	1.69	1.62
Financial autonomy ratio (Equity/Invested Capital)	0.67	0.68
Ratio of debt (Cons. Liabilities+Curr. Payables)/Equity	0.50	0.46

Rotation ratios

(thousands of euros)

	CURRENT YEAR	PREVIOUS YEAR
Inventory rotation (net turnover/inventory)	5.53	5.97
Current Assets rotation (Net turnover/Current Assets)	0.87	0.83
Investments rotation (Net turnover/Total Assets)	0.45	0.40

The breakdown of the balance sheet ratios shown in the tables above denotes an optimal Group economic and financial balance.

Compared to the previous year, there was a further improvement in all structure ratios and no critical issues in the rotation of Working Capital, despite the significant increase in inventories for the reasons described in the previous paragraphs.

FINANCIAL MANAGEMENT

The following table provides a breakdown of the Group Net Financial Position at December 31, 2022:

Net Financial Position

(thousands of euros)

	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE
Cash on hand	73	89	(16)
Bank and postal current accounts	458,536	505,202	(46,666)
Securities and derivative financial instruments	442,198	323,106	119,092
a) Cash and cash equivalents	900,807	828,397	72,410
b) Current financial receivables	382,964	387,195	(4,231)
c) Non-current financial receivables	47,537	0	47,537
Current bank liabilities	89,120	50,497	38,623
Other current financial debts	947	3,882	(2,935)
d) Current financial liabilities	90,067	54,379	35,688
e) Current Net Financial Position (Indebtedness) (a+b+c-d)	1,241,241	1,161,213	80,028
Non-current bank liabilities	604,890	551,178	53,712
Other non-current financial debt	0	0	0
f) Non-current Financial Position (Indebtedness)	604,890	551,178	53,712
NET FINANCIAL POSITION (INDEBTEDNESS) (e-f)	636,351	610,035	26,316

As shown by the data and the breakdown, the Group's Net Financial Position increased by 19,653 thousand euros compared to the previous year, further consolidating a position of strong solvency and financial stability. As already noted in previous paragraphs, the increase in long-term

bank payables is largely offset by the increase in value of the securities and financial assets in the portfolio of the Group. It should be noted that current financial receivables mainly refer to the cash pooling arrangement with the Parent Company Angelini Finanziaria S.p.A.

R&D activities and investments

Investment in Research and Development activities in the **Health** sector has always been one of the cornerstones of the Angelini Pharma S.p.A. growth strategy and this year it was once again one of the main uses of the economic and financial resources generated by operations, despite the scarcity of subsidies in Italy.

During the fiscal year, the R&D activity continued, conducted by the in-house structure with the use of highly advanced instruments and equipment, a specialized staff of 188 employees, in addition to other external organization costs, also including consultants of an international level, for a total investment of about 7% of sales to third parties. All R&D projects considered strategic or showing interesting prospects in several identified areas, especially in the context of central nervous system health and, in particular, for epilepsy, with continuation of the ongoing studies and implementation of new in-depth and clinical development studies in line with European regulations.

Research in the speciality area is increasingly enhanced by the opportunities offered by digitalization and the focus on finding innovative solutions for the management of complex diseases that negatively impact patients' lives. In the area of technology and within the funded project Marche Biobank, research continued on the use of 3D printing for the preparation of pharmaceutical forms for pediatric and personalized use. The Eternal R&D project was also launched, funded by the European Commission as part of

the Horizon Europe program, intended to research new production processes that allow for energy savings and improved use of solvents.

In relation to Angelini Pharma's efforts in epilepsy, in 2022, a clinical research stream began that made and will make it possible to collect data in the real world in order to better understand patients' needs and consolidate knowledge of the efficacy and safety of cenobamate in the treatment of focal epilepsy. The observational collection of data from the database combined with the application of artificial intelligence will also make it possible to generate evidence on the management of several comorbidities frequently associated with epilepsy, including depression, and to investigate predictive models of the evolution of epilepsy towards a state of resistance to treatment. Continuing to generate data in the context of mental health, a study was concluded in 2022 that made it possible to confirm the long-term efficacy of trazodone on various symptoms linked to depression.

In order to maintain the leading position in heat treatment, clinical studies were conducted to expand the currently available data on the efficacy and safety performance of the device. Furthermore, an awareness-raising strategy was developed for the importance of heat therapy involving a network of international experts to strengthen its role as an appropriate therapeutic tool in treating patients with musculoskeletal pain, while also offering

constant support to pharmacists in their role in providing advice and guidance in citizens' health journeys and to pharmacies as the first local health care providers. Work continued on developing new pharmaceutical forms to complement those currently on the market to improve patient compliance through optimizations of taste or ease of taking the drug. Finally, new scientific collaboration activities began with other private and academic research centers, university and hospital institutes, both in Italy and internationally, to prepare new development plans with the ultimate goal of launching new products in the next three-year period.

With reference to the **Industrial Technology** sector, in FY 2022 R&D activities continued with specific reference to hygiene, for re-engineering the existing product platform mainly on disposable products for women. In particular, the company Fameccanica.Data S.p.A. committed to a drastic reduction in the environmental impact of absorbent sanitary products: one project was co-financed by the European Community to develop platforms for the production of water-soluble products and for sustainable packaging, leveraging its own engineering hub located at the Casalecchio di Reno (Bologna) branch office. Diversification into adjacent sectors to hygiene is an important cornerstone of the Fameccanica.Data S.p.A. strategy. In the year just ended, robotics solutions were implemented for factory automation and digital solutions were developed using artificial intelligence.

For the coming years, the area of research will continue to be focused on the optimization of hygiene product platforms through design to cost activities and on the development of innovative technologies that will strengthen Fameccanica's positioning in the robotics and home & personal care sectors. To protect and increase intellectual property assets, 25 new patent applications were filed in the past year.

In the **Consumer Goods** sector, R&D activities continued during the year, conducted by the internal structure of the Technology Innovation Department of the joint venture Fater S.p.A., using tools, equipment and specialized personnel. Around 105 employees (including 75 researchers) are joined by consultants and external services. The research structure supported the business in the sectors of baby care (diapers, baby wipes and baby changing mats), feminine care (female sanitary pads), adult care (products

and aids for incontinence in adults) and fabric & home care (bleach, detergents, laundry additives, cleaning products for the home, hard surfaces and fabrics). In addition to investing a significant portion of its annual turnover in R&D and technological innovation, several years ago Fater S.p.A. launched a series of scientific collaborations with universities and other national and international private and academic research centers. Its commitment to Technology Innovation contributed to the strengthening of the offer, in particular of products containing hypochlorite and ACE Gentile, with cost optimization in relation to improvements in terms of performance, and in the categories of feminine care (wings on the Seta Ultra line) and adult care. Research projects managed in 2022 included the modeling of the impact on production process efficiency deriving from the formulation of certain raw materials. Furthermore, with reference to the Beauty division of the Group, in 2022 R&D activities were carried out mainly linked to the design and development of primary and secondary packaging, also followed by legal actions to protect intellectual property. The related costs were entirely expensed in the year.

Information regarding personnel, security and environment

In the Health business sector, the Global HR & Organization department of Angelini Pharma S.p.A. completed important projects for personnel protection and development, summarized below:

- Flexible Working. Pregnant employees were given the possibility to access an extended Flexible Working regime for the entirety of their pregnancy and the parent (biological, adoptive or foster) could voluntarily access a Flexible Working regime up to one year from the birth, adoption or pre-adoptive foster care.
- Global Opinion Surveys. A recurring program of listening to and valuing people's needs.
- Shadow Board. A group of talented young people under 30, renewed annually following a selective, internationally managed nomination process to contribute to formulating action plans.
- Top Employers Europe Certification. Continuous improvement work also resulted in increased assessment outcomes underlying Top Employer certification in 2022.
- Key Positions Map and Succession Planning. Angelini Pharma annually engages all business leaders, from staff functions and international markets, to review the organization in terms of key positions, internal succession plans and identification of development plans to mitigate the risk of resignation of key roles and to prepare successors.

- Talent Management and Career Development. Angelini Pharma redesigned processes and tools for identifying the most talented people, with the twofold aim of enhancing the potential of all people in the organization and offering management and development processes functional to retention and career advancement to relevant target positions, with reference to the Angelini Industries Group's entire professional ecosystem. Angelini Pharma is also working on strengthening internal mobility (national and international, corporate and inter-company), in terms of both culture and processes.
- Revised Performance Management. The performance review process was consolidated with the possibility to formally express and share aspirations for the future.
- Angelini Group Academy and My Development Garden: two integrated programs for the development of all Angelini Pharma people. To complement this, a development and coaching program targeting the entire corporate population was designed and implemented. Its training objectives were designed according to people's needs: Aptitude Journey, Global Surveys, Performance Management, and Talent Assessment.
- Adaptive Total Rewarding Model. Dynamic pay model that serves the peculiarities of local markets, the most critical professional families (e.g., the medical area professional family) and different segments of the pop-

ulation (e.g., talents). New MBO and LTI policies (including over achievement and multipliers) were introduced, and the offer to the employee was completed by a series of services in the people care area, designed in keeping with the peculiar historical moment (special needs related to the pandemic situation) and the needs expressed by the employees in opinion surveys.

- Diversity & Inclusion. The journey towards inclusiveness and meritocracy, with particular regard to gender balance and gender equality, continues. Women working at Angelini Pharma in Italy account for 43% of the company's population. Compared with the international figure (58%), the percentage is lower because there are manufacturing plants in Italy that employ mainly men (women account for 17%). In fact, when analyzing Italy (sales division) alone, the percentage of women employed rises to 51%. The company aims to mitigate any disparities in personnel selection and internal career prospects. In this sense, women accounted for 55% of promotions in 2022. Particular attention is also paid to the presence of Gen Z (1997-2012) and Millennials (1981-1996) within the company, which saw a +6% growth compared to 2019.

The recent pandemic scenario has certainly contributed to sharpening the social perception of health as a priority and the need to effectively prevent and manage crises that impact it. In this context, climate change is one of the major challenges facing our society, and one that companies - especially those in the healthcare sector - cannot ignore. During 2022, Angelini Pharma S.p.A. established an interfunctional team intended to structure its sustainability journey using a systemic approach to Environmental, Social and Governance (ESG) topics. To this end, the team is working on the following relevant topics: definition of the company Sustainability Strategy; calculation of company greenhouse gas emissions, and definition of a preliminary Carbon Strategy, intended to reduce the company impact on climate change in line with the most relevant standards present on the market.

Significant investments were also made in training personnel in the **Industrial Technology** sector. In particular, in the period in question, Fameccanica.Data S.p.A. delivered around 19,500 hours of training, with the aim of guaranteeing continuous professional and skills development. The development of managerial, operational and relational skills was supported through Angelini Academy training programs, with courses designed and delivered in collaboration with the biggest national and international business schools. In particular, training involved the following areas:

- Environment, Occupational Safety, and Sustainability;
- Cyber security;
- Data modeling and visualization, digital transformation;
- Basic, advanced and collaborative robotics;
- Advanced mechanical and electrical design tools;
- Tools, systems and processes of the Fameccanica machines;
- Soft Skills;
- Intellectual property;
- Regulatory refreshers (231, GDPR), Group Code of Ethics;
- Lean Six Sigma.

In order to corroborate the central role of ESG company sustainability topics, Fameccanica.Data S.p.A. achieved certification from one of the leading sector players (EcoVadis), also receiving a gold medal for its ranking among the top 5% of companies. The company also made efforts in its home region, confirmed by the Program for Transversal Skills and Guidance with the schools IIS A. Volta in Pescara and IIS E. Alessandrini in Montesilvano (PE), and by curricular internships with D'Annunzio University of Pescara. A Demonstration Center was also inaugurated, a new open innovation space promoted by Confindustria Chieti Pescara, Fameccanica, AB.Side, and Fraunhofer Italia, containing devices by the main international players of Industry 4.0.

With reference to the **Consumer Goods** sector, the activities promoted by the joint venture Fater S.p.A. for the benefit of its employees included the welfare plan accessible from the company intranet, three days of annual leave granted for shift workers over 50, training for on-call workers and guaranteed minimum salary, paternity leave for

3 months with 100% salary for new fathers. Fater S.p.A., certified SA 8000, bases its People First strategy on listening and dialog. Each year a survey is carried out on the internal climate, which confirmed a positive relationship with the company in 2022. The focus on the environment is a key element in the definition of the company's business strategy, and is widely applicable to all activities implemented. In fact, Fater S.p.A. is focused on all stages of the product cycle (upstream, core stream, downstream) to minimize its impacts. This approach is supported on the organization side through structured work teams and defined roles. In 2022 the company updated its Carbon Footprint analysis carried out for the first time in 2021, according to the parameters of the Greenhouse Gas Protocol (GHG Protocol). The analysis makes it possible to quantify the total emission impacts generated and to direct projects. Fater S.p.A. has used packages with a growing percentage of recycled plastic on several product lines for some time. In late 2022, for example, recycled plastic accounted for 50% on the line of Baby Dry diapers (carry packs and bulk packs), on the Lines Seta pads (basic packs and bulk packs), on the majority of the Lines Specialist

absorbent incontinence products and in the packaging for ACE washing detergent. Safety at work is the main objective for Fater S.p.A. To this end, intensive training and coaching has always been carried out, intended to generate a normal predisposition to safety by all operators in the production plants and at headquarters. In the past fiscal year, 49,000 hours of safety training were delivered at the plants. The accident rate to hours worked ratios are historically low on average. Training on safety at work, for several topics (e.g. working in confined spaces), also involves the suppliers operating at the plants in order to constantly promote appropriate conduct. For years, Fater has combined the near miss/quick risk prediction approach, which, using a defined process, tends to highlight any situation potentially capable of generating a risk in the production environment and at the headquarters to proceed with adequate measures for learning and constant improvement. The safety procedures periodically undergo analysis and review by the HSE team. The company is ISO 45001 certified.

Company risk management

CREDIT RISK

Credit risk - which to date has not produced significant effects - is closely linked to the condition of liquidity in the reference markets, together with the evolution of the macroeconomic environment, which could result in potential insolvencies arising from the failure of customers to fulfill their contractual obligations.

This risk is constantly monitored through the customer creditworthiness assessment procedure, as well as through extensive coverage activated with leading insurance partners.

MARKET RISK (HEALTH BUSINESS)

The general conditions of the domestic and international economies, levels of disposable income and credit market conditions represent, for the business in which the Group operates, risks that can affect operating performance, especially through regulatory interventions that the governments of the countries served by the business may implement, to the detriment of margins.

To address these risks, even in difficult contexts such as the present, the Group takes all necessary actions to support the value of the product portfolio as recognized by the relevant markets.

MARKET RISK (CONSUMER GOODS BUSINESS)

Assessment of external events potentially liable to affect the activities of Fater S.p.A. is fundamental for guiding its strategies in order to protect the management outcomes. This assessment is carried out periodically and involves the governing bodies of Fater S.p.A. From a demographic perspective, the birth rate also recorded a decrease in 2022 (-1% compared to the previous year), showing a slowdown compared to the decline in previous years. The number of women of menstrual age, namely between 12 and 54 years old, fell in 2022 (-2.4% compared to the previous year), confirming a structural trend that has continued for over a decade. As a result of this scenario, the brands Pampers and Lines saw their market share consolidate, thanks to the success of product innovations and commercial activities brought to the market, which further strengthened brand loyalty. From a demographic perspective, the over 55 population increased (+1.5% compared to the previous year) with consequent growth on the market of products for urinary incontinence (+5%; source: Nielsen Mass Market). In relation to the household and laundry detergent markets, after the peak in 2020 linked to the COVID-19 emergency, in 2022 and 2021 there was a drop in demand, which led the markets, in particular bleach containing hypochlorite, to pre-COVID levels. Albeit in a macroeconomic scenario characterized by strong uncertainty due to the geopolitical situations and the

growth in inflation, on the markets where Fater S.p.A. is present, there were no decreases in consumption linked to the cost of living and the economic crisis or down-tiering phenomena (consumers shifting from products in high-end segments to low-end segments).

MARKET RISK (INDUSTRIAL TECHNOLOGY BUSINESS)

There is no particular market risk considering the leadership position held by the Group companies operating in the sector. Nevertheless, a tightening of the financing policies by financial institutions could negatively impact the investment decisions of the main sector players.

PRODUCT RISK (HEALTH BUSINESS)

The Health sector in which the Group operates has an inherent risk related to the possible defectiveness/toxicity of products for which industry regulations would impose the possible withdrawal of batches from the market, up to, in the most serious cases, the withdrawal of the marketing authorization for the product. In addition to applying good practices aimed at monitoring and quality control of the entire production cycle and having adequate insurance coverage for product risk, the Group can count on the fact that a significant share of its sales is generated by drugs whose active ingredients are not newly discovered and are not considered risky from a pharmacopoeia perspective.

PRODUCT RISK (CONSUMER GOODS BUSINESS)

With reference to the market of hygiene products, where the company Fater S.p.A. and its subsidiaries operate, the product quality procedures establish a rigorous program for supplier qualification, control of raw materials, and production process monitoring. Qualified suppliers formally certify the conformity of each supply with the standards. Without this declaration, the raw material cannot be used. Statistical controls and audits are also conducted on suppliers. In the two plants in Pescara (personal care products) and Campochiaro (CB) (cleaning products for the

home and fabrics), automatic line controls are carried out on production, and more than 400,000 controls are carried out each month on the volumes produced. The defect rates (number of market complaints per million standard units produced) are low, with a few dozen cases per million units. At Fater, the commitment to produce quality takes place through a consolidated awareness plan, due to which more than 1,300 hours of training were delivered at the plants in 2022.

As for the Beauty segment, the company Angelini Beauty S.p.A. implements control procedures to guarantee the conformity and safety of its products, in terms of quality, in line with legal requirements and voluntary certification standards. This is necessary to mitigate the risks associated with the conditions of the products issued onto the market. Furthermore, the company has defined guidelines to manage any accidental events, such as processes for product return and recall from the market.

In relation to the wine market, as part of the efforts to support the culture of food safety and the quality assurance policy, there is a strong commitment of the organization at all levels, with a significant involvement of resources through careful management of the working conditions, training and skills of personnel, in order to ensure product safety. Everything is concentrated into a "self-control manual" that carefully governs operating processes, audits, complaints management, non-conformities and the related corrective actions, in order to protect the integrity of the company sites and the products manufactured. This management also includes the assessment of vulnerability to agri-food fraud for all materials used in the production process. Extension to all production sites of the IFS certifications confirms the company's commitment to this topic. Lastly, in order to mitigate any risk pertaining to products, it should be noted that the company insurance cover includes the third-party liability policy, which covers product risk for the NAFTA area (USA, Canada, and Mexico).

LIQUIDITY RISK

The Group has a positive net financial position that provides protection from liquidity risk for all companies for which, through the zero balance cash pooling process, it can cope with any particular critical situations due to a momentary tightening of cash flow, whether resulting from a contraction in demand or relating to the emergence of potential customer insolvencies.

EXCHANGE RISK

In its businesses the Group also operates in countries with currencies other than the euro and is therefore exposed to the risk associated with fluctuating exchange rates. Accordingly, in the case of significant exposures, the Company makes use of hedging transactions with the aim of nullifying any negative effects of exchange rate fluctuations.

EQUITY AND BOND MARKET RISK

In its liquidity management the Group makes investments in financial assets.

Specifically, such investments are made in money market instruments characterized by a low degree of risk of volatility and loss of invested capital, alongside high liquidity to meet the Group's future development investments. The potential risks associated with such a portfolio can be considered, as a percentage of overall cash invested, not high.

USE OF ESTIMATES

The preparation of financial statements, in application of accounting standards, requires the directors to make estimates and assumptions that may have an effect primarily on the values of revenues, expenses, fixed assets, receivables and inventory recognized in the financial statements, as well as on contingent assets and liabilities at the reporting date. Although assumptions and estimates are made according to principles of prudence and reasonableness, including appropriate consideration of past experience, actual results may differ from these estimates. Indeed, the criticality inherent in such assessments is determined by the use of assumptions and/or professional judgments related to issues that are by their nature uncertain. Estimates and assumptions are reviewed periodically, and any changes in the conditions underlying the assumptions and judgments made may have a significant impact on the results for the year and subsequent years.

Relationships with subsidiaries, affiliated, parent companies and companies controlled by parent companies

Transactions with companies belonging to the Group refer to transactions of a financial, commercial, and tax adjustment nature and are all concluded at arm's length.

Business outlook

In 2023 the Group will continue to focus its attention on implementing the strategic guidelines provided by the shareholder, developing the actions to be taken to achieve the Group's objectives in order to achieve increasingly satisfactory consolidated results.

In financial management, the Group will continue to pay attention to the process of optimizing the use of liquidity through the centralized treasury, in order to support the industrial development of the Group in the long term.

Rome, May 29, 2023

for THE BOARD OF DIRECTORS

**(Vice Chairman and CEO)
Sergio Marullo di Condojanni**



02. Consolidated financial statements

Consolidated Balance Sheet Angelini Holding S.p.A.

(thousands of euros)

ASSETS	12/31/2022	12/31/2021
A) SUBSCRIBED CAPITAL UNPAID	0	0
B) FIXED ASSETS		
I) Intangible assets		
1) Start-up and expansion costs	377	118
2) Development costs	43	0
3) Patents and rights	36,887	35,218
4) Concessions, licenses, trademarks and similar rights	1,322,753	1,426,758
5) Goodwill	53,577	26,052
6) Intangible assets in progress and down payments	11,760	13,183
7) Other	1,111	784
TOTAL	1,426,508	1,502,113
II) Tangible fixed assets		
1) Land and buildings	228,864	218,698
2) Plant and equipment	135,301	140,599
3) Other fixtures and fittings, tools and equipment	3,818	4,468
4) Other tangible assets	13,207	12,517
5) Tangible assets in progress and down payments	39,704	27,500
TOTAL	420,894	403,782
III) Financial fixed assets		
1) Equity investments in		
a) subsidiary companies	18,059	17,857
b) affiliated companies	6,228	188
d-bis) other companies	256,012	256,843
TOTAL 1)	280,299	274,888
2) Receivables		
d-bis) other entities		
within 1 year	28	629
over 1 year	11,827	10,893
TOTAL	11,855	11,522
TOTAL 2)	11,855	11,522
3) Other investments	5,646	5,537
4) Derivative financial assets	47,537	0
TOTAL FINANCIAL FIXED ASSETS	345,337	291,947
TOTAL FIXED ASSETS (B)	2,192,739	2,197,842

ASSETS	12/31/2022	12/31/2021
C) CURRENT ASSETS		
I) Inventory		
1) Raw materials, consumables and goods for sale	130,420	78,075
2) Work in progress and components	33,254	28,463
3) Contracts in progress	32,963	24,091
4) Finished products and goods for resale	159,634	156,048
5) Down payments	4,982	2,225
TOTAL	361,253	288,902
II) Receivables		
1) From customers		
within 1 year	411,696	330,506
TOTAL	411,696	330,506
2) From subsidiaries		
within 1 year	16,760	54,750
TOTAL	16,760	54,750
3) From affiliated companies		
within 1 year	2,795	4,166
TOTAL	2,795	4,166
4) From parent companies		
within 1 year	31,669	14,120
TOTAL	31,669	14,120
5) From companies subject to the control of parent companies		
within 1 year	0	56
TOTAL	0	56
5-bis) Tax receivables		
within 1 year	50,349	51,879
over 1 year	2,252	3,205
TOTAL	52,601	55,084
5-ter) Deferred tax assets		
within 1 year	68,765	69,164
over 1 year	1	1
TOTAL	68,766	69,165
5-quater) From others		
within 1 year	42,415	27,844
over 1 year	3,609	3,773
TOTAL	46,024	31,617
TOTAL	630,311	559,464
III) Financial assets that do not constitute fixed assets		
4) Other equity investments	0	2,890
5) Derivative financial assets	1,606	5,733
6) Other investments	440,592	314,483
7) Financial receivables for cash pooling management		
a) from subsidiary companies	1,512	1,056
c) from parent companies	381,452	386,139
TOTAL	825,162	710,301
IV) Cash and cash equivalents		
1) Bank and postal current accounts	458,536	505,202
2) Cash on hand	73	89
TOTAL	458,609	505,291
TOTAL CURRENT ASSETS (C)	2,275,335	2,063,958
D) PREPAID EXPENSES AND ACCRUED INCOME	11,459	10,789
TOTAL ASSETS	4,479,533	4,272,589

LIABILITIES (thousands of euros)	12/31/2022	12/31/2021
A) EQUITY		
EQUITY OF GROUP		
I) Capital	3,000	3,000
II) Share premium account	458,698	458,698
III) Revaluation reserves	802,431	802,431
IV) Legal reserve	601	601
V) Statutory reserves	0	0
VI) Other reserves		
1) Extraordinary reserve	78,789	78,789
2) Consolidation reserves	66,848	62,098
3) Currency translation reserve	(52,743)	(55,093)
4) Other	1,709,768	1,709,768
TOTAL	1,802,662	1,795,562
VII) Cash-flow hedge reserve	36,133	3,481
VIII) Retained earnings	(194,577)	(238,240)
IX) Profit (loss) for the financial period	80,046	96,666
TOTAL EQUITY OF GROUP	2,988,994	2,922,199
THIRD-PARTY CAPITAL AND RESERVE		
Third party capital and reserve	21	0
Third party profit (loss) for the financial period	0	0
TOTAL THIRD-PARTY CAPITAL AND RESERVE	21	0
TOTAL EQUITY (A)	2,989,015	2,922,199
B) PROVISIONS FOR RISKS AND CHARGES		
1) Provisions for pensions and similar obligations	2,695	2,094
2) Provisions for taxation	18,140	6,718
3) Derivative financial liabilities	4,858	9,302
4) Other	56,780	50,171
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	82,473	68,285
C) EMPLOYEE SEVERANCE INDEMNITY	20,256	17,425

LIABILITIES (thousands of euros)	12/31/2022	12/31/2021
D) PAYABLES		
4) Payables to banks		
within 1 year	89,120	50,497
over 1 year	604,890	551,178
TOTAL	694,010	601,675
6) Down payments		
within 1 year	60,205	27,037
TOTAL	60,205	27,037
7) Payables to suppliers		
within 1 year	432,238	395,486
over 1 year	5,000	25
TOTAL	437,238	395,511
8) Debts represented by bills of exchange		
within 1 year	9	0
TOTAL	9	0
9) Payables to subsidiary companies		
within 1 year	2,005	50,291
TOTAL	2,005	50,291
10) Payables to affiliated companies		
within 1 year	522	482
TOTAL	522	482
11) Payables to parent companies		
within 1 year	23,431	34,161
TOTAL	23,431	34,161
11 -bis) Payables to associated companies		
within 1 year	0	48
TOTAL	0	48
12) Tax payables		
within 1 year	26,615	35,414
over 1 year	8,200	8,200
TOTAL	34,815	43,614
13) Payables to Social Security institutions		
within 1 year	23,475	19,649
TOTAL	23,475	19,649
14) Other payables		
within 1 year	106,888	85,886
over 1 year	0	1,272
TOTAL	106,888	87,158
TOTAL DEBTS (D)	1,382,598	1,259,626
Accruals and deferred income	5,191	5,054
E) ACCRUALS AND DEFERRALS	5,191	5,054
TOTAL LIABILITIES	4,479,533	4,272,589



Angelini Holding S.p.A. Consolidated Income Statement

(thousands of euros)

	12/31/2022	12/31/2021
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	1,998,039	1,725,224
2) Variation in stocks of finished goods and in work in progress	10,788	(3,339)
3) Variation in contracts in progress	(14,673)	(1,181)
4) Work performed for own purposes and capitalized	872	633
5) Other revenues and income		
a) government grants	9,183	9,057
b) other revenues and income	49,411	55,912
TOTAL 5)	58,594	64,969
TOTAL VALUE OF PRODUCTION (A)	2,053,620	1,786,306
B) PRODUCTION COSTS		
6) For raw materials, consumables and goods for sale	693,290	549,465
7) For services	645,797	591,007
8) For use of assets owned by others	49,942	45,003
9) For staff costs		
a) wages and salaries	279,449	251,759
b) social security costs	78,405	72,999
c) employee severance indemnity	14,330	12,147
d) pension costs	2,049	6,525
e) other costs	22,678	27,562
TOTAL 9)	396,911	370,992
10) Depreciation, amortization and write-downs		
a) amortization of intangible fixed assets	142,494	132,797
b) depreciation of tangible fixed assets	45,651	43,486
c) other write-downs of fixed assets	12,520	1,707
d) allowance for doubtful debtors included in current assets and other accounts included in cash at bank and on hand	1,442	1,158
TOTAL 10)	202,107	179,148
11) Variations in stock of raw materials, consumables and goods for resale	(37,430)	(851)
12) Amounts provided for risk provisions	7,748	3,708
13) Other accruals	5,613	8,987
14) Other operative costs	50,371	37,393
TOTAL PRODUCTION COSTS (B)	2,014,349	1,784,852
OPERATING GROSS MARGIN (A-B)	39,271	1,454

	12/31/2022	12/31/2021
C) FINANCIAL INCOMES AND CHARGES		
15) Income from equity investments		
a) from subsidiaries	2,188	409
d) other companies	37,019	132,210
TOTAL 15)	39,207	132,619
16) Other financial income		
c) from non-permanent investments which are not equity investments	8,934	20,850
d) other income not included above		
1) subsidiaries	6	0
3) parent companies	1,492	0
5) other	29,043	6,523
TOTAL D)	30,541	6,523
TOTAL 16)	39,475	27,373
17) Interest payable and similar charges from		
1) subsidiaries	6	0
5) other	16,232	6,915
17-bis) Foreign exchange (gains)/losses	965	(6,378)
TOTAL 17) +/- 17-BIS)	17,203	537
TOTAL FINANCIAL INCOMES AND CHARGES (C) (15+16+17+-17-BIS)	61,479	159,455
D) VALUE ADJUSTMENTS RELATED TO FINANCIAL ASSETS		
18) Revaluation		
a) of equity investments	266	175
c) of non-permanent investments which are not equity investments	3	160
d) of derivatives	10,816	12,430
TOTAL 18)	11,085	12,765
19) Write-downs		
a) of equity investments	5,823	11,397
d) of other permanent investments which are not equity investments	31	0
c) of non-permanent investments which are not equity investments	2,741	15,782
d) of derivatives	11,524	20,863
TOTAL 19)	20,119	48,042
TOTAL VALUE ADJUSTMENTS RELATED TO FINANCIAL ASSETS (D) (18-19)	(9,034)	(35,277)
Profit or loss before income taxes (A-B+-C+-D)	91,716	125,632
20) Income taxes of the period	11,670	28,966
Profit (loss) for the financial period including third parties	80,046	96,666
Profit (loss) for the financial period attributable to third parties	0	0
21) Profit (loss) for the financial period	80,046	96,666

Statement of Cash Flows

(thousands of euros)

	12/31/2022	12/31/2021
A. Income transactions		
Period profit (loss)	80,046	96,666
Income taxes	11,670	28,966
Interest expense/(interest income)	(14,984)	(6,564)
Expenses/(income) from financial assets	(2,307)	0
(Dividends)	(39,207)	(132,619)
(Capital losses)/capital gains deriving from the disposal of assets	(1,835)	(27,595)
1. Period profit (loss) before income tax, interest, dividends and capital gains/losses from disposals	33,383	(41,146)
<i>Adjustments for non-monetary elements that have no counterpart in Net Working Capital</i>		
Provision made	46,302	36,402
Amortization, depreciation and impairment of fixed assets	200,665	177,990
Impairment losses	5,823	11,222
Other adjustments for non-monetary elements	(11,089)	17,311
2. Cash flow before changes to Net Working Capital	275,084	201,779
<i>Changes in Net Working Capital</i>		
Decrease/(increase) of inventories	(72,351)	4,713
Decrease/(increase) in receivables from customers	(81,190)	28,870
Increase/(decrease) of trade payables	60,991	41,163
Decrease/(increase) in accrued income and prepaid expenses	(670)	2,844
Increase/(decrease) in accrued expense and deferred income	137	(2,804)
Other changes in Net Working Capital (receivables)	10,343	(78,627)
Other changes in Net Working Capital (payables)	8,862	(115,672)
3. Cash flow after changes to Net Working Capital	201,207	82,266
<i>Other adjustments</i>		
Interest collected/(paid)	14,984	4,467
(Income tax paid)	(24,521)	(30,365)
Dividends collected	39,207	132,619
(Use of provisions)	(34,146)	(30,032)
4. Cash flow after other changes	196,730	158,956
Cash flow from income transactions (A)	196,730	158,956
B. Cash flow from investments		
<i>Tangible fixed assets</i>		
(Investments)	(51,052)	(38,062)
(Divestments)	1,827	23,827
<i>Intangible assets</i>		
(Investments)	(40,733)	(125,302)
(Divestments)	2,140	8,562
<i>Financial fixed assets</i>		
(Investments)	(36,812)	(72,235)
(Divestments)	20,840	37,833
Positive/(negative) changes in other fixed assets	(3,907)	(1,973)
<i>Other non-fixed financial assets</i>		
(Investments)	(325,465)	(145,556)
(Divestments)	203,195	289,804
Change in consolidation scope	0	17,068
Acquisition or sale of subsidiaries or business units	(47,077)	(329,384)
Cash flow from investments (B)	(277,043)	(335,418)
C. Cash flow deriving from financing		
<i>Minority means</i>		
Centralized treasury management	1,296	(382,749)
Increase/(decrease) in short-term payables to banks	16,136	(15,367)
Stipulation of loans	596,127	0
Repayment of loans	(519,928)	0
<i>Own means</i>		
Capital increase in exchange of payment	0	0
Sale/(purchase) of treasury shares	0	0
Dividends (and interim dividends) paid	(60,000)	0
Cash flow from loans (C)	33,631	(398,116)
Increase/(decrease) of cash and cash equivalents (A±B±C)	(46,682)	(574,578)
Opening cash and cash equivalents	505,291	1,079,869
Closing cash and cash equivalents	458,609	505,291



03. Explanatory Notes

Consolidated financial statements
at December 31, 2022

Form and content of the consolidated financial statements

BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with the provisions of Articles 2423 *et seq.* of the Italian Civil Code and Italian Legislative Decree 127/1991, as amended by Italian Legislative Decree 139/2015, which transposed into national law EU Directive 2013/34/EU (replacing the previous 4th EU Directive on financial statements and consolidated financial statements) supplemented by Italian national accounting standards issued by the National Council of Certified Public Accountants and Accounting Experts and the Italian Accounting Organization.

These consolidated financial statements consist of the Balance Sheet, Income Statement, Statement of Cash Flows, and Explanatory Notes to the Financial Statements and correspond to the results of the duly kept accounting records, and have been prepared in accordance with the principle of clarity in order to give a true and fair view of the Group's financial position and results of operations for the year, while also taking into account the significance of the effects of operating events in terms of recognition, measurement, presentation and disclosure.

The items of the Balance Sheet and Income Statement comply with those required by Articles 2424 and 2425 of the Civil Code and, where deemed appropriate, have been supplemented by additional items for greater clarity.

The content of the Statement of Cash Flows is governed by Article 2425-*ter*.

The Notes to the Financial Statements provide an explanation and analysis of the items in the Balance Sheet and Income Statement, together with other information required by Articles 2427 and 2427-*bis* of the Italian Civil Code and other legal provisions.

No departures from Articles 2423 *et seq.* of the Italian Civil Code have been made in the preparation of the consolidated financial statements. In addition, in the presentation of items within the Balance Sheet and Income Statement, no grouping has been made in accordance with the second paragraph of Article 2423-*ter* of the Italian Civil Code. With reference to the Statement of Cash Flows, in accordance with accounting standard OIC 10, additional cash flows have been added to those provided in the reference schedules, as they are deemed necessary for the purpose of clarity and true and fair representation of the financial situation.

The financial statements of the individual Investee Companies as of December 31, 2022, expressed in thousands of euros, reclassified and adjusted to conform to the Group's accounting principles and measurement criteria, were used for consolidation.

For those Companies whose fiscal year does not coincide with the Parent Company's closing date (December 31), interim financial statements have been prepared to reflect the Group's conventional fiscal year.

SCOPE OF CONSOLIDATION

AREAS OF ACTIVITY

The Angelini Industries Group (hereinafter also “the Group”) operates in the sectors of Health, Consumer Goods, and Industrial Technology, and financial and real estate Holding Activities.

Business is mainly conducted in Italy, several European Union countries and the United States.

SCOPE OF CONSOLIDATION

The Group's consolidated financial statements include the financial statements of Angelini Holding S.p.A. (the “Parent Company”) and those of the Italian and foreign companies over which it directly and indirectly exercises control pursuant to Article 26 of Legislative Decree 127/1991 as a result of the availability of the majority of voting rights that may be cast at ordinary meetings. The line-by-line consolidation method was adopted for these companies, except for some smaller companies whose shareholdings were represented at purchase cost considering their individual and overall insignificance to the Group.

For the companies over which the Parent Company exercises joint control with other shareholders, the proportional consolidation method has been adopted pursuant to Article 37 of Legislative Decree 127/1991.

The companies included in the scope of consolidation as of December 31, 2022 are shown in Annex “A”.

CHANGES IN THE SCOPE OF CONSOLIDATION SINCE THE PREVIOUS YEAR'S FINANCIAL STATEMENTS

In FY 2022 activities continued to strengthen and develop the structure and businesses of the Angelini Industries Group through significant M&A transactions and the establishment of new companies.

The company Fameccanica.Data S.p.A. and its subsidiaries were consolidated on a line-by-line basis for the first time at December 31, 2022. On June 1, 2022 the acquisition of 100% of the share capital of the company was finalized, which until that date, including with reference to the previous fiscal year, had been consolidated on the basis of the related ownership share, equal to 50%. In particular, on January 26, 2022 Angelini Technologies

S.p.A. was established, which then took over 100% of the capital of Fameccanica.Data S.p.A. from the joint venture Fater S.p.A.

During FY 2022, in relation to the long-term agreement between Angelini Beauty and Trussardi for the exclusive management of the class 3 brands, the company Angelini Beauty S.p.A. recognized in the financial statements the newco Greyhound Beauty S.r.l., 99.9% owned by Angelini Beauty S.p.A. and 0.1% by Trussardi S.p.A.

CHANGES MADE TO THE GROUP ORGANIZATIONAL STRUCTURE THAT DID NOT IMPACT THE SCOPE OF CONSOLIDATION

During the year, the corporate reorganization of the Arvelle Therapeutics Group took place, acquired during the previous year through the cross-border mergers into Angelini Pharma S.p.A. of Arvelle Therapeutics B.V. in June 2022, and the Swiss company Arvelle Therapeutics International G.m.b.H. in December 2022, with the simultaneous formation of a branch named Angelini Pharma S.p.A., Rom, Zweigniederlassung Zug (based in Zählerweg 6, 6301 Zug, Switzerland).

On May 2, 2022, Angelini Holding S.p.A. acquired 100% of the share capital of Angelini Pharma Ventures S.p.A., previously held by the company Angelini Pharma S.p.A.; subsequently, on August 4, 2022, Angelini Pharma Ventures S.p.A. was merged by incorporation into Angelini Hive S.p.A., which changed its name to Angelini Ventures S.p.A.

CONSOLIDATION CRITERIA

The financial statements of companies subject to legislation other than the Italian Civil Code have been appropriately reclassified and adjusted in order to bring them into line with the Group's accounting principles and measurement criteria, so as to clearly and truthfully represent the consolidated financial position and results of operations.

The assets, liabilities, revenues and income, expenses and charges of the companies included in the scope of consolidation are entered line by line in the consolidated financial statements, regardless of percent ownership of the Parent Company.

For companies consolidated according to the proportional method, assets, liabilities and Income Statement components were entered proportionally based on the percent equity ownership.

The application of these consolidation criteria resulted in the following main adjustments:

- The book value of directly formed equity investments is eliminated against share capital, while that of subsequently acquired companies is eliminated against the relevant fraction of equity.
- The book value of jointly controlled companies included in the scope of consolidation has been eliminated against the proportionate share of share capital or equity according to the proportional method.
- The difference arising from the elimination of equity investments, if negative, is added to the Group's Equity. Where determined by the results and other changes in equity in the fiscal years ended after the date of formation or acquisition, this difference is recognized in the consolidated Equity item, “Retained earnings”. The positive difference emerging at the date of acquisition from the derecognition of the purchase cost of equity investments against the related portions of Equity, if recoverable, is allocated to assets, increasing equity, on the basis of assessments performed at the time of purchase and, to a residual extent, to consolidation differences.

The consolidation difference is amortized over a period of time within which the economic benefits are expected to accrue; to date, there are no elements that would

suggest the economic benefits would be recovered beyond 10 years.

To the extent that there is a loss, as goodwill cannot be recognized, this difference is charged to the consolidation reserve or expensed to the Consolidated Income Statement.

- The portions of Equity and net profit for the year attributable to minority shareholders are shown separately under “Minority interest in capital and reserves” and “Minority interest in profit/loss for the year”, respectively.
- Receivables, payables, revenues and income, costs and expenses arising from transactions between companies included in the scope of consolidation are eliminated. In addition, profits from transactions between Group companies that have not yet been realized vis-à-vis third parties are eliminated.
- Any dividends distributed between Group companies are adjusted.
- Deferred and prepaid taxes are calculated on the temporary differences between the taxable income and the economic result of the companies included in the scope of consolidation, considering the tax effects related to the financial statements for the year.
- Financial statements presented in foreign currencies other than the euro are translated into euros by adopting the current exchange rate method, which involves translating at the year-end exchange rate for assets and liabilities in the Balance Sheet, translating at the average exchange rate for the year for items in the Income Statement and translating at the historical exchange rate for items in equity. The difference between the value at the historical exchange rate and the value resulting from the translation of the same items at the current exchange rate is entered in a special item of equity, the “Conversion reserve” after allocating minority shareholders their share.

The main exchange rates adopted for the translation of financial statements in currencies other than the euro are shown below:

CURRENCY CODE	COUNTRY	CURRENCY	AVERAGE EXCHANGE RATE AT 12/31/2022	COUNTRY	CURRENCY	FINAL EXCHANGE RATE AT 12/31/2022
BGN	BULGARIA	new Bulgarian lev	1.9558	BULGARIA	new Bulgarian lev	1.9558
CZK	CZECH (Republic)	Czech koruna	24.5659	CZECH (Republic)	Czech koruna	24.116
CNY	CHINA (People's Republic of)	renminbi (yuan)	7.0788	CHINA (People's Republic of)	renminbi (yuan)	7.3582
PLN	POLAND	złoty	4.6861	POLAND	złoty	4.6808
RON	ROMANIA	Romanian leu	4.9313	ROMANIA	Romanian leu	4.9495
RUB	RUSSIA	Russian ruble	73.9832	RUSSIA	Russian ruble	79.6249
USD	UNITED STATES	US dollar	1.053	UNITED STATES	US dollar	1.0666
CHF	SWITZERLAND	Swiss franc	1.0047	SWITZERLAND	Swiss franc	0.9847
TRY	TURKEY	Turkish lira (new)	17.4088	TURKEY	Turkish lira (new)	19.9649
HUF	HUNGARY	Hungarian forint	391.2865	HUNGARY	Hungarian forint	400.87

With reference to the ruble, the related exchange rate was determined using the information available from leading external information providers, since, as a result of the war in Ukraine, the ECB had suspended the publication of the EUR/RUB exchange rate at the reporting date.

MEASUREMENT CRITERIA

The measurement criteria are in accordance with Article 2426 of the Italian Civil Code, as amended by Italian Legislative Decree 139/2015. They are also consistent with those used in the formation of the previous year's financial statements.

The measurement of financial statement items is guided by the general criteria of prudence, accrual and relevance, assuming a going concern perspective.

Items are recognized and presented according to the substance of the transaction or contract.

In particular, the following general principles were observed in preparing the financial statements:

- only realized gains/losses as of the end of the fiscal year are shown;
- income and expenses for the year were taken into account, regardless of the date of collection or payment, apart from potential assets or liabilities;
- account was taken of risks and losses pertaining to the year, even if known after its closure;
- heterogeneous elements included in individual items have been measured separately.

The main accounting policies adopted in the preparation of the consolidated financial statements as of December 31, 2022 are explained below.

INTANGIBLE ASSETS

Intangible assets are assets without physical substance and essentially refer to costs whose useful lives extend over several fiscal years. They are recorded at the purchase cost actually incurred, including directly attributable incidental expenses, or at production cost if internally executed.

Deferred charges (start-up and expansion costs and development costs) are capitalized only when there is an objective correlation with expected future benefits and if it is reasonably estimable that they can be recovered, subject to the consent of the Board of Statutory Auditors, where appointed.

Intangible assets (industrial patent rights, intellectual property rights, concessions, licenses and trademarks) are recognized when: a) they are individually identifiable and b) the related cost can be estimated with sufficient reliability. The price adjustment mechanisms provided for in certain contracts for the purchase of licenses for the marketing of pharmaceutical products, the payments for which are conditional on the occurrence of specific events that are clearly defined, identified and measurable, and the amount of which is also determined, are recognized in the Income Statement by means of a specific provision for future charges, on a straight-line basis, starting from the fiscal year in which the event is deemed probable to occur. The annual accrual to the provision is equal to the amount of the additional price divided by the remaining number of years of license use. In the year in which the additional price is paid, the amount paid is capitalized under intangible assets and amortized on a straight-line basis over the years of remaining use of the license. In parallel, the amount of the provision set aside in previous years is reversed to the Income Statement on a straight-line basis over the same period of residual use. In derogation from the criterion of Article 2426 of the Italian Civil Code, the Tachipirina and Moment trademarks, held by the company Angelini Pharma S.p.A. and part of the industrial patents owned by the company Fameccanica Data S.p.A., have been revalued in accordance with Article 110, paragraphs 1-7 of Law No. 126 of October 13, 2020, as already disclosed in the basis of preparation.

Goodwill is recognized as an intangible asset only if: it is acquired for consideration and has a quantifiable value included in the consideration paid and in compliance with the requirements for the recognition of deferred charges; it consists of items that provide the Company with future economic benefits; and its value is recoverable over time.

Intangible assets are shown net of amortization, which is calculated on a systematic, straight-line basis in relation to the asset's residual useful life.

Deferred charges such as start-up and expansion costs are amortized over a period not exceeding five years. Development costs are amortized according to their useful life. In cases where useful life cannot be estimated, they are amortized over a period not exceeding five years.

Goodwill is amortized according to its useful life, and in cases where the useful life cannot be estimated, it is amortized over a period not exceeding ten years.

Intangible assets are amortized over the legal or contractual term of the right, or over the estimated useful life, if shorter.

Trademarks are amortized considering a useful life of ten years.

If the value of an intangible asset, net of amortization already recognized, is permanently lower than its book value, the asset is written down correspondingly to that lower value. If, in subsequent years, the conditions for impairment are no longer met, the original value, adjusted for amortization only, is restored.

Any borrowing costs incurred in the purchase or production of an intangible asset are charged directly to the Income Statement.

The amortization rates used are as follows:

INTANGIBLE FIXED ASSETS	MINIMUM % RATE	MAXIMUM % RATE
Start-up and expansion costs	20%	20%
Capitalised development costs	20%	20%
Industrial patent and intellectual property rights	10%	33%
Concessions and licenses	Contract term	33%
Trademarks	10%	10%
Goodwill	10%	20%
Consolidation difference	10%	10%
Other fixed assets	20%	20%

REVALUATION OF BUSINESS ASSETS PURSUANT TO LAW 126/2020

The issue of Law No. 126 of October 13, 2020 and, specifically, Article 110, paragraphs 1-7 provided the possibility for the companies Angelini Pharma S.p.A. and Fameccanica. Data S.p.A. to revalue the brands Tachipirina and Moment, and part of its industrial patents, respectively.

With reference to the company Angelini Pharma S.p.A., operating in the Health business, in order to determine the credit balance of the aforesaid revaluation, the company appointed KPMG Advisory S.p.A. to draft a specific appraisal of the fair value of the brands, which was issued on May 24, 2021. The fair value appraisal of the brands subject to valuation was prepared at the reporting date of December 31, 2020, on the basis of two widely accepted income methods, namely the "multi-period excess earnings" method and the "relief from royalty" method. The fair value of the brands was estimated within a range:

- for Tachipirina, between 702.1 million euros and 748.6 million euros, with a central value equal to 724.8 million euros;
- for Moment, between 118.6 million euros and 126.4 million euros, with a central value equal to 122.4 million euros.

The company prudentially adopted as credit balance of the revaluation the lower value of the appraisal range, equal to 820,000 thousand euros, with a contra-entry in Equity for 795,400 thousand euros, net of substitute tax. Amortization is calculated over 18 years.

In relation to the company Fameccanica. Data S.p.A., operating in the Industrial Technology business, KPMG Advisory S.p.A. was also appointed to draft a specific appraisal of the fair value of the industrial patents subject to revaluation. Following the assessment conducted by KPMG, the following was recognized:

- a revaluation of patents amounting to 14.497 million euros;
- a special equity reserve named "Law 126/20 revaluation reserve" of 14.062 million euros.

The revaluation was carried out through the historical cost increase technique, and amortization is based on a period of 7 years.

TANGIBLE FIXED ASSETS

Tangible fixed assets include tangible assets of long-term use the economic utility of which extends beyond the limits of one fiscal year, whether purchased from third parties or produced internally.

Tangible fixed assets are recognized on the date on which the risks and rewards associated with the asset acquired are transferred and measured at the cost actually incurred to acquire the asset, including incidental expenses incurred so that the asset can be used. The transfer of risks and benefits occurs when title is transferred.

If produced internally, the cost of production includes all costs directly attributable to the asset (typically materials and direct labor) and other general production costs for the portion reasonably attributable to the fixed asset, until the asset can be used.

Any borrowing costs incurred in the purchase or production of a tangible fixed asset are charged directly to the Income Statement.

They are presented in the financial statements net of depreciation charges, which are calculated systematically and by the straight-line method in relation to the useful life of the asset. The depreciation period starts from the fiscal year in which the asset is available and ready for use; for assets acquired during the year, the depreciation rate is prorated at half the annual rate to take into account the lesser use.

The cost related to tangible fixed assets of modest unit value is expensed directly in the fiscal year in which the asset is acquired.

If the tangible fixed asset includes components, appurtenances or accessories with different useful lives than the main asset, these components are recognized separately from the main asset and depreciated according to their respective useful lives, unless this is not practical or meaningful.

The depreciation rates used are as follows:

SECTOR	LAND AND BUILDINGS		PLANT AND EQUIPMENT		INDUSTRIAL AND COMMERCIAL EQUIPMENT		OTHER ASSETS	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Chemical-pharmaceutical	2%	10%	7.5%	30%	10%	40%	10%	25%
Agribusiness	3%	10%	9%	20%	20%		12%	25%
Consumer Goods	3%	6%	10%	14%	25%	40%	12%	25%
Holding and Financial	3%		10%		15%		12%	25%

The wide range of variation in the depreciation rates shown is attributable to fixed assets of a profoundly different nature across the various operating segments. Grants towards plant are accounted for at the time of the grant approval and are credited to the Income Statement in connection with the useful life of the asset. Maintenance costs of an ordinary nature (repairs, ordinary replacement of components, cleaning, etc.) are charged to the Income Statement in the year in which they are incurred.

Maintenance costs of an extraordinary nature, i.e. that produce a significant, tangible increase in productivity,

safety and/or useful life, may be capitalized within the limits of the asset's recoverable amount.

If the value of a tangible asset, net of depreciation already recognized, is permanently lower than its book value, the asset is written down correspondingly to that lower value. If, in subsequent years, the conditions for impairment are no longer met, the original value, adjusted for depreciation only, is restored.

FINANCIAL FIXED ASSETS

These are represented by equity investments, receivables and other financial instruments intended to be permanently held in the company's assets.

EQUITY INVESTMENTS

Equity investments are investments in the capital of other enterprises. They are initially recorded at purchase or establishment cost, including directly attributable incidental expenses.

Equity investments the cost of which is measured in foreign currency are recorded at the exchange rate on the date on which payment is made for their purchase or completion of their subscription.

If at the end of the fiscal year the recoverable value of an equity investment is permanently lower than its book value, it is correspondingly written down in value, with the entire cost of the writedown charged to the Income Statement for the fiscal year. If the reasons for the writedown cease to apply in subsequent fiscal years, the equity investment is revalued within the limits of the original cost. If an equity investment is sold, any capital gain (loss) is recognized in the Income Statement under financial income (expense), within the item "Income from equity investments" ("Interest and other financial expenses").

RECEIVABLES

These are receivables of a financial nature and are recorded on the amortized cost basis, taking into account the time factor.

The time factor criterion is not applied if its effects are insignificant pursuant to Article 2423 of the Italian Civil Code, paragraph 4.

The book value of accounts receivable determined in this way is also adjusted, if necessary, by special allowance for doubtful accounts in case of impairment.

SECURITIES

These represent investments in financial instruments that provide the right to receive a definite or determinable cash flow, without providing the right to direct or indirect participation in the management of the issuing institution. Securities are included in fixed assets when they are intended to remain in the company's assets on a long-term

basis. This allocation is determined based on the characteristics of the instrument, the intention of management and the Company's effective ability to hold the securities for an extended period of time.

Securities are recognized when delivery of the securities takes place (settlement date) and are measured using the amortized cost method, where applicable.

The amortized cost criterion is not applied for securities whose cash flows cannot be determined. This criterion is also not applied if the effects would be insignificant pursuant to Article 2423, paragraph 4, of the Italian Civil Code.

When the market value of a security is lower than its book value, or when it is reasonably and justifiably believed that it will no longer be possible to collect the cash flows in full, the associated impairment loss is charged in full to the Income Statement in the year in which it is recognized. If the reasons for the impairment no longer apply, the value of the security is restored in the Income Statement, up to the limits of the amortized cost determined in the absence of the previous impairment.

IMPAIRMENT LOSSES ON FIXED ASSETS

For the purposes of measuring fixed assets, impairment losses are recognized in the Income Statement when the recoverable amount of a fixed asset is less than its carrying amount.

A comparison between the carrying value of a fixed asset and its recoverable value is made only when there are clear indicators that a fixed asset may be impaired.

In the presence of these indicators, the recoverable value of the fixed asset is determined, as of the reporting date, as the greater of:

1. its fair value, which is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market participants on the valuation date;
2. its value in use, defined as the present value of the cash flows expected from the continued use of the same asset.

When an asset does not generate cash flows independently of other fixed assets, the comparison of carrying value and recoverable value is made by reference to the relevant cash generating unit (CGU), which is understood to be

the smallest identifiable group of assets that includes the fixed asset being measured. Any impairment losses recognized on a CGU are allocated first to the value of any goodwill referable to the CGU and then to the other assets that make up the CGU, in proportion to the book value of each.

INVENTORIES

Inventories are carried at the lower of purchase cost, including ancillary or production charges, and realizable value inferable from market trends. Weighted average cost is used to determine purchase cost.

The cost of production of finished goods and contract work in progress includes direct costs (direct raw materials and other materials and direct labor) and indirect costs reasonably attributable to the product (indirect labor, technical salaries, auxiliary and consumable materials, electricity and expenses directly pertaining to production, including ordinary amortization and depreciation).

Advances to suppliers of raw materials, consumables and goods are recorded at nominal value.

Raw materials, semi-finished goods, goods and finished products not found to present future saleability have been appropriately written down in order to take into account the relevant salvage value.

RECEIVABLES AND PAYABLES

Receivables are recognized against rights to collect fixed or determinable amounts of cash from customers or other parties at an identified or identifiable maturity.

Payables are recognized when legal obligations of certain existence and definite nature arise to pay a definite amount at a specified date.

Receivables and payables are measured on an amortized cost basis, taking into account the time factor.

The time factor criterion is not applied if its effects are insignificant pursuant to Article 2423 of the Italian Civil Code, paragraph 4.

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

Assets and liabilities arising from foreign currency transactions are initially recognized at the spot exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are then translated in the balance sheet at the spot exchange rate as of the reporting date, resulting in the recognition of related translation gains/losses in the Income Statement. Exchange rate differences on foreign currency assets and liabilities of a non-monetary nature are not recognized.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recorded at fair value. The change in fair value since initial recognition or the previous year is generally recognized in the Income Statement, in the case of speculative derivatives, in items D)18 d) Revaluation and D)19 d) Impairment of derivative instruments.

When a derivative financial instrument is designated as a hedge of the fair value or cash flows of one or more hedged items, the derivative instrument is accounted for in accordance with the rules for hedging transactions only if:

- the hedging relationship consists only of hedging instruments and eligible hedged items;
- there is a close, documented correlation between the characteristics of the hedging instrument and those of the hedged item;
- the hedging relationship meets the effectiveness requirements in terms of a) the economic relationship between the hedging instrument and the hedged item, b) the significance of credit risk to the fair value of the hedging instrument and the hedged item and c) the hedge ratio between quantity of derivative instruments and quantity of hedged items is equal.

In particular:

1. for fair value hedges, the derivative financial instrument is recognized and measured at fair value in the Income Statement, while the carrying amount of the hedged item is adjusted to reflect the fair value measurement of the hedged risk component;
2. for cash flow hedges, the derivative financial instrument is recognized and measured at fair value in the "reserve for expected cash flow hedges", except for any ineffective components, which are recognized directly in the Income Statement. The amount of the reserve is reclassified to the Income Statement in years when the hedged future cash flows have an effect on net profit.

FINANCIAL ASSETS THAT DO NOT CONSTITUTE FIXED ASSETS

Italian and foreign stocks and bonds are recorded at the lower of purchase cost or, where applicable, amortized cost, and realizable value inferable from market performance.

The realizable value from market performance can be inferred from prices quoted in regulated markets or other market indicators as of the year-end date.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are recorded at their nominal value. Bank account balances reflect all incoming and outgoing movements that have occurred by the balance sheet date and include all payments arranged and all receipts credited to the accounts by the balance sheet date.

Cash balances in foreign currencies are converted at year-end exchange rates.

ACCRUALS AND DEFERRALS

Accrued income and expenses represent portions of income and expenses pertaining to the year and payable in subsequent years.

Prepaid expenses and deferred income represent portions of costs and income incurred during the year but set to accrue in subsequent years.

The amount of accruals and deferrals is determined by apportioning the revenue or cost in order to allocate only the accrued portion to the current year.

For accruals with a duration of several years, the conditions that had resulted in their initial recognition are verified and the appropriate changes adopted, where necessary.

PROVISIONS

These represent certain or probable liabilities of a definite nature but with an undetermined date of occurrence or amount.

In particular:

- provisions for risks represent contingent liabilities related to situations already existing at the balance sheet date, but characterized by a state of uncertainty the outcome of which depends on the occurrence or non-occurrence of one or more future events;
- provisions for charges represent liabilities of a definite nature and certain existence, estimated in amount or date of occurrence, related to obligations already undertaken as of the date of the financial statements, but set to be incurred in the future.

Provisions for pensions and similar obligations are recognized to cover charges of a definite nature and certain existence associated with supplementary social security benefits, other than employee severance indemnity, as well as for any compensation due to employees upon termination of employment.

Following the transposition of the regulations on derivative instruments, introduced by Italian Legislative Decree 139/2015, the balance sheet item "Provisions for derivative financial instruments with negative balances" has been established, accommodating the negative fair value balances of these instruments.

EMPLOYEE SEVERANCE INDEMNITY

Employee severance indemnity has been calculated in accordance with Article 2120 of the Italian Civil Code and recent legislation, taking into account the specificities of contracts and professional categories, and includes annual accruals and revaluations made on the basis of ISTAT coefficients in respect of employees as of the closing date of the financial year, net of advances paid or transfers to other supplementary funds, and is equal to what the company would have had to pay directly to employees in the event of termination of employment on that date.

REVENUES, INCOME, EXPENSES AND CHARGES

These are charged to the Income Statement in accordance with the principles of prudence and accrual basis accounting.

Revenues, income, expenses and charges are recorded net of returns, discounts, rebates and taxes directly related to the sale of products and provision of services. Revenue from product sales is recognized at the time of transfer of ownership, which is normally identified with the delivery or shipment of goods.

Revenue related to the provision of services is recognized when the service is completed.

Revenues, income, expenses and charges that accrue over time are recognized in the Income Statement on an accrual basis.

Revenues, income, costs and expenses related to foreign currency transactions are recorded at the exchange rate prevailing on the date on which the relevant transaction is carried out.

GRANTS

Operating grants made for the purpose of supplementing company revenues or reducing operating costs are accounted for when the right to receive them arises.

Operating grants must be accounted for on an accrual basis, regardless, therefore, of whether they are actually received.

Equipment grants are accounted for on an accrual basis in the year in which the grantor approves the grant and deferred to subsequent years on an accrual basis through the recognition of deferred income.

INCOME TAXES

Income taxes are recorded under "Payables to parent companies" for Italian companies participating in tax consolidation with the Parent Company Angelini Finanziaria S.p.A., but under "Tax payables" for foreign companies or Italian companies not participating in tax consolidation. Tax liabilities are provisioned for on the basis of an analytical calculation of the charge payable for the year, according to the regulations in force in the countries where the consolidated companies operate.

Deferred and prepaid taxes are recognized in the financial statements on temporary differences between the value attributed to assets and liabilities according to statutory criteria and the value attributed to the same assets and liabilities for tax purposes.

Deferred tax assets are recognized, in accordance with prudence, only if there is a reasonable certainty of the existence, in the years in which the related temporary differences will be reversed, of taxable income in excess of the amount of the differences that will be reversed. Deferred tax assets and liabilities are recognized separately in the financial statements by posting them under deferred tax assets and deferred tax liabilities, respectively, with a contra-entry to "Income taxes for the year". Deferred tax assets and deferred tax liabilities are offset if they relate to legally offsettable taxes.



Analysis of line items and related changes

COMMENTARY ON ITEMS OF THE BALANCE SHEET: ASSETS

FIXED ASSETS

INTANGIBLE FIXED ASSETS - 1,426,508 THOUSAND EUROS

The breakdown of individual items, net of amortization for the year of 153,272 thousand euros, is shown in the following table.

<i>(thousands of euros)</i>	NET VALUE CURRENT YEAR	NET VALUE PREVIOUS YEAR	DIFFERENCE
Start-up and expansion costs	377	118	259
Capitalised development costs	43	0	43
Patents and rights	36,887	35,218	1,669
Concessions, licenses, trademarks and similar rights	1,322,753	1,426,758	(104,005)
Goodwill	53,577	26,052	27,525
Intangible fixed assets in progress and down payments	11,760	13,183	(1,423)
Other intangible fixed assets	1,111	784	327
TOTAL	1,426,508	1,502,113	(75,605)

Details of the analysis of changes in historical cost and accumulated amortization are given in the following tables.

HISTORICAL COST (thousands of euros)								
	Opening balance	Increases	Reclassification	Decreases	Other movements	Additions from changes in group structure	Currency translation differences	Ending balance
Start-up and expansion costs - Historical cost	2,289	312	0	0	3	17	0	2,621
Capitalised development costs - Historical cost	14,961	0	51	0	1	0	0	15,013
Patents and rights - Historical cost	189,932	9,563	6,337	(7,542)	(6)	19,087	(51)	217,320
Concessions, licenses, trademarks and similar rights - Historical cost	1,859,668	24,827	731	(1,698)	(12,165)	0	(1,302)	1,870,061
Goodwill - Historical cost	265,103	0	0	0	202	0	696	266,001
Consolidation difference	187,231	0	0	0	0	39,854	0	227,085
Intangible fixed assets in progress and down payments	13,183	5,803	(7,164)	(798)	(120)	875	(19)	11,760
Other intangible fixed assets	1,325	228	237	(152)	(1)	257	9	1,903
TOTAL	2,533,692	40,733	192	(10,190)	(12,086)	60,090	(667)	2,611,764

ACCUMULATED AMORTIZATION (thousands of euros)											
	Opening balance	Amortization/ Depreciation	Reclassification	Decreases	Write-downs	Other changes	Merger	Revaluations	Additions from changes in group structure	Currency translation differences	Ending balance
Start-up and expansion costs - Accumulated amortization	(2,171)	(71)	0	0	0	(1)	0	0	(1)	0	(2,244)
Capitalised development costs - Accumulated amortization	(14,961)	(4)	(4)	0	0	(2)	1	0	0	0	(14,970)
Patents and rights - Accumulated amortization	(154,714)	(20,479)	0	7,384	(1,455)	(1)	0	0	(11,204)	36	(180,433)
Concessions, licenses, trademarks and similar rights - Accumulated amortization	(432,910)	(115,675)	0	1,708	(1,771)	25	0	170	0	1,145	(547,308)
Goodwill - Accumulated amortization	(250,542)	(1,899)	0	0	0	0	0	0	0	227	(252,214)
Accumulated amortization goodwill from consolidation process	(175,740)	(5,289)	0	0	(6,266)	0	0	0	0	0	(187,295)
Other intangible fixed assets	(541)	(354)	4	117	(9)	128	0	0	(141)	4	(792)
TOTAL	(1,031,579)	(143,771)	0	9,209	(9,501)	149	1	170	(11,346)	1,412	(1,185,256)

The increase in intangible fixed assets derives from several investments in licences and trademarks, in particular in the Consumer Goods sector and, for a substantial portion, from the consolidation of the additional 50% of Fameccanica.Data S.p.A. as a result of the acquisition of 100% of the equity investment by Angelini Technologies S.p.A. This operation generated a dual effect: the 50% increase in the balances related to the previous year that had a contribution of 50%, and the recognition of the consolidation difference, for 39,854 thousand euros, generated by the elimination of the share acquired in 2022. The following is an analysis of the most important categories.

INDUSTRIAL PATENT AND INTELLECTUAL PROPERTY RIGHTS – 36,887 THOUSAND EUROS

The item is a significant component for most business sectors. Brief details of the breakdown by business sectors are provided below:

- the Consumer Goods sector for 11,588 thousand euros, regarding operating and complex software user licences and the acquisition of patents, in addition to Trademarks and Designs and Third-Party Fragrances associated with the brand Laura Biagiotti;
- the Industrial Technology sector for 14,312 thousand euros for patents and software licenses, following the revaluation carried out during the previous year;
- the Health business for 4,403 thousand euros relating to software licenses;
- the Holding business for 6,584 thousand euros for licenses and investments in software.

The increases recorded in the year mainly involve the company Angelini Holding S.p.A. with investments for

4,433 thousand euros, in the context of ICT licences intended to provide adequate infrastructure to the Group companies, and the company Angelini Pharma S.p.A., again in user licenses.

The net value of industrial patent and intellectual property rights increased as a result of the further consolidation of Fameccanica.Data S.p.A. and its subsidiaries amounted to 7,883 thousand euros.

CONCESSIONS, LICENSES, TRADEMARKS AND SIMILAR RIGHTS – 1,322,753 THOUSAND EUROS

The item is mainly concentrated in the business segments of Health for 1,282,086 thousand euros and Consumer Goods for 40,514 thousand euros.

The increase recorded in the year mainly refers to the acquisition of several "Trussardi" brands in the sector of dermocosmetics, for an amount equal to 23,250 thousand euros; to this end, the company Greyhound Beauty S.r.l. was established, with 99.9% of its share capital held by the company Angelini Beauty S.p.A.

GOODWILL – 53,577 THOUSAND EUROS

Goodwill includes the consolidation differences generated by the consolidation of equity not allocated to a specific item. As of December 31, 2022, this item amounted to 39,790 thousand euros.

Details of the consolidation differences as of December 31, 2022 are shown below:

DESCRIPTION (thousands of euros)	HISTORICAL COST AT 2021	PROVISION AMORT./DEP. AT 2021	NBV 12/31/2021	INCREASES	IMPAIRMENT 2022	AMORT./ DEP. 2022	HISTORICAL COST AT 2022	PROVISION AMORT./DEP. AT 2022	NBV 12/31/2022
Angelini Wines & Estates (formerly Bertani Domains S.r.l.)	8,386	(8,386)	0	0	0	0	8,386	(8,386)	0
Angelini Wines & Estates (formerly Fazi Battaglia)	1,945	(1,637)	308	0	0	(104)	1,945	(1,741)	204
Angelini Beauty S.p.A.	23,839	(19,730)	4,109	0	0	(2,384)	23,839	(22,114)	1,725
Angelini Consumer S.r.l. (formerly MyFamilyPlace S.r.l. - 70%)	2,111	(422)	1,689	0	(1,478)	(211)	2,111	(2,111)	0
Angelini Consumer S.r.l. (formerly MyFamilyPlace S.r.l. - 30%)	5,984	(598)	5,386	0	(4,788)	(598)	5,984	(5,984)	0
Fameccanica.Data S.p.A.	0	0	0	39,854	0	(1,993)	39,854	(1,993)	37,861
TOTAL	42,265	(30,773)	11,492	39,854	(6,266)	(5,290)	82,119	(42,329)	39,790

The increase over the previous year is due to the consolidation difference generated by the purchase of the remaining 50% of Fameccanica.Data S.p.A. for 39,854 thousand euros, now fully owned by the Angelini Industries Group.

The item also includes goodwill from the allocation of the price paid for the acquisition of the ThermaCare business unit by Angelini Pharma Inc. in fiscal year 2020.

TANGIBLE ASSETS IN PROGRESS AND DOWN PAYMENTS – 11,760 THOUSAND EUROS

Intangible fixed assets in progress mainly refer to investments in licenses and marketing rights made in the Health sector and not yet completed at the end of the fiscal year (8,200 thousand euros), as well as to the progress of ICT projects and licenses to use operating software in the segments of Consumer Goods (2,139 thousand euros) and Holding (995 thousand euros).



TANGIBLE FIXED ASSETS – 420,894 THOUSAND EUROS

The breakdown of individual items, net of depreciation

for the year of 49,658 thousand euros, is shown in the following table:

<i>(thousands of euros)</i>	NET VALUE CURRENT YEAR	NET VALUE PREVIOUS YEAR	DIFFERENCE
Land and buildings	228,864	218,698	10,166
Plant and equipment	135,301	140,599	(5,298)
Other fixtures and fittings, tools and equipment	3,818	4,468	(650)
Other tangible assets	13,207	12,517	690
Tangible fixed assets in progress and down payments	39,704	27,500	12,204
TOTAL	420,894	403,782	17,112

The change in tangible fixed assets compared to the previous year relates to major investments in the Health and Consumer Goods businesses for new production facilities, improvement of existing facilities and modernization of research laboratories. However, it is affected by decreases concentrated in the Group's real estate business due to divestments and reclassifications in the inventory item of current assets for properties already known to have sale agreements.

A more accurate description of the changes during the year for each category of tangible fixed assets is provided below:

HISTORICAL COST (thousands of euros)								
	Opening balance	Increases	Reclassification	Decreases	Other movements	Additions from changes in group structure	Currency translation differences	Ending balance
Land and buildings - Cost	350,657	4,287	7,961	(1,367)	1	16,396	(486)	377,449
Plant and equipment - Cost	457,248	10,207	13,395	(6,311)	(264)	13,257	300	487,832
Other fixtures and fittings, tools and equipment - Cost	41,405	1,138	302	(865)	(140)	1,742	12	43,594
Other tangible assets - Cost	41,079	2,963	1,696	(2,291)	(53)	3,993	(82)	47,305
Tangible fixed assets in progress and down payments	27,500	32,457	(24,123)	(27)	2	3,808	87	39,704
TOTAL	917,889	51,052	(769)	(10,861)	(454)	39,196	(169)	995,884

ACCUMULATED AMORTIZATION/DEPRECIATION (thousands of euros)									
	Opening balance	Amortization/Depreciation	Reclassification	Decreases	Write-downs	Other move-ments	Additions from changes in group structure	Currency translation differences	Ending balance
Land and buildings - Accumulated depreciation	(131,959)	(8,619)	486	494	(1,453)	465	(8,065)	66	(148,585)
Plant and equipment - Accumulated depreciation	(316,649)	(30,988)	(69)	5,816	(1,500)	(8)	(9,357)	224	(352,531)
Other fixtures and fittings, tools and equipment - Accumulated depreciation	(36,937)	(2,477)	2	835	0	395	(1,593)	(1)	(39,776)
Other tangible assets - Accumulated depreciation	(28,562)	(4,621)	(2)	2,232	0	(129)	(3,139)	123	(34,098)
TOTAL	(514,107)	(46,705)	417	9,377	(2,953)	723	(22,154)	412	(574,990)

LAND AND BUILDINGS - 228,864 THOUSAND EUROS

The item Land and buildings is mainly broken down between the Wine activity (77,253 thousand euros), Holding Activity, and specifically Angelini Real Estate S.p.A. (73,809 thousand euros), Consumer Goods (30,866 thousand euros), and Health (29,789 thousand euros). The increases include the investment of the company Angelini Pharma S.p.A. for the renovation of the raw materials warehouse in Ancona and extraordinary maintenance works on laboratories and other plants for a total of 4,936 thousand euros, additional investments by the company Fameccanica.Data S.p.A. for the renovation of the production plant and extraordinary maintenance works on other buildings amounting to 5,483 thousand euros.

PLANT AND EQUIPMENT - 135,301 THOUSAND EUROS

The item is broken down into business segment, specifically: Health for 55,708 thousand euros, Consumer Goods for 61,180 thousand euros, Industrial Technology for 9,837 thousand euros, and Holding Activities for 8,576 thousand euros. Increases in investments in plant and equipment were mainly concentrated in the Consumer Goods, Health, Industrial Technology, and Wine activities. The investments in the Consumer Goods sector concern new production lines at the Campochiaro (CB) and Pescara plants of the joint venture Fater S.p.A. for a total of 5,696 thousand euros. In the Health sector investments amounted to around 8,557 thousand euros for new air conditioning systems and modernization of the research laboratories; investments in the Industrial Technology sector relate to the renovation activity of the plant and the new headquarters of the company Fameccanica.Data S.p.A. for a total of 4,474 thousand euros, and, as for the Wine business, investments were mainly in bottling production lines, for a value of 2,520 thousand euros.

TANGIBLE ASSETS IN PROGRESS AND DOWN PAYMENTS – 39,704 THOUSAND EUROS

Tangible fixed assets in progress are attributable to Health (15,142 thousand euros), Consumer Goods (11,485 thousand euros), Holding Activity (9,819 thousand euros), and Industrial Technology (3,258 thousand euros). Investments in tangible fixed assets within the Angelini Industries Group continued, which, in FY 2022, increased

the tangible fixed assets in progress in the sectors of Consumer Goods for new production plants (2,602 thousand euros), Health for plants and research laboratories (5,013 thousand euros), Holding Activity for property management, in particular for the progress of the third phase of the renovation of the Casa Angelini headquarters (5,139 thousand euros).

FINANCIAL FIXED ASSETS – 345,337 THOUSAND EUROS

The composition of individual items is shown in the following table:

<i>(thousands of euros)</i>	2022	2021	DIFFERENCE
Equity investments in subsidiary companies	18,059	17,857	202
Equity investments in affiliated companies	6,228	188	6,040
Equity investments in other companies	256,012	256,843	(831)
Loans to other entities	11,855	11,522	333
Other investments	5,646	5,537	109
Derivative financial assets	47,537	0	47,537
TOTAL	345,337	291,947	53,390

EQUITY INVESTMENTS – 280,299 THOUSAND EUROS

The composition of equity investments after the elimination of values affected by consolidation is as follows:

<i>(thousands of euros)</i>	2022	2021	DIFFERENCE
Subsidiaries and affiliated	24,287	18,045	6,242
Other entities	256,012	256,843	(831)
TOTAL	280,299	274,888	5,411



Unconsolidated subsidiaries and affiliated – 24,287 thousand euros

All companies established during FY 2022 are consolidated on a line-by-line basis; therefore, no newly established companies are recorded in this item.

The increases in the item are related to equity contributions paid by parent companies during FY 2022 and the reclassification from the item "Equity investments in other companies" for the companies Angelini Lumira Biosciences Ltd. Partnership and Argobio S.a.S.

In particular:

- Angelini Lumira Biosciences Ltd. is a venture capital fund managed by Lumira Ventures and wholly owned by the company, established with the goal of investing in early stage companies in Canada and the United States that are developing pharmaceutical therapies for central nervous system disorders and rare diseases. The overall commitment assumed by the company is equal to 35 million dollars, representing 100% of the shares of the fund, against an overall value of the equity investment at the end of the current year for 4,601 thousand euros, which includes the additional drawdown in 2022 equal to 3,282 thousand euros;
- Argobio S.a.S. is an incubator of European start-ups operating in the life science market. Its objective is to establish and develop at least five ambitious biotech companies over the next five years. The incubator is

focused on therapeutic areas concerning rare diseases, neurological disorders, oncology and immunology, in order to develop promising technology platforms for therapeutic products. The overall commitment assumed by the company amounts to 15,000 thousand euros, against an overall value of the equity investment at the end of the current year for 6,000 thousand euros, which includes an increase of 3,000 thousand euros during 2022.

The decreases refer to the liquidation of the company Angelini Rare Diseases A.G. and the line-by-line consolidation of the company Angelini Ventures S.p.A., which in the previous year was consolidated at cost.

Writedowns in equity investments were recorded, described in the current paragraph, for a total of 4,195 thousand euros, as a result of the losses suffered by the companies; the value adjustments refer to:

- Borgo Tre Rose S.r.l. for 1,074 thousand euros;
- Angelini Hive USA Corp. for 864 thousand euros;
- MyFamilyPlace Shop S.p.A. for 800 thousand euros;
- MadreNatura A.G. for 1,457 thousand euros.

The following table summarises the non-consolidated subsidiaries and associated companies:

NON-CONSOLIDATED SUBSIDIARIES (thousands of euros)	BUSINESS SEGMENT	% OWNERSHIP	12/31/2022	12/31/2021
Angelini Pharmaceuticals Limited Pakistan	Health	100%	133	133
Borgo Tre Rose S.r.l.	Holding Activities	100%	3,226	4,300
Genesis Code	Health	100%	284	284
Angelini Rare Diseases	Health	100%	0	892
Angelini Pharma Nordics	Health	100%	1,941	98
Angelini Pharma France	Health	100%	1,000	1,000
Angelini Pharma UK-I	Health	100%	2,500	1,000
Arvelle Therapeutics Netherlands B.V.	Health	100%	0	0
Angelini Ventures S.p.A. (formerly Angelini Hive S.p.A.)	Holding Activities	100%	0	5,000
Angelini Hive USA Corp.	Health	100%	24	0
Angelini Lumira Biosciences Ltd. Partnership	Health	100%	4,601	0
Teqqo S.r.l.	Industrial Technology	80%	3,050	3,050
MyFamilyPlace Shop S.p.A.	Consumer Goods	60%	1,300	2,100
TOTAL			18,059	17,857

NON-CONSOLIDATED AFFILIATED	BUSINESS SEGMENT	% OWNERSHIP	12/31/2022	12/31/2021
MadreNatura A.G.	Consumer Goods	50%	228	188
Argobio S.a.S.	Health	30%	6,000	0
TOTAL			6,228	188

These equity investments have not been consolidated in compliance with the provisions of Article 28 of Italian Legislative Decree 127/1991 because their inclusion would be immaterial to a true and fair representation of the Group's

financial position, cash flow, and results of operations. The information required by the Civil Code in relation to these companies is also given below:

NON-CONSOLIDATED SUBSIDIARIES (thousands of original currency)								VALUES FROM FINANCIAL STATEMENTS AT DECEMBER 31, 2022	
Company name	Office	Original currency	Share capital in original currency	Shareholders' equity in original currency	Profit (loss) in original currency	% held	Book value (euros)		
Angelini Pharmaceuticals (Private) Limited	Pakistan	PKR	546,955	n.a.	n.a.	100%	133		
Borgo Tre Rose S.r.l.	Italy	EUR	90	510	(232)	100%	3,226		
Genesis Code	Greece	EUR	n.a.	n.a.	n.a.	100%	284		
Angelini Pharma Nordics	Sweden	SEK	1,000	21,681	1,681	100%	1,941		
Angelini Pharma France	France	EUR	1,000	(1,246)	(2,168)	100%	1,000		
Angelini Pharma UK-I	United Kingdom	GBP	852	618	(1,486)	100%	2,500		
Angelini Hive USA Corp.	USA	USD	1,000	26	(847)	100%	24		
Angelini Lumira Biosciences Ltd. Partnership	USA	USD	4,875	3,682	(771)	100%	4,601		
Teqgo S.r.l.	Italy	EUR	1,000	1,641	(116)	80%	3,050		
MyFamilyPlace Shop S.p.A.	Italy	EUR	3,500	2,158	(1,339)	60%	1,300		
Argobio S.a.S.	France	EUR	19,960	13,550	(4,743)	50%	6,000		
MadreNatura A.G.	Switzerland	EUR	91	376	(3,659)	50%	228		

Other businesses - 256,012 thousand euros

The value of the equity investments in other companies is mainly formed of the financial investments of Angelini Holding S.p.A., Angelini Ventures S.p.A., and Angelini Investments S.r.l.

The following tables summarize the changes in the financial investments of the two companies:

Angelini Holding S.p.A.

(thousands of euros)

IN OTHER COMPANIES	% ownership	PREVIOUS YEAR SITUATION		CHANGES DURING THE YEAR					CURRENT YEAR SITUATION		
		Cost	Value adjustments	Increases	Decreases	Revaluation	Write-downs	Use of provision	Ending balance	% ownership	
d-bis) other companies											
Flagship I		8,469	0	285	(11)	0	0	0	8,744	3.51%	
Flagship IV Ventures Fund		0	0	0	0	0	0	0	0	4.19%	
Flagship V Ventures Fund		0	0	0	0	0	0	0	0	2.85%	
Tages Emerging Fund I		10,498	(42)	0	(1,642)	266	0	0	9,081	n.a.	
Tages Credit Opportunities Feeder Class I		5,000	(134)	0	(4,859)	0	(2)	0	5	n.a.	
Springrowth S.G.R.		5,000	0	0	(300)	0	0	0	4,700	n.a.	
Oberon		7,523	0	0	(2,004)	0	0	0	5,518	n.a.	
Consorzio "Identitas Vini"		1	0	0	0	0	0	0	1	n.a.	
FF Investments		319	0	0	0	0	0	0	319	n.a.	
ZOO 5		0	0	2,000	0	0	0	0	2,000	n.a.	
TOTAL		36,810	(175)	2,285	(8,816)	266	(2)	0	30,368		

The increases deriving from the investments made during the year by the company Angelini Holding S.p.A. include the following:

- **Investment in the investment fund ZOO 5**
In December 2022, the company Angelini Holding S.p.A. finalized the investment for a value of 2,000 thousand euros in the fund ZOO 5.

According to the most recent financial information available as of the date of preparation of these financial statements, there are no indicators of impairment of the investments held and described above.

Angelini Ventures S.p.A.

(thousands of euros)

IN OTHER COMPANIES	PREVIOUS YEAR SITUATION		CHANGES DURING THE YEAR						CURRENT YEAR SITUATION	
	Cost	Value adjustments	Increases	Decreases	Reclassifications/ increases from mergers	Revaluation	Write-downs	Use of provision	Ending balance	% ownership
Pretzel Therapeutics Inc.	0	0	0	0	3,962	0	0	0	3,962	7.33%
Lumira Ventures IV L.P.	0	0	212	0	1,066	0	0	0	1,278	11.64%
Extend S.r.l.	0	0	171	0	0	0	0	0	171	16.50%
Serenis Health S.r.l.	0	0	1,000	0	0	0	0	0	1,000	3.93%
TOTAL	0	0	1,384	0	5,028	0	0	0	6,412	

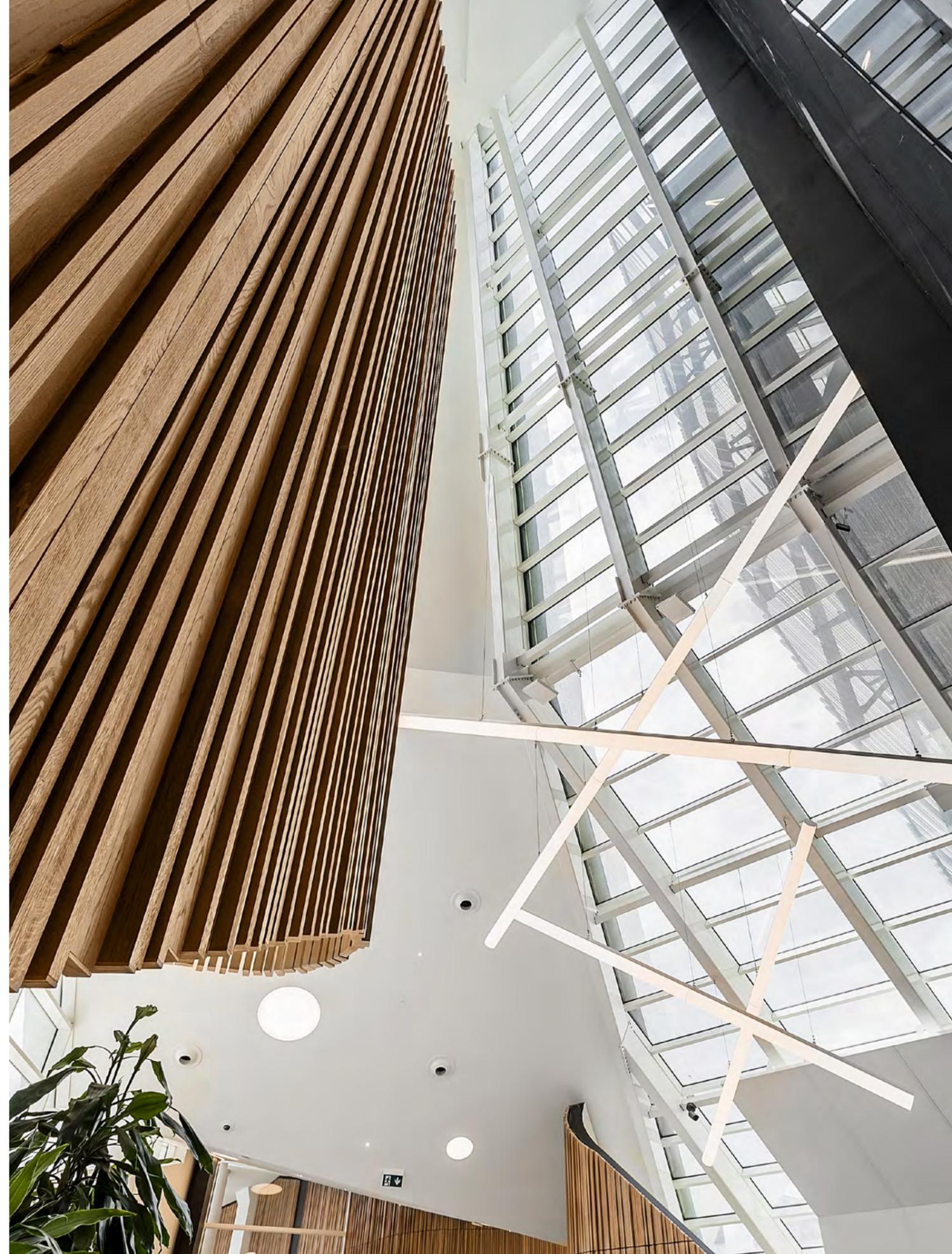
The increases deriving from the venture capital investments made by Angelini Ventures S.p.A. are summarized below:

- **Investment in the Pretzel Therapeutics Inc. Group**
Pretzel Therapeutics Inc. is a group active in the research of therapies for mitochondrial diseases. The overall value of the equity investment at December 31, 2022 is 3,962 thousand euros and includes the increase carried out during the year equal to 2,640 thousand euros.
- **Investment in the Lumira Ventures IV L.P. fund**
Lumira Ventures IV L.P. is a venture capital fund operating in North America. It invests in companies that develop innovative solutions for healthcare. The overall commitment assumed by the company amounts to 5 million dollars, against an overall value of the equity investment recognized in the financial statements at December 31, 2022 for 1,278 thousand euros, including the additional drawdown during the current year equivalent to 296 thousand euros.
- **Investment in the company Extend S.r.l.**
On October 12, 2022 an investment agreement was signed between Angelini Ventures S.p.A. and Extend S.r.l., a company established by CDP Venture Capital SGR S.p.A. and Evotec International G.m.b.H. to operate as a technology transfer hub in the field of life science (specifically in the sector of biotechnologies, in par-

ticular drug discovery), availing itself of collaborations with hospitals, universities and research centers. At December 31, 2022 the value of the equity investment stood at 171 thousand euros, equal to 16.50% of the capital of the subsidiary.

- **Investment in the company Serenis Health S.r.l.**
On October 26, 2022 an investment agreed was signed between Angelini Ventures S.p.A. and Serenis Health S.r.l., a company dedicated to the development and marketing of a high-tech-value software solution, intended to provide psychology, psychotherapy and psychiatry services. The company took part in the capital increase approved by Serenis Health S.r.l., for a total of 2,775 thousand euros, for a subscription amounting to 1,000 thousand euros.
- **Increase in the investment in Lumira Ventures IV L.P.**
In September 2022 an additional drawdown was made into the fund Lumira Ventures IV L.P. for an amount of 212 thousand euros.

According to the most recent financial information available as of the date of preparation of these financial statements and additional evidence of the positive trend of the start-up phase of the investee companies, there are no indicators of impairment of the investments held and described above.



Angelini Investments S.r.l.*(thousands of euros)*

IN OTHER COMPANIES	12/31/2021		CHANGES DURING THE YEAR						12/31/2022	
	Cost	Value adjustments	Increases	Decreases	Reclassification	Revaluation	Write-downs	Use of provision	Ending balance	% ownership
Opera Participation 2	1,437	(1,387)	0	0	0	0	0	0	50	20.55%
GS Distressed Opportunities III	479	(370)	0	(2)	0	0	0	0	107	0.35%
Mediobanca	39,850	0	0	0	0	0	0	0	39,850	0.46%
UniCredit	34,226	(9,056)	0	0	0	0	0	0	25,170	0.06%
Tamburi Investments Partners	52,360	0	0	0	0	0	0	0	52,360	10.60%
Sator S.p.A.	2,800	(1,800)	0	0	0	0	0	0	1,000	1.10%
Sator Private Equity Fund a L.P.	4,315	0	0	0	0	0	(1,407)	0	2,908	2.00%
Pegaso Transportation Investment	6,133	0	0	0	0	0	0	0	6,133	20.10%
Gamma Luxembourg 2	4	0	0	0	0	0	0	0	4	2.70%
Trilantic Capital Partners V	6,111	0	401	0	0	0	0	0	6,512	3.43%
BE S.p.A.	1,955	0	0	(1,955)	0	0	0	0	0	0.00%
Asset Italia S.p.A.	21,746	0	0	0	0	0	0	0	21,746	6.36%
Talent Garden S.p.A.	1,000	0	0	0	0	0	0	0	1,000	1.73%
Bluegem III	5,977	0	0	(1,275)	0	0	0	0	4,702	2.94%
Digital Magics 2020	496	0	0	0	0	0	0	0	496	0.94%
Mahrberg Alternative Invest Fund	9,000	0	0	(9,000)	0	0	0	0	0	0.00%
Banca del Fucino	5,000	0	0	0	0	0	0	0	5,000	2.62%
Itaca Holding S.p.A.	125	0	608	0	0	0	0	0	733	0.75%
EQT IX	7,047	0	845	0	0	0	0	0	7,892	0.08%

IN OTHER COMPANIES	12/31/2021		CHANGES DURING THE YEAR						12/31/2022	
	Cost	Value adjustments	Increases	Decreases	Reclassification	Revaluation	Write-downs	Use of provision	Ending balance	% ownership
Prysmian	23,643	0	0	0	0	0	0	0	23,643	0.38%
Revo S.p.A.	2,000	0	0	0	0	0	0	0	2,000	9.09%
Be Cause S.p.A.	150	0	300	0	0	0	0	0	450	3.64%
Mediobanca Blackrock	503	0	0	0	0	0	0	0	503	0.89%
Mediobanca Blackrock Project 2	0	0	1,191	0	0	0	0	0	1,191	0.93%
Trilantic VI	0	0	3,024	0	0	0	0	0	3,024	1.25%
Eljovy Global	0	0	9,164	0	0	0	0	0	9,164	100.00%
Project Q	0	0	500	0	0	0	0	0	500	3.33%
Mediobanca Blackrock Project 3	0	0	362	0	0	0	0	0	362	1.16%
Energy Transiction	0	0	2,009	0	0	0	0	0	2,009	4.28%
Mediobanca Blackrock Project 4	0	0	559	0	0	0	0	0	559	0.87%
Ogyre_ClubDeal Fiduciaria	0	0	50	0	0	0	0	0	50	n.a.
Get Pica_ClubDeal Fiduciaria	0	0	50	0	0	0	0	0	50	n.a.
TOTAL	226,356	(12,614)	19,062	(12,231)	0	0	(1,407)	0	219,166	

The increases during the year recorded in the portfolio of Angelini Investments S.r.l. refer to new investments subscribed during the year and to the increases in the investments already finalized at the end of the previous year. In particular, the following transactions bear noting:

- **Investment in the fund Eljovi Global Arbitrage**
In April 2022, the company finalized the investment in the hedge fund Eljovi Global Arbitrage for an overall value of 9,164 thousand euros.
- **Investment in the fund Trilantic Europe VI S.C.S.p.**
During FY 2022 a new investment for 3,024 thousand euros was made in the fund Trilantic Europe VI S.C.S.p., against an overall commitment for 10 million euros.
- **Investment in the fund Energy Transition Investments**
In October 2022, the company subscribed to a new investment in the fund Energy Transition Investments for an amount of 2,009 thousand euros, against an overall commitment equal to 10 million euros.
- **Investment in the fund Mediobanca Blackrock Project 2**
On February 24, 2022, the company finalized the investment in the fund Mediobanca Blackrock, joining the Project 2 through a subscription of 1,191 thousand euros.
- **Increase in the investment in the fund EQT IX**
During the year the company made additional draw-downs in the fund EQT IX for an overall value of 845 thousand euros.

Decreases during the year may refer to capital repayments made by companies and investment funds in which the Company had previously subscribed equity investments, partial or total divestments made during the year, and write-downs made to adjust the carrying value of financial investments shown in the financial statements when there are indicators of impairment.

Among the decreases recorded, the following movements are particularly noteworthy:

- **Sale of the equity investment in the Mahrberg Alternative Investment Fund**
In April 2022, the company sold its stake in the Mahrberg Alternative Investment Fund equal to 9,000 thousand euros, achieving a capital gain of 164 thousand euros.
- **Sale of the equity investment in BE S.p.A.**
In FY 2022 the company sold the equity investment in BE S.p.A., posted to the financial statements for 1,955 thousand euros, collecting an amount of 14,024 thousand euros, thus achieving a capital gain of 12,069 thousand euros.
- **Decrease in the equity investment in the fund Bluegem III**
During the year, the fund Bluegem III reimbursed the company a capital share of its equity investment for an amount equal to 2,201 thousand euros, which, net of the additional drawdowns made by the company for 926 thousand euros, led to the decrease in the equity investment for 1,274 thousand euros.

Impairment losses exclusively refer to the equity investment in the Sator Private Equity Fund for a value equal to 1,407 thousand euros. In particular, the company deemed it appropriate to align the value of the investment with the recoverable value of its stake, equal to 2%, inferable from the Liquidation Plan issued by the fund. Lastly, with reference to other financial investments, no impairment is noted.

The following table contains a comparison of the cost values of investments in listed companies, the market values at the end of the current year, and the corresponding values determined on the basis of the share of interest in the book equity:

EQUITY INVESTMENT	NO. SHARES	TOTAL SHARES	MARKET PRICE AS OF 12/31/2022 (euro units)	% OWNERSHIP	UNIT VALUE OF EQUITY INVESTMENT (euro units)		TOTAL VALUE OF EQUITY INVESTMENT (euro units)	
					Cost	Equity	Cost	Equity
Mediobanca	4,000,000	849,225,969	8.98	0.47%	9.96	11.28	39,850,385	45,133,733
UniCredit	1,324,714	1,940,777,908	13.27	0.07%	19	33.47	25,169,569	44,337,300
TIP S.p.A.	19,537,137	184,379,301	7.31	10.60%	2.68	6.35	52,359,994	124,065,276
Prysmian S.p.A.	899,985	268,144,246	34.66	0.34%	26.27	14.25	23,642,606	12,821,400
Digital Magics	135,200	11,003,677	3.29	1.23%	3.67	2.32	496,184	313,251
Revo S.p.A.	220,000	25,329,985	8.66	0.87%	9.09	8.57	2,000,000	1,884,698

Mediobanca S.p.A.

Its interim report at December 31, 2022 shows how Mediobanca S.p.A. closed the first half of the 2022-2023 period with a net profit and growing revenues for 5.6% and 13.6% respectively, which leave the Group on track for the target of the 2023 Plan. From the point of view of Angelini Investments S.r.l., the unit value per share calculated on the basis of the percentage interest in the investee's book equity is 11.28 euros as of December 31, 2022, confirming that it is above cost levels. In the twelve months of FY 2022, the market valuation of the stock experienced fluctuations mainly due to the uncertainties that characterized the financial markets following the Russia/Ukraine conflict. Nevertheless, at the end of the current year, the stock price had not shifted significantly from the unit value of the equity investment posted in the financial statements and shows no indicator of impairment of the stock, taking account of the good operating performance in 2022 of the Mediobanca Group and its foreseeable evolution in the upcoming year; in early 2023, the stock recorded a price increase, reaching the maximum value of 10.41 euros per share.

UniCredit S.p.A.

The UniCredit Group closed FY 2022 with a record performance following the achievement of revenues for 18.4 billion euros, up by 13% compared to the previous year, and a net profit of 5.2 billion, up by 48% compared to FY 2021. The performance of the listing on the Italian stock market in 2022 was influenced by the outbreak of the war in Ukraine, albeit without recording significant impairment at the end of the year; furthermore, thanks to the excellent results achieved by the Group, in FY 2023 the stock has reached a price of around 19 euros per share, in line with the unit valuation of the equity investment shown in the financial statements of the company, and close to the target value of the 2022-2024 Strategic Plan of the UniCredit Group, equal to 20 euros per share. Lastly, considering that the unit value per share calculated on the basis of the percentage interest in the investee's book equity is 32.73 euros as of December 31, 2022, there is no indicator of impairment.

TIP S.p.A.

TIP is an investment and merchant bank and is listed on the STAR segment of the Italian Stock Exchange. TIP carries out minority equity investment activities as an active shareholder in listed and unlisted companies capable of expressing and representing excellence.

Thanks to its management and illuminated governance, the Company has made significant increases in the value of the investments it has made overtime, consequently increasing the value for its shareholders, which include Angelini Investments S.r.l.

In support of this assertion, it is sufficient to observe the continuous increase over the years in the market value of the investment, which has more than doubled compared to the initial cost, while obviously not expressed in financial statements prepared according to accounting standards.

Turning to performances of its investee companies during the year, special mention should be made of the results achieved by IPGH S.p.A., parent company of the Interpump Group, ITH S.p.A., parent company of the Sesa Group, OVS S.p.A., Roche Bobois S.A., Beta Utensili S.p.A., and BE S.p.A., despite having dealt with the negative effects of the trend in the costs of raw materials, transport, and energy.

On the basis of these considerations, no indicator of impairment of the investment has been identified.

Prysmian S.p.A.

Prysmian S.p.A. operates in the business of land and submarine cables and systems for power transmission and distribution, special cables for applications in various industries and medium- and low-voltage cables in construction and infrastructure. For telecommunications, the Prysmian Group manufactures cables and accessories for voice, video and data transmission, with a complete offering of fiber optic, optical and copper cables and connectivity systems. It has a strong presence in technologically advanced markets and offers a wide range of products, services, technologies and know-how.

According to the most recent financial information available as of the date of preparation of these financial statements, Prysmian S.p.A. reported consolidated revenues of more than 12 billion euros in the first nine months of 2022, up by 30% compared to the previous period, and a consolidated net profit of 435 million euros, up by over

69% compared to the 257 million euros in the same period of 2021.

The share price on the Italian stock market recorded an increase in value of around 7% in 2022, despite the fluctuations experienced following the outbreak of the war in Ukraine.

On the basis of these considerations, no indicator of impairment of the investment has been identified.

Digital Magics

Digital Magics, listed on AIM Italy, is a business incubator that supports start-ups and innovative SMEs in the tech world with investments and services to enhance and accelerate digital business, with eight offices in Italy and one in London. Digital Magics has more than 60 holdings in its portfolio in start-ups and digital spin-offs with high growth rates. The 2021-2025 Business Plan aims to expand the portfolio of holdings to more than 200 start-ups, with a target value of more than 100 million euros by 2025, which, compared to the current valuation prepared by management of an estimated equity value of 50 million euros, represents a 100% increase.

According to the most recent financial information available as of the date of preparation of these financial statements, more activities were carried out in the first half of 2022 than envisaged in the Plan, generating over a 70% increase in revenues. Considering the growth prospects drawn from the aforementioned Business Plan and considering the performance on the stock exchange of the shares, which as of December 31, 2022 were substantially in line with the book value of the investment shown in the financial statements, there are no indicators of impairment of the investment.

Revo S.p.A.

Revo is a special-purpose acquisition company established to create a major insurance operator in the field of specialty lines and parametric risks, mainly dedicated to SMEs.

Company performance in the first half of 2022 was characterized by the preparation, presentation and launch by the company of its Strategic Plan in the context of the business combination with Elba Compagnia di Assicurazione e Riassicurazione S.p.A., which provides for the further development of the existing activity of the subsidiary

company and the expansion of the offer, with the launch of new business lines focussed on speciality and parametric risks.

In view of the successful completion of the business combination and the positive outlook for 2023, there are no indicators of impairment of the investment.

CURRENT ASSETS

INVENTORIES – 361,253 THOUSAND EUROS

The composition of the item is shown in the following table:

<i>(thousands of euros)</i>	2022	2021	DIFFERENCE
Raw materials and consumables	130,420	78,075	52,345
Work in progress and components	33,254	28,463	4,791
Contracts in progress	32,963	24,091	8,872
Finished products and goods for resale	159,634	156,048	3,586
Down payments	4,982	2,225	2,757
TOTAL	361,253	288,902	72,351

The item is represented by the inventory pertaining to the Health sector for 52%, to the Consumer Goods sector for 29%, to the Industrial Technology sector for 19%. The remainder is attributable to the real estate activity of the Holding business.

The level of inventory increased in all business segments, also notably influenced by the increases in the prices of certain raw materials used in the production cycles. In the Health segment, the increase in inventory (+19,529 thousand euros) is also due to an increase in demand for flu-prevention products, typical of the winter season, and in relation to the activity of perfumes and dermocosmetics (+5,779 thousand euros) and wine (+3,056 thousand euros), which recorded strong demand from the market in the Christmas period; in the Industrial Technology segment, the increase was 32,869 thousand euros.

The change seen in the Industrial Technology business segment was also affected by the different consolidation percentage in the two years being compared. Net of this effect, the effective difference in inventories decreased by 1,239 thousand euros.

At the end of the current year, the item is shown in the financial statements net of a bad debt provision for -27,434 thousand euros (-13,695 thousand euros at December 31, 2021).

RECEIVABLES – 630,311 THOUSAND EUROS

The composition is shown below:

<i>(thousands of euros)</i>	2022	2021	DIFFERENCE
Trade receivables	411,696	330,506	81,190
Amount owned by Group companies	51,224	73,092	(21,868)
Tax receivables	52,601	55,084	(2,483)
Deferred tax assets	68,766	69,165	(399)
Other receivables	46,024	31,617	14,407
TOTAL	630,311	559,464	70,847

Receivables are stated net of a bad debt provision of -9,608 thousand euros, changes in which are shown below:

<i>(thousands of euros)</i>	PROVISION FOR DOUBTFUL ACCOUNTS						Ending balance
	Opening balance	Increases	Decreases	Other movements	Additions from changes in Group structure	Currency translation differences	
Trade receivables within 1 year Provision for doubtful accounts	(10,045)	(1,334)	2,524	(27)	(748)	22	(9,608)
TOTAL	(10,045)	(1,334)	2,524	(27)	(748)	22	(9,608)

The Health business is the main contributor to the item Trade receivables at 68%, the Consumer Goods business at 19% and the Industrial Technology business at 13%.

The increase in trade receivables of 81,190 thousand euros is mainly attributable to the Health business for 49,109 thousand euros, the Industrial Technology business for 28,484 thousand euros, and Consumer Goods for 3,628 thousand euros.

While it is true that the increase in the Health and Consumer Goods business segments derives substantially from the increase in revenues achieved in the year, compared to the previous one, the change recorded in the Industrial Technology business was also affected by the different consolidation percentage in the two years being compared. Net of this effect, the effective increase in trade receivables is equal to 5,178 thousand euros, also attributable to an increase in revenues.

Receivables from Group companies refer in part to receivables from Angelini Finanziaria for tax consolidation and Group VAT in the amount of 31,669 thousand euros, while the remainder refers to receivables from subsidiaries and affiliated that are not eliminated by virtue of the consolidation of the latter using a method other than line-by-line consolidation. A loan granted to the company Arvelle Therapeutics Netherlands B.V. by its parent company Arvelle Therapeutics B.V. merged in 2022 into the company Angelini Pharma S.p.A. presented a balance of 10,026 thousand euros at December 31, 2022.

RECEIVABLES WITH A TERM OF MORE THAN 5 YEARS

There are no receivables with a residual term of more than 5 years, nor are there any receivables secured by corporate assets as collateral.

FINANCIAL ASSETS THAT DO NOT CONSTITUTE FIXED ASSETS – 825,162 THOUSAND EUROS

This item refers to investments in money market financial instruments, investment funds and insurance policies used for active management of the Group's treasury, as well as the balance of centralized treasury current accounts that Angelini Holding S.p.A. holds with other Group companies not included in the scope of consolidation. The significant change compared to the previous year should be attributed to the operations carried out during the year, which determined a net increase in the value of the securities in the portfolio for 126,109 thousand euros compared to the previous year.

CASH AND CASH EQUIVALENTS – 458,609 THOUSAND EUROS

Cash and cash equivalents are mostly concentrated in Angelini Holding S.p.A. for 316,702 thousand euros due to the centralized treasury management carried out through cash pooling with most subsidiaries.

The decrease in cash and cash equivalents, mainly concentrated in the company Angelini Holding S.p.A., holder of the cash pooling arrangement with the Group companies, was substantially determined by the distribution during the year of dividends of 60 million euros to the sole shareholder Angelini Finanziaria S.p.A.

PREPAID EXPENSES AND ACCRUED INCOME – 11,459 THOUSAND EUROS

The item mainly refers to accrued interest on bonds, loans/mortgages, insurance policies and multi-year maintenance contracts.

LIABILITIES

EQUITY – 2,989,015 THOUSAND EUROS

As of December 31, 2022, the capital of Angelini Holding S.p.A., amounting to 3,000 thousand euros, was fully subscribed and paid up.

The amounts recorded in share capital, share premium reserve, legal reserve, extraordinary reserve, miscellaneous reserves and merger surplus reserve are values recorded in the separate financial statements of the Parent Company, Angelini Holding S.p.A.

The change in the translation reserve arises from the conversion of financial statements expressed in foreign currencies into euros. Changes in and breakdown of consolidated equity are shown below:

EQUITY (thousands of euros)	Opening balance	Allocation of last year net profit	Perimeter changes	Currency translation differences	Distribution of dividends to the shareholder	Net profit	Other movements	Ending balance
Subscribed capital	3,000	0	0	0	0	0	0	3,000
Share premium account	458,698	0	0	0	0	0	0	458,698
Revaluation reserve ex L. 126/2020	802,431	0	0	0	0	0	0	802,431
Legal reserve	601	0	0	0	0	0	0	601
Extraordinary reserve	78,789	0	0	0	0	0	0	78,789
Other reserves	27,221	0	0	0	0	0	0	27,221
Consolidation reserve	62,098	0	4,750	0	0	0	0	66,848
Currency translation reserve	(55,093)	0	0	2,350	0	0	0	(52,743)
Surplus merger reserves	1,682,547	0	0	0	0	0	0	1,682,547
Cash flow hedge reserve	3,481	0	(11)	0	0	0	32,663	36,133
Retained earnings	(238,245)	96,666	(100)	0	(60,000)	0	7,102	(194,577)
Group profits (losses) for the financial period	96,666	(96,666)	0	0	0	80,046	0	80,046
TOTAL GROUP EQUITY	2,922,194	0	4,639	2,350	(60,000)	80,046	39,765	2,988,994
Third party capital and reserve	0	0	0	0	0	0	21	21
Third party profit (loss) for the financial period	0	0	0	0	0	0	0	0
TOTAL THIRD- PARTY CAPITAL AND RESERVE	0	0	0	0	0	0	21	21
TOTAL EQUITY	2,922,194	0	4,639	2,350	(60,000)	80,046	39,786	2,989,015

The changes in Group Equity are due to the profit for the period of 80,046 thousand euros, the effects caused by the change in consolidation of the company Fameccanica.Data S.p.A. and its subsidiaries and of Angelini Ventures S.p.A., and accounting adjustments that generated an increase in retained earnings.

During 2022, dividends were approved and paid to the shareholder Angelini Finanziaria S.p.A. for 60,000 thousand euros.

Furthermore, in 2022, there was a significant change in the cash flow hedge reserve generated by the mark-to-market valuation of hedging derivative financial instruments, in particular to hedge the interest rate risk on the bank loan taken out during 2022.

The portion of Third party capital and reserve should be attributed to the equity investment in Greyhound S.p.A. for 0.1% by a shareholder outside of the Angelini Industries Group.

PROVISIONS FOR RISKS AND CHARGES – 82,473 THOUSAND EUROS

The item is composed as follows:

(thousands of euros)	2022	2021	DIFFERENCE
Provisions for pensions and similar obligations	2,695	2,094	601
Provisions for taxation	18,140	6,718	11,422
Derivative financial liabilities	4,858	9,302	(4,444)
Other provisions for risks	56,780	50,171	6,609
TOTAL	82,473	68,285	14,188

(thousands of euros)	Opening balance	Amounts provided for risk provisions and other accruals	Use of provision	Additions from changes in Group structure	Currency translation differences	Other movements	Ending balance
Provisions for pensions and similar obligations	2,094	932	(220)	0	(69)	(42)	2,695
Provisions for taxation	6,718	15,575	(2,886)	1	(45)	(1,223)	18,140
Derivative financial liabilities	9,302	4,858	(9,316)	14	0	0	4,858
Other provisions Goods returned	4,025	1,206	(1,037)	0	2	(126)	4,070
Other provisions Discount coupon	7,516	1,777	(3,656)	0	0	(1,649)	3,988
Other provisions Contest with prizes	0	0	0	0	0	0	0
Other provisions Building reorganization	(132)	0	0	0	0	132	0
Other provisions Future charges	20,472	17,216	(7,706)	395	69	(4,786)	25,660
Other provisions Early retirement incentives	5,025	2,671	(2,761)	0	0	(410)	4,525
Other provisions Litigation with employees	557	356	(490)	0	65	(132)	356
Other provisions Environmental risks	211	0	0	0	0	(4)	207
Other provisions Other risks	12,497	7,650	(4,456)	4,195	(9)	(1,903)	17,974
TOTAL	68,285	52,241	(32,528)	4,605	13	(10,143)	82,473

PROVISIONS FOR TAXATION – 18,140 THOUSAND EUROS

The balance includes potential liabilities deriving from tax disputes for 231 thousand euros and the provision for deferred tax for 17,909 thousand euros.

For the comment on the Provision for deferred taxes, see the section related to income taxes for the period.

OTHER PROVISIONS – 56,780 THOUSAND EUROS

These provisions reflect allocations made to meet future charges related to anticipated obligations, reorganization of corporate structure and various risks.

The item is mainly concentrated in the Health business for 30,237 thousand euros, which makes up 54% of the item, in the Consumer Goods business for 10,019 thousand euros, or 16%, in the Industrial Technology business for 10,208 thousand euros, or 18%, and in the Holding Activities sector for 6,316 thousand euros, 11%.

Other provisions mainly contain accruals for the following risks or charges:

- in the Health business they mainly refer to returns of goods, obligations to settle pharmaceutical expenditures (payback) and exit incentives;
- in the Consumer Goods business, they consist mainly of provisions for discount vouchers and prize contests;
- in Industrial Technology they refer mainly to charges for warranty and installation of already delivered machinery; during the current year a provision was recognized for reorganization of the internal structure for 2,300 thousand euros;
- in the Holding Activities segment there is a provision of 6,000 thousand euros for bonuses to be paid with parameters of targets to be achieved on a three-year basis.

EMPLOYEE SEVERANCE INDEMNITY – 20,256 THOUSAND EUROS

The provision for severance indemnity represents the amount set aside by the subsidiaries for their employees as a result of the application of labor contracts; it refers to personnel employed in Italy.

EMPLOYEE SEVERANCE INDEMNITY

(thousands of euros)

Opening balance	17,425
Amounts provided for risk provisions and other accruals	14,494
Use of provision	(10,934)
Other movements	(2,869)
Additions from changes in Group structure	2,139
Currency translation differences	1
Disposal from changes in Group structure	0
ENDING BALANCE	20,256

The Health business is the main contribution to the item at 41%, the Consumer Goods business at 35%, the Industrial Technology business at 22%, and the remainder in the Holding Activities.

PAYABLES – 1,382,598 THOUSAND EUROS

The composition is shown below:

(thousands of euros)	2022	2021	DIFFERENCE
Payables to banks within 1 year	89,120	50,497	38,623
Payables to banks over 1 year	604,890	551,178	53,712
Down payments	60,205	27,037	33,168
Trade payables to suppliers	437,238	395,511	41,727
Debts represented by bills of exchange	9	0	9
Payables to Group companies	25,958	84,982	(59,024)
Tax payables	34,815	43,614	(8,799)
Payables to social security institutions	23,475	19,649	3,826
Other payables	106,888	87,158	19,730
TOTAL	1,382,598	1,259,626	122,972

Amounts due to banks mainly refer to:

- the loan taken out by the company Angelini Holding S.p.A. on April 14, 2022 for an overall amount of 1 billion euros. Specifically, the loan is formed of two lines of credit:
 1. one secured line of credit named Credit Line 1, for a total amount of 600,000 thousand euros;
 2. one secured line of credit named Credit Line 2, for an amount of 400,000 thousand euros.

Credit Line 1 was used to equip the subsidiary Angelini Pharma S.p.A. with the necessary resources for the full repayment of the loan for 500,000 thousand euros, taken out by the latter on July 27, 2020. The remaining liquidity of the first line of credit, together with the total

of Credit Line 2, will be used by the company to fund the requirements relating to the current activity and ordinary and extraordinary investments. At the end of the current year, the company utilized only one of the two lines of credit granted by the lending banks, equal to 600,000 thousand euros; this debt, in accordance with the amortized cost method, has been shown in the financial statements net of the transaction costs incurred for its stipulation, which amount to 4,550 thousand euros;

- the loan taken out by Angelini Investments S.r.l. (formerly Angelini Partecipazioni finanziarie S.r.l.) of 50,000 thousand euros and already present in previous years;
- loans received from Fater S.p.A. totaling 45,197 thousand euros.

Payables to Group companies mainly refer to payables to the Parent Company Angelini Finanziaria S.p.A. for an overall amount of 23,431 thousand euros, for income tax transfers under the tax consolidation agreement and for Group VAT; the remainder refers to payables to Group companies that are consolidated using a method other than line-by-line consolidation.

The increase in accounts payable is mainly attributable to companies in the Health, Consumer Goods and Industrial Technology businesses, with 56% of the composition of the item attributable to the Health business, 31% to Consumer Goods, and 10% to Industrial Technology.

Taxes payable refer mainly to withholding taxes on salaries and compensation and include the substitute tax for the revaluation of the Tachipirina and Moment trademarks carried out in 2020 by Angelini Pharma S.p.A. in the amount of 8,200 thousand euros.

Finally, Other payables mainly include liabilities to employees for accrued compensation of approximately 62,048 thousand euros, compensation payable to directors and auditors of approximately 3,301 thousand euros, payables for the settlement of healthcare expenses ("payback") of an additional 15,068 thousand euros and miscellaneous payables such as fees to be reimbursed to customers.

PAYABLES DUE BEYOND 5 YEARS

Payables with a residual term of more than 5 years include loans contracted by Angelini Investments S.r.l. and Angelini Holding S.p.A. of 50 million euros and 600 million euros respectively, the first maturing in 2027 and the second maturing in 2028. There are no payables secured by corporate assets as collateral.

DEFERRED INCOME AND ACCRUED EXPENSES – 5,191 THOUSAND EUROS

The item mainly refers to down payments against sub-license agreements and regional grants.



COMMENTARY ON INCOME STATEMENT ITEMS

VALUE OF PRODUCTION – 2,053,620 THOUSAND EUROS

The item is composed as follows:

VALUE OF PRODUCTION (thousands of euros)	12/31/2022	12/31/2021	DIFFERENCE
Revenues from sales and services	1,998,039	1,725,224	272,815
Variations in stocks of finished and semifinished goods and work in progress goods	10,788	(3,339)	14,127
Variation in contracts in progress	(14,673)	(1,181)	(13,492)
Work performed for own purposes and capitalised	872	633	239
Other revenues and income	58,594	64,969	(6,375)
TOTAL	2,053,620	1,786,306	267,314

REVENUES FROM SALES AND SERVICES – 1,998,039 THOUSAND EUROS

Revenues from sales and services are broken down by the different businesses as follows: the Health business contributes 59%, Consumer Goods 32%, and Industrial

Technology 9%.

The breakdown of Revenues from sales and services by business segment and the composition by geographical area are shown below:

REVENUES BY BUSINESS AREA (thousands of euros)	12/31/2022	12/31/2021	DIFFERENCE
Health	1,179,370	998,749	180,621
Consumer Goods	634,510	618,852	15,658
Industrial Technology	177,487	100,950	76,537
Holding Activities	6,672	6,673	(1)
TOTAL	1,998,039	1,725,224	272,815

REVENUES BY GEOGRAPHIC AREA (thousands of euros)	2022	2021	DIFFERENCE
Italy	1,073,696	996,911	76,785
Europe	738,380	619,809	118,571
Rest of the world	185,963	108,504	77,459
TOTAL	1,998,039	1,725,224	272,815

The Group's revenues increased by a total of 272,815 thousand euros during the year.

The most significant revenue growth was recorded in the Health sector, with a positive difference of 180,621 thousand euros due to an increase in both Prescription Medicine, mainly linked to the excellent sales results of Tachipirina, and in Consumer Healthcare, driven by the healthy performance of cold and flu products marketed on international markets.

The Consumer Goods segment also performed extremely well, with particular reference to perfume sales (+17,580 thousand euros), hygiene products (+29,441 thousand euros), and wine (+4,254 thousand euros).

In relation to the Industrial Technology segment, the difference in revenues from sales was affected by the different percentage of consolidation in the two years being compared; net of this effect, sales recorded an increase of 15,717 thousand euros.

This item also includes revenues from Group companies consolidated by the proportional method or recorded at cost in the total amount of 3,617 thousand euros, and revenues from the Parent Company Angelini Finanziaria S.p.A. for 1,506 thousand euros.

OTHER REVENUES AND INCOME – 58,594 THOUSAND EUROS

Other revenues and income is 43% attributable to the Health business, 44% to the Consumer Goods business, 11% to the Industrial Technology business, and 2% to Holding Activities.

Other revenues mainly refer to:

- operating grants of 9,183 thousand euros;
- capital gains on sales of intangible and tangible assets amounting to 2,496 thousand euros;
- income from chargebacks to customers amounting to 4,557 thousand euros;

- release to the Income Statement of provisions deemed excessive compared to actual risk assessments in the amount of 15,510 thousand euros;
- income from previous years in the amount of 3,327 thousand euros; and
- royalties amounting to 1,184 thousand euros.

PRODUCTION COSTS – 2,014,349 THOUSAND EUROS

Details of the item are given below:

PRODUCTION COST (thousands of euros)	12/31/2022	12/31/2021	DIFFERENCE
For raw materials, consumables and goods for sale	693,290	549,465	143,825
Purchases for services	645,797	591,007	54,790
Purchases for use of assets owned by others	49,942	45,003	4,939
Staff costs	396,911	370,992	25,919
Depreciation, amortization and write-downs	202,107	179,148	22,959
Variations in stock of raw materials, consumables and goods for resale	(37,430)	(851)	(36,579)
Amounts provided for risk provisions and other accruals	13,361	12,695	666
Other operating charges	50,371	37,393	12,978
TOTAL	2,014,349	1,784,852	229,497

The Health business contributed 55% to consolidated production costs, Consumer Goods 32%, Industrial Technology 8%, and Holding Activities 5%.

COSTS FOR RAW MATERIALS, CONSUMABLES AND GOODS FOR SALE – 693,290 THOUSAND EUROS

Costs for raw materials, consumables and goods for sale increased compared to FY 2021, in all business segments. This change is largely attributable to higher sales recorded in the year, partly due to rising prices of raw materials, mainly in the Consumer Goods segment.

COSTS FOR SERVICES – 645,797 THOUSAND EUROS

The increase compared to the previous year, equal to 54,790 thousand euros, is generated by the increase in costs in all businesses.

The Health business rose by 25,749 thousand euros, mainly due to higher variable costs, such as advertising and transport, linked to the increase in turnover. The Industrial Technology business rose by 10,986 thousand euros, also due to the change in the percentage of consolidation. Consumer Goods showed a difference of 10,356 thousand euros, attributable to the rise in energy costs and promotional activities in support of higher sales.

A significant difference was also recorded in the Holding Activities for 7,699 thousand euros, explained by an increase in the compensation of directors, institutional advertising expenses incurred linked to the rebranding, and higher costs for maintenance and services linked to the centralized management of ICT services.

PERSONNEL COSTS – 396,911 THOUSAND EUROS

Personnel costs increased by 25,919 thousand euros from the previous year.

The different percentage of consolidation of the Industrial Technology business almost entirely justifies its change, equal to 15,637 thousand euros. The increase in Holding Activities, equal to 6,871 thousand euros, is attributable to the personnel incentive policy linked to three-year targets. The Consumer Goods business also showed a positive difference of 2,514 thousand euros, mainly explained by contractual increases.

As of December 31, 2022, the number of employees of Angelini Industries Group is as follows:

EMPLOYEES	12/31/2022	12/31/2021
Managers	419	425
Executives	847	787
Clerks	2,529	2,312
Workers	1,052	967
TOTAL EMPLOYEES	4,847	4,491

OTHER OPERATING EXPENSES – 50,371 THOUSAND EUROS

The item refers mostly to the Health business, which contributed 38,932 thousand euros.

On the whole, the charges included in this item are related to the repayment of healthcare expenses ("payback") of

24,142 thousand euros, indirect taxes of 6,847 thousand euros, gifts to third parties of 4,606 thousand euros, registration and renewal charges for trademarks of 2,122 thousand euros and miscellaneous charges for the remainder.

FINANCIAL INCOME AND EXPENSES – 61,479 THOUSAND EUROS

FINANCIAL INCOMES AND CHARGES <i>(thousands of euros)</i>	12/31/2022	12/31/2021	DIFFERENCE
Financial incomes	78,682	159,992	(81,310)
Financial charges	16,238	6,915	9,323
(Gain)/Loss foreign exchange	965	(6,378)	7,343
TOTAL	61,479	159,455	(97,976)

Financial income and expenses are mainly the result of the investment of the Group's cash and thus refer to the Holding Activities business.

Financial income, which showed a balance of 78,682 thousand euros, is mainly formed of 30,568 thousand euros posted to the company Angelini Holding S.p.A. and 19,786 thousand euros posted to the company Angelini Invest-

ments S.r.l., both referring to income on equity investments and financial activities; on the other hand, 26,446 thousand euros are posted to the company Angelini Pharma S.p.A. and mainly refer to the mark to market on the IRS of the loan that expired at the start of the year.

VALUE ADJUSTMENTS TO FINANCIAL ASSETS – (9,034) THOUSAND EUROS

VALUE ADJUSTMENTS RELATED TO FINANCIAL ASSETS <i>(thousands of euros)</i>	12/31/2022	12/31/2021	DIFFERENCE
Revaluation of equity investments	266	175	91
Revaluation of non-permanent investments which are not equity investments	3	160	(157)
Revaluation of derivatives	10,816	12,430	(1,614)
Devaluation of equity investments	(5,823)	(11,397)	5,574
Write-downs of other permanent investments which are not equity investments	(31)	0	(31)
Revaluation of non-permanent investments which are not equity investments	(2,741)	(15,782)	13,041
Devaluation of derivatives	(11,524)	(20,863)	9,339
TOTAL	(9,034)	(35,277)	26,243

Net negative value adjustments to financial assets refer almost exclusively to Angelini Holding S.p.A., Angelini Investments S.r.l. and Angelini Pharma S.p.A., particularly with regard to the year-end measurement of securities held as current assets (-2,741 thousand euros) and the impairment of the historical cost of the equity investment held in Sator Private Equity Fund by Angelini Investments S.r.l. by 1,407 thousand euros.

The equity investment in the company Madre Natura A.G., held by Angelini Holding S.p.A., consolidated using the equity method, was also written down for 1,457 thousand euros, as were equity investments in subsidiary companies not consolidated for a total of 2,738 thousand euros.

INCOME TAX FOR THE YEAR AND DEFERRED TAX ASSETS AND LIABILITIES – 11,670 THOUSAND EUROS

The item consists of current tax charges of 10,964 thousand euros, taxes referring to previous years of -3,075 thousand euros and deferred tax liabilities/assets of 3,781 thousand euros.

The 10,964 thousand euros in current taxes refers to 4,564 thousand euros in corporate income taxes and 6,400 thousand euros in taxes on production activities.

A reconciliation between theoretical tax rate and effective tax rate is also given below.

NOMINAL TAX RATE UNDER CURRENT LEGISLATION	28.50%
Income from dividends and capital gains on equity investments	(0.53)%
Expenses not deductible for IRAP purposes only	(2.82)%
Non-deductible charges	7.33%
Cumulative effect of rates applied by consolidated companies	(4.14)%
Deferred tax assets not allocated in previous years	(15.86)%
Unallocated taxes on tax losses	0.78%
Tax effect on revalued assets	7.63%
Non-deductible write-downs of equity investments	1.24%
Amortization of consolidation difference	1.49%
Taxes related to previous years	4.47%
Tax relief	(15.36)%
TOTAL DIFFERENCES	(15.77)%
EFFECTIVE CONSOLIDATED TAX RATE	12.73%

OTHER INFORMATION

INFORMATION ON THE FAIR VALUE OF FINANCIAL INSTRUMENTS

As described above on several occasions, Group companies use derivative financial instruments mainly to hedge the risk of exchange rate fluctuations for financial assets in foreign currencies and for future business transactions in countries where the Group operates with currencies other than the euro.

As required by Article 2427-bis of the Italian Civil Code, the following is information on the fair value of financial instruments used by the Group regardless of the measure-

ment criterion adopted in preparing the financial statements.

The method of recognizing changes in the fair value of derivatives is dependent on their designation as a hedging instrument and, where applicable, on the hedged item. Derivative financial instruments are designated as such only when they meet the requirements described in the "Measurement Criteria" section, whether they hedge changes in cash flows, hedge changes in the fair value of an asset or liability or are held for speculative purposes. The following is information on derivative financial instruments outstanding as of December 31, 2022, broken down by type, accounting policy, and nature of the instrument with any indication of the risk being hedged.

Interest rate risk

HEDGING INSTRUMENT	Asset/Liability hedged	Current/ Non-current	Derivative asset/ liability	12/31/2022		12/31/2021	
				Fair value (figures in thousands of euros)	Notional (figures in thousands of euros)	Fair value (figures in thousands of euros)	Notional (figures in thousands of euros)
Hedging derivatives cash flows:							
Interest rate swap	Bank loan	Non-current	Liabilities	0	0	(77)	20,000
Interest rate swap	Bank loan	Non-current	Assets	6	1,250	(14)	12,500
Interest rate swap	Bank loan	Non-current	Assets	6,656	50,000	(422)	50,000
Interest rate swap	Bank loan	Non-current	Assets	0	0	5,092	500,000
Interest rate swap	Bank loan	Current	Assets	40,880	600,000	0	0
				47,542	651,250	4,580	582,500

Exchange risk

HEDGING INSTRUMENT	Asset/Liability hedged	Current/ Non-current	Derivative asset/ liability	12/31/2022		12/31/2021	
				Fair value (figures in thousands of euros)	Notional (figures in thousands of euros)	Fair value (figures in thousands of euros)	Notional (figures in thousands of euros)
Hedging derivatives fair value:							
USD forward contracts	Financial assets in USD	Non-current	Liabilities	(7)	22,991	44	24,338
Derivatives with unproven hedging relationship:							
PLN forward contracts	Future sales	Current	Liabilities	(753)	79,136	34	100,170
CZK forward contracts	Future sales	Current	Liabilities	(444)	366,796	(411)	313,233
RON forward contracts	Future sales	Current	Liabilities	(184)	56,941	(60)	51,334
USD forward contracts	Future purchases	Current	Liabilities	(3,469)	48,174	526	24,997
USD forward contracts	Future sales	Current	Assets	229	3,500	(71)	3,300
HUF forward contracts	Future sales	Current	Liabilities	0	0	39	1,088,080
JPY forward contracts	Future purchases	Current	Assets	82	299,250	0	0
				(4,546)		101	

Speculative transactions in derivatives

NON-HEDGING INSTRUMENT	Asset/Liability hedged	Current/ Non-current	Derivative asset/ liability	12/31/2022		12/31/2021	
				Fair value (figures in thousands of euros)	Notional (figures in thousands of euros)	Fair value (figures in thousands of euros)	Notional (figures in thousands of euros)
USD forward contracts	Currency forward contract	Current	Assets	1,290	20,000		
Options	Sale of call options	Current	Liabilities	0	0	(8,209)	22,357
				1,290	20,000	(8,209)	22,357

Forward contracts were entered into by the companies to hedge changes in the fair value of financial investments and commercial transactions in foreign currencies related to fluctuations in exchange rates. The term of these forward contracts is one year, and the contracts are renewed from year to year on the basis of the face value in the currency of the underlying investment.

Swap contracts have been entered into to hedge changes in cash flows inherent in floating-rate bank loans. These

derivative instruments have been considered hedges because of the perfect coincidence between the contractual terms of the derivative instrument and those of the hedged liability. The related changes in fair value have therefore been recognized in the appropriate equity reserve. In relation to these instruments, the following table summarizes the change in the "Reserve for expected cash flow hedging transactions" during the year.

Breakdown of cash flow hedge reserve

Opening value	3,481
Period changes	0
Increase due to change in fair value	47,542
Decrease due to change in fair value	(3,481)
Release to Income Statement	0
Release to adjust assets/liabilities	0
Deferred tax effect	(11,409)
CLOSING VALUE	36,133

Derivative financial instruments entered into by the Company are not traded in regulated markets. Therefore, in the absence of market input, their fair values as of the balance sheet date have been determined by discounting

the future cash flows from the instruments, estimated on the basis of their contractual characteristics and market forecasts for exchange rate and interest rate trends provided by leading external information providers.

SUBSIDIES, GRANTS AND ECONOMIC ADVANTAGES (LAW NO. 124 OF AUGUST 4, 2017 – ARTICLE 1, PARAGRAPHS 125-129)

As of the end of the fiscal year, Group companies had collected the grants shown in the tables presented below:

Beneficiary Angelini Wines & Estates Società Agricola a r.l.

Disbursing entity	Sum collected in thousands of euros	Collection date	Cause/Project ref.
AGEA	65	01/21/2022	Operating grant aimed at supporting income from farm crops under the Common Agricultural Policy (CAP) calculated on the basis of the arable land held by the farm application ref. no. 10265407022
AGEA	7	02/16/2022	Reg. EC 1305/2013 PSR Marche 2014-2020 - Measure 11 - Sub-measure 11.1.A - Application year 2021 ID 14241058354 Support application barcode ID 74240635347
AGEA	109	02/16/2022	Application for payment for access to the benefits of the National Rural Development Program 2014-2020, Measure 17 - Risk management - Sub-measure 17.1 Crop, animal and plant insurance. Public notice setting out provisions for the concession of support published in OJ no. 57 of March 9, 2018. Plant crops
State	11	03/17/2022	Use of Tax Credit for new operating assets Article 1, c. 1051 to 1063, Budget Law 2020
AGEA	1,435	06/22/2022	The Scent of Wine, campaign funded pursuant to Reg. (EU) 1149/2016 and Reg. (EU) 1150/2016 of the European Commission and Ministerial Decree 3893 of April 4, 2019. National Agreement 2 2021/2022. Participation through temporary consortium. Amount provided total company share + share with third parties
ENAPRA	9	07/21/2022	Operating grant aimed at supporting personnel training projects ref. Notice For. Agri Avv. 1/2020
State	2	11/16/2022	Use of tax credits for upgrading work environments and sanitizing and purchasing protective equipment, Article 32 of Decree Law 73 of May 25, 2021
AGEA	14	12/01/2022	REG. EC 1305/2013 PSR Marche 2014-2020 - Measure 11 - Sub-measure 11.1.A - Application year 2022 ID 24240695080
State	34	12/16/2022	Use of Tax Credit for new operating assets Article 1, c. 1051 to 1063, Budget Law 2021
AGEA	3	12/23/2022	REG. EC 1305/2013 PSR Marche 2014-2020 - Measure 11 - Sub-measure 11.1.A - Application year 2022 ID 24240695080
	1,690		

Beneficiary Fater S.p.A.

	Beneficiary	Granting authority	Sum collected (proportional amounts and in thousands of euros)	Collection date	Cause/ref. Project
1	Fater S.p.A. 01323030690	GSE S.p.A. - 05754381001	1	01/31/2022	Contributions for incentive tariffs Grin_000428 Compensation period 11/21
2	Fater S.p.A. 01323030691	GSE S.p.A. - 05754381001	256	02/28/2022	Contributions for incentive tariffs Grin_000428 Compensation period 12/21
3	Fater S.p.A. 01323030692	GSE S.p.A. - 05754381001	11	03/31/2022	Contributions for incentive tariffs Grin_000428 Compensation period 01/22
4	Fater S.p.A. 01323030700	GSE S.p.A. - 05754381001	32	11/30/2022	Contributions for incentive tariffs Grin_000428 Compensation period 09/22
5	Fater S.p.A. 01323030701	GSE S.p.A. - 05754381001	31	12/30/2022	Contributions for incentive tariffs Grin_000428 Compensation period 10/22
6	Fater S.p.A. 01323030701	Banca del Mezzogiorno - Mediocredito Centrale	293	03/28/2022	Sustainable Growth Fund Contribution - Smart Factory Ministerial Decree March 5, 2018 - Project No. 27, CUP B82C21000770005, SAL No. 1
7	Fater S.p.A. 01323030701	Banca del Mezzogiorno - Mediocredito Centrale	132	07/25/2022	Sustainable Growth Fund Contribution - Smart Factory Ministerial Decree March 5, 2018 - Project No. 27, CUP B82C21000770005, SAL No. 2
8	Fater S.p.A. 01323030701	Banco di Sardegna - Mediocredito Centrale	17	12/30/2022	Sustainable Growth Fund Contribution - Horizon 2020 PON Notice - Project No. 357, CUP B28117000240008, MORPHE
9	Fater S.p.A. 01323030690	Fondimpresa - 97278470584	1	07/13/2022	Plan ID 305168
10	Fater S.p.A. 01323030690	Fondimpresa - 97278470584	12	09/20/2022	Plan ID 290360
11	Fater S.p.A. 01323030690	Fondimpresa - 97278470584	5	06/21/2022	Plan ID 289530
12	Fater S.p.A. 01323030690	Fondimpresa - 97278470584	5	12/12/2022	Plan ID 288537
13	Fater S.p.A. 01323030690	Fondimpresa - 97278470584	37	10/11/2022	Plan ID 278700
14	Fater S.p.A. 01323030690	Fondirigenti - 97141810586	2	07/15/2022	FDIR 29934
15	Fater S.p.A. 01323030690	Fondirigenti - 97141810586	6	12/06/2022	FDIR 30093
TOTAL ECONOMIC ADVANTAGES			840		

COMPENSATION DUE TO BOARD OF DIRECTORS, STATUTORY AUDITORS AND INDEPENDENT AUDITORS

BOARD OF DIRECTORS' AND AUDITORS' FEES (thousands of euros)	12/31/2022	12/31/2021	DIFFERENCE
Board of Directors' fees	9,750	5,762	3,988
Statutory auditors' fees	70	70	0
Independent auditors' fees	130	128	2
TOTAL	9,950	5,960	3,990

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

AGREEMENT BETWEEN ANGELINI PHARMA S.P.A. AND JCR PHARMACEUTICALS

On May 11, 2023 Angelini Pharma S.p.A. and JCR Pharmaceuticals announced that they had signed an exclusive international development and marketing agreement for the development of new biological therapies for the treatment

of epilepsy, capable of penetrating the blood-brain barrier. This technology - called J-Brain Cargo® - makes it possible to transport biotherapies into the central nervous system using a mechanism called receptor-mediated transcytosis. After the preclinical development phase, Angelini Pharma S.p.A. will have an exclusive licence to put forward the therapeutic pharmaceuticals identified in the context of the collaboration for clinical development and marketing outside of Japan.

These consolidated financial statements, consisting of the Balance Sheet, Income Statement, Statement of Cash Flows and Explanatory Notes to the Financial Statements, give a true and fair view of the financial position and results of operations for the year and correspond to the results in the accounting records and to the information received from the companies making up the Angelini Industries Group.

Rome, May 29, 2023

ANGELINI HOLDING S.p.A.
for THE BOARD OF DIRECTORS

(Vice Chairman and CEO)
Sergio Marullo di Condojanni

Sergio Marullo di Condojanni



Annex A - Angelini Holding S.p.A. scope of consolidation as of 12/31/2022

BUSINESS SEGMENT	COMPANY	CONTROLLED BY	% OWNERSHIP		CONSOLIDATION METHOD	
			12/31/2022	12/31/2021	12/31/2022	12/31/2021
Holding Activities	Angelini Holding S.p.A.	Group Holding Company				
Holding Activities	Angelini Investments S.r.l.	Angelini Holding S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Holding Activities	Angelini Real Estate S.p.A.	Angelini Holding S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Holding Activities	Borgo Tre Rose S.r.l.	Angelini Real Estate S.p.A.	100.00%	100.00%	Cost	Cost
Holding Activities	Naberoca XXI S.L. Sociedad Unipersonal	Angelini Real Estate S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma S.p.A.	Angelini Holding S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharmaceuticals (Private) Limited	Angelini Holding S.p.A.	100.00%	100.00%	Cost	Cost
Health	Angelini Ventures S.p.A. (formerly Angelini Hive S.p.A.)	Angelini Holding S.p.A.	100.00%	100.00%	Line-by-line	Cost
Health	Angelini Pharmaceuticals Romania S.r.l.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Inc.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma España S.L.U.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Hellas S.A.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Österreich G.m.b.H.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Česká Republika s.r.o.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Polska Sp. z o.o.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Bulgaria E.O.O.D.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Ilac San. Ve. Tic. A.S.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma RUS L.L.C.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line

BUSINESS SEGMENT	COMPANY	CONTROLLED BY	% OWNERSHIP		CONSOLIDATION METHOD	
			12/31/2022	12/31/2021	12/31/2022	12/31/2021
Health	Angelini Pharma Deutschland G.m.b.H.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Rare Diseases A.G.	Angelini Pharma S.p.A.	N/A	100.00%	Company liquidated	Cost
Health	Angelini Pharma Ventures S.p.A.	Angelini Pharma S.p.A.	N/A	100.00%	Company merged	Line-by-line
Health	Arvelle Therapeutics B.V.	Angelini Pharma S.p.A.	N/A	100.00%	Company merged	Line-by-line
Health	Angelini Pharma France S.a.S.	Angelini Pharma S.p.A.	100.00%	100.00%	Cost	Cost
Health	Angelini Pharma UK-I Limited	Angelini Pharma S.p.A.	100.00%	100.00%	Cost	Cost
Health	Angelini Pharma Nordics A.B.	Angelini Pharma S.p.A.	100.00%	100.00%	Cost	Cost
Health	Arvelle Therapeutics International G.m.b.H.	Arvelle Therapeutics B.V.	N/A	100.00%	Company merged	Line-by-line
Health	Arvelle Therapeutics Inc.	Arvelle Therapeutics B.V.	N/A	100.00%	Company liquidated	Cost
Health	Arvelle Therapeutics Netherlands B.V.	Arvelle Therapeutics B.V.	N/A	100.00%	N/A	Cost
Health	Arvelle Therapeutics Netherlands B.V.	Angelini Pharma S.p.A.	100.00%	N/A	Cost	N/A
Health	Angelini Pharma Portugal Unipessoal Lda.	Angelini Pharma España S.L.U.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Hive USA Corp.	Angelini Ventures S.p.A.	100.00%	100.00%	Cost	Cost
Health	Angelini Lumira Biosciences	Angelini Ventures S.p.A.	100.00%	100.00%	Cost	Cost
Health	Argobio	Angelini Ventures S.p.A.	30.00%	30.00%	Cost	Cost
Health	Angelmed S.A.	Angelini Pharma Portugal Unipessoal Lda.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Genesis Code S.A.	Angelini Pharma Hellas S.A.	75.00%	75.00%	Cost	Cost

BUSINESS SEGMENT	COMPANY	CONTROLLED BY	% OWNERSHIP		CONSOLIDATION METHOD	
			12/31/2022	12/31/2021	12/31/2022	12/31/2021
			Health	Angelini Pharma Magyarország K.f.t.	Angelini Pharma Österreich G.m.b.H.	100.00%
Health	Angelini Pharma Slovenská Republika s.r.o.	Angelini Pharma Österreich G.m.b.H.	100.00%	100.00%	Line-by-line	Line-by-line
Consumer Goods	Italia S.r.l.	Angelini Holding S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Consumer Goods	Angelini Wines & Estates Società Agricola a r.l.	Angelini Holding S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Consumer Goods	Angelini Beauty S.p.A.	Angelini Holding S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Consumer Goods	Angelini Consumer S.r.l. (formerly MyFamilyPlace S.r.l.)	Angelini Holding S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Consumer Goods	MadreNatura A.G.	Angelini Holding S.p.A.	50.00%	50.00%	Equity	Equity
Consumer Goods	Angelini Beauty S.A.	Angelini Beauty S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Consumer Goods	Angelini Beauty G.m.b.H.	Angelini Beauty S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Consumer Goods	Angelini Consumer S.r.l. (formerly MyFamilyPlace S.r.l.)	Angelini Holding S.p.A.	100.00%	N/A	Line-by-line	N/A
Consumer Goods	Angelini Consumer S.r.l. (formerly MyFamilyPlace S.r.l.)	Angelini Consumer S.r.l.	N/A	100.00%	Company merged	Line-by-line
Consumer Goods	MyFamilyPlace Shop S.r.l.	Angelini Consumer S.r.l. (formerly MyFamilyPlace S.r.l.)	60.00%	60.00%	Cost	Cost
Consumer Goods	Fater S.p.A.	Angelini Holding S.p.A.	50.00%	50.00%	Prop.	Prop.
Consumer Goods	Fater Portugal Unipessoal Lda.	Fater S.p.A.	100.00%	100.00%	Prop.	Prop.
Consumer Goods	Fater Central Europe S.r.l.	Fater S.p.A.	100.00%	100.00%	Prop.	Prop.
Consumer Goods	Fater Eastern Europe o.o.o.	Fater S.p.A.	100.00%	100.00%	Prop.	Prop.

BUSINESS SEGMENT	COMPANY	CONTROLLED BY	% OWNERSHIP		CONSOLIDATION METHOD	
			12/31/2022	12/31/2021	12/31/2022	12/31/2021
			Consumer Goods	Fater Temizlik Ürünleri Limited Şirketi	Fater S.p.A.	100.00%
Industrial Technology	Angelini Technologies S.p.A.	Angelini Holding S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Industrial Technology	Teqqo S.r.l.	Angelini Holding S.p.A.	80.00%	80.00%	Cost	Cost
Industrial Technology	Fameccanica.Data S.p.A.	Angelini Technologies S.p.A.	100.00%	N/A	Line-by-line	N/A
Industrial Technology	Fameccanica.Data S.p.A.	Fater S.p.A.	N/A	100.00%	N/A	Prop.
Industrial Technology	Fameccanica Machinery (Shanghai) Co. Ltd.	Fameccanica.Data S.r.l.	100.00%	100.00%	Line-by-line	Prop.
Industrial Technology	Fameccanica North America Inc.	Fameccanica.Data S.r.l.	100.00%	100.00%	Line-by-line	Prop.

Annex "B" - Reconciliation between the equity and the profit of Angelini Holding S.p.A. and consolidated equity and profit

	12/31/2022		12/31/2021	
	EQUITY	NET PROFIT	EQUITY	NET PROFIT
<i>(thousands of euros)</i>				
ANNUAL FINANCIAL STATEMENTS OF ANGELINI HOLDING S.P.A.	2,515,320	(8,757)	2,553,007	94,814
Shareholders' equity and period result of the consolidated companies	2,892,003	203,298	2,793,388	119,838
Derecognition of the value of consolidated equity investments	(1,394,037)		(1,322,212)	
Effects of consolidation differences	(116,787)	(2,727)	(133,378)	(24,988)
SUB-TOTAL CONSOLIDATION DIFFERENCE	1,381,179	200,571	1,337,798	94,850
<i>Effect of consolidation difference</i>				
<i>Adjustments</i>				
Derecognition of margins	(28,142)	(6,418)	(21,713)	2,067
<i>Derecognition of intragroup transactions</i>				
Dividends	13,159	(156,925)	0	(102,688)
Capital gains	(1,035,025)	(59,045)	(975,980)	1,070
<i>Other consolidation entries</i>				
Impairment/Revaluation of equity investments	146,943	108,663	38,303	4,328
Other entries	(12,962)	2,232	(15,764)	2,588
Tax effect	6,489	(401)	4,539	(584)
Amortization/Depreciation	2,054	126	2,009	221
CONSOLIDATED FINANCIAL STATEMENTS OF ANGELINI HOLDING S.P.A.	2,989,015	80,046	2,922,199	96,666



04. Independent Auditor's Report



Angelini Holding S.p.A.

Consolidated financial statements as at December 31, 2022

Independent auditor's report in pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010



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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the sole shareholder of
Angelini Holding S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Angelini Holding Group (the Group), which comprise the balance sheet as at December 31, 2022, the income statement and statement of cash flows for the year then ended, and explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the Italian regulations governing financial statements.

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 Angelini Holding S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the Italian regulations governing financial statements, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Angelini Holding S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing 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

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Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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;
- we have obtained 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;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' 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 financial statements or, if such disclosures are inadequate, to consider this matter in forming 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;
- we have evaluated 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;
- we have obtained 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 have communicated 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.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Angelini Holding S.p.A. are responsible for the preparation of the Report on Operations of Group Angelini Holding as at December 31, 2022, including its consistency with the related consolidated financial statements and its compliance with the applicable laws and regulations.



We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations, with the consolidated financial statements of Angelini Holding Group as at December 31, 2022 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of Angelini Holding Group as at December 31, 2022 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Rome, June 13, 2023

EY S.p.A.
Signed by: Marco Mignani, Auditor

This report has been translated into the English language solely for the convenience of international readers.

ANGELINI HOLDING S.p.A.

a single-shareholder company

Viale Amelia no. 70 - Rome - Italy

Share capital Euro 3,000,000 fully paid-in

Tax Code/Reg. no. with Rome Companies Register 00459650586

Rome Economic and Administrative Index (REA) no. 48408

Annual Report 2022

Angelini Industries

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Independent auditors:

EY S.p.A.

Design and layout:

Inarea Identity and Design Network S.r.l.





Angelini
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