Angelini Industries

Industry of **Care**

_ Annual Report 2024 _

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_ Annual
Report
2024 _

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LETTER FROM THE CEO

2024 was a year of consolidation and transformation for Angelini Industries. In a complex macroeconomic and geopolitical context, the Group demonstrated resilience and growth potential, confirming the strength of its industrial vision and its commitment to sustainable long-term development.

In line with the progressive internationalization of our activities, we completed the transition to International Financial Reporting Standards (IFRS), aiming to ensure greater transparency and comparability of performance. The representation required by the new standards, however, does not allow for proportional consolidation based on the ownership share in the Fater joint venture, as was the case under the previous accounting standards. Consolidated revenues amount, thus, to 1.6 billion euros, while EBITDA stands at 238 million euros, which would rise to over 320 million if Fater were consolidated proportionally to its ownership share. These figures demonstrate, however, how the Group continues on its growth path, setting records year on year and strengthening its credibility with investors and global partners.

Over the past five years, we have pursued an extensive internal evolution program focused on improving governance, streamlining decision-making processes and integrating information systems. We have also strengthened relationships throughout the value chain, consolidating a more effective and resilient operating model.

The 2024 results offer a clear representation of this: alongside a steady growth in revenues (+3%), the margin indicators show very significant progressions: +17% for EBITDA, +43% for EBIT and +30% for net income, which reaches 156 million euros.

Angelini Pharma, in particular, recorded an EBITDA margin of 25%, further improving on the excellent performance of the previous year. The Company consolidates its leadership in Brain Health while also maintaining a solid presence in Consumer Healthcare. In 2024, an exclusive option agreement was signed with Cureverse, for the global development and commercialization, except for some Asian countries, of a substance intended for the treatment of brain disorders such as epilepsy and neurodegenerative diseases. Additionally, in May 2025, a strategic agreement was signed with Grin Therapeutics, aimed at the development and commercialization – outside North America – of a new molecule for rare genetic epilepsy and pediatric neurodevelopmental disorders. Projects that reflect our vision of responsible innovation, centered on patients' needs.

Pharmaceuticals is thus confirmed as one of the two pillars of the Group's growth strategy. We aim to strengthen our commitment in the areas of the central nervous system, expanding access to effective therapies for complex diseases that still often lack adequate solutions. Alongside the development of innovative molecules, we continue to enhance the portfolio of established products, in a logic of continuity and industrial consistency.

Sergio Marullo di Condojanni
CEO

The second strategic axis is represented by Industrial Technology, an area in which we expect sustained organic growth. We operate in this sector through Angelini Technologies – Fameccanica, which in 2025 will celebrate its 50th anniversary since its founding. A Company that, throughout its history, has achieved numerous firsts and helped redefine industry standards. Thanks to the acquisition of 100% of the capital by the Group in 2022, Fameccanica is now preparing for a significant evolution, with a dimensional leap of which the 2024 results already offer initial evidence. On the one hand, we are confirming our commitment to innovation and operational excellence in the Converting sector, a historic area of leadership for the Company; on the other, we are expanding our offerings toward Robotics and Automation, with the aim of positioning ourselves in an increasingly integrated and competitive way within the most dynamic segments of Industrial Technology.

Complementing our growth model is Angelini Ventures, the corporate venture capital fund with 300 million euros in assets, focused on the biotech and digital health sectors. In just two years, the fund has established itself as a recognized international player, able to attract talent, generate high-value deals, and integrate into advanced research ecosystems. Notable investments this year include the one in Nouscom, an Italian-Swiss startup developing cancer vaccines.

Angelini Industries also continues to play an active role in the Consumer Goods sector through its participation in the joint venture with P&G, Fater, a leader in personal and home hygiene products. Completing the portfolio is Angelini Wines & Estates, a Company offering products of the highest quality, a true expression of the best of Made in Italy. These activities reflect our commitment to promoting industrial and cultural excellence capable of generating lasting value and reputation.

> *Our strategy is rooted in a long-term vision and, like anything that endures, it must evolve and transform to meet the challenges of the market and the times. These results are therefore not the outcome of short-term actions, but the result of a structural transformation process involving all the Group's Operating Companies.*

Sergio Marullo di Condojanni

CORPORATE GOVERNANCE

ANGELINI HOLDING

Angelini Holding S.p.A. is the industrial Holding Company of the Angelini Industries Group. It aims to manage the industrial equity investments in the businesses in which the Group operates. In particular, it 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.

As of June 27, 2025, the Shareholders' Meeting of Angelini Holding S.p.A. appointed a new Board of Directors, which replaced the previous one in office as of 12/31/2024, the reporting year of this document.

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

BOARD OF STATUTORY AUDITORS[4]	
CHAIRMAN	Marco Mignani
STATUTORY AUDITORS	Riccardo Tiscini Lorenzo Barbone
ALTERNATE AUDITORS	Gianluca Leone Giuseppe Marciano

SUPERVISORY BODY[5]	
CHAIRMAN	Fulvia Astolfi
STANDING MEMBERS	Antonio Miani Daniele Del Monaco

INDEPENDENT AUDITORS	
	EY S.p.A.

(1) Appointed on 06/28/2024 and in office until the Shareholders' Meeting called to approve the Financial Statements as of 12/31/2024.
(2) Delegation of powers to the Executive Vice Chairman (Thea Paola Angelini) appointed on 07/17/2024 and in office until the Shareholders' Meeting called to approve the Financial Statements as of 12/31/2024.
(3) CEO/LR (Sergio Marullo di Condojanni) appointed on 07/17/2024 and in office until the Shareholders' Meeting held to approve the Financial Statements as of 12/31/2024.
(4) Appointed on 06/28/2024 and in office until the approval of the Financial Statements as of 12/31/2026.
(5) Appointed on 07/17/2024 and in office until the approval of the Financial Statements as of 12/31/2024.

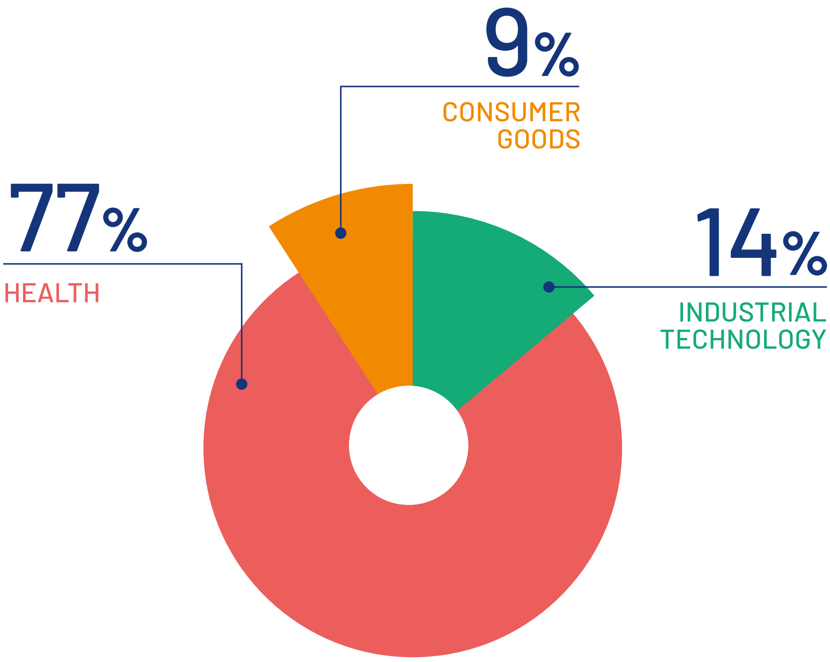
AT A GLANCE

REVENUES 2024

IN BILLION EUROS

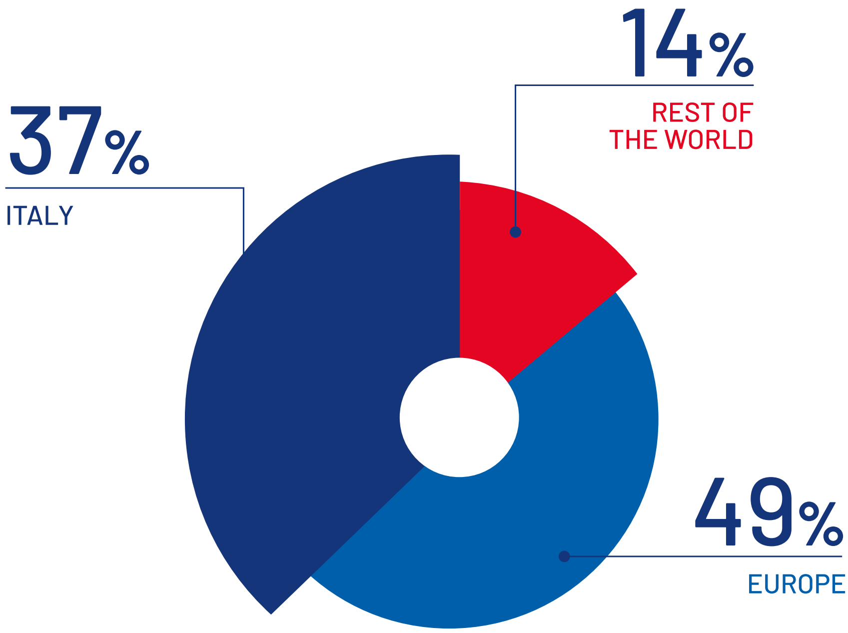
1.590

(+2.8% vs. 2023)



REVENUES 2024

BY BUSINESS SEGMENT



REVENUES 2024

BY GEOGRAPHICAL AREA

ANGELINI INDUSTRIES WORLDWIDE

DIRECT PRESENCE

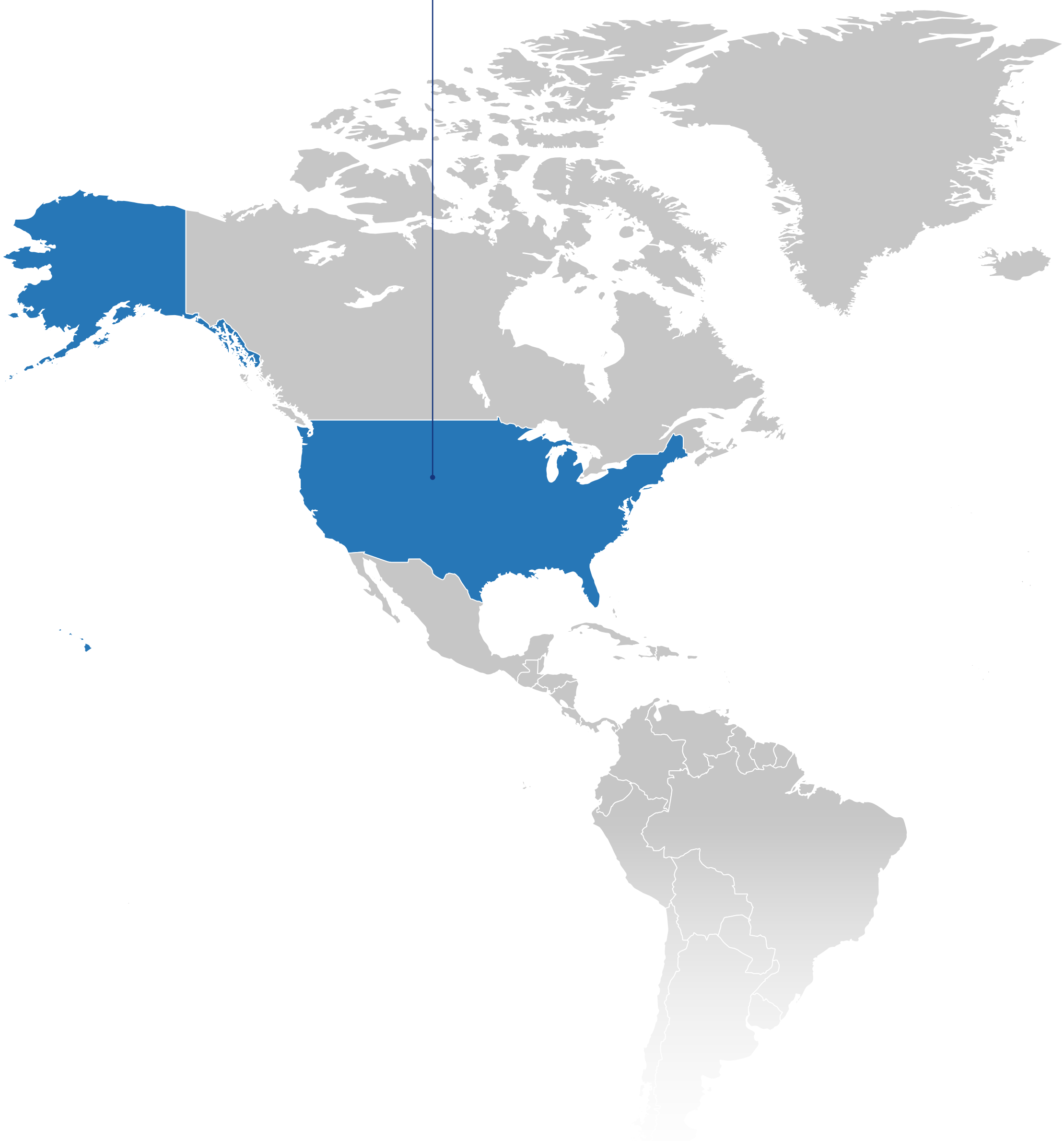
EUROPE
Italy
Austria
Bulgaria
France
Germany
Greece
Netherlands
Poland
Portugal
United Kingdom
Czech Republic
Slovak Republic
Romania
Russia
Spain
Sweden
Switzerland
Turkey
Hungary

AMERICA
USA

ASIA
China

PRODUCTION PLANTS

USA
Albany (Georgia)
West Chester (Ohio)



Holding   Health   Industrial Technology   Consumer Goods   Other businesses

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

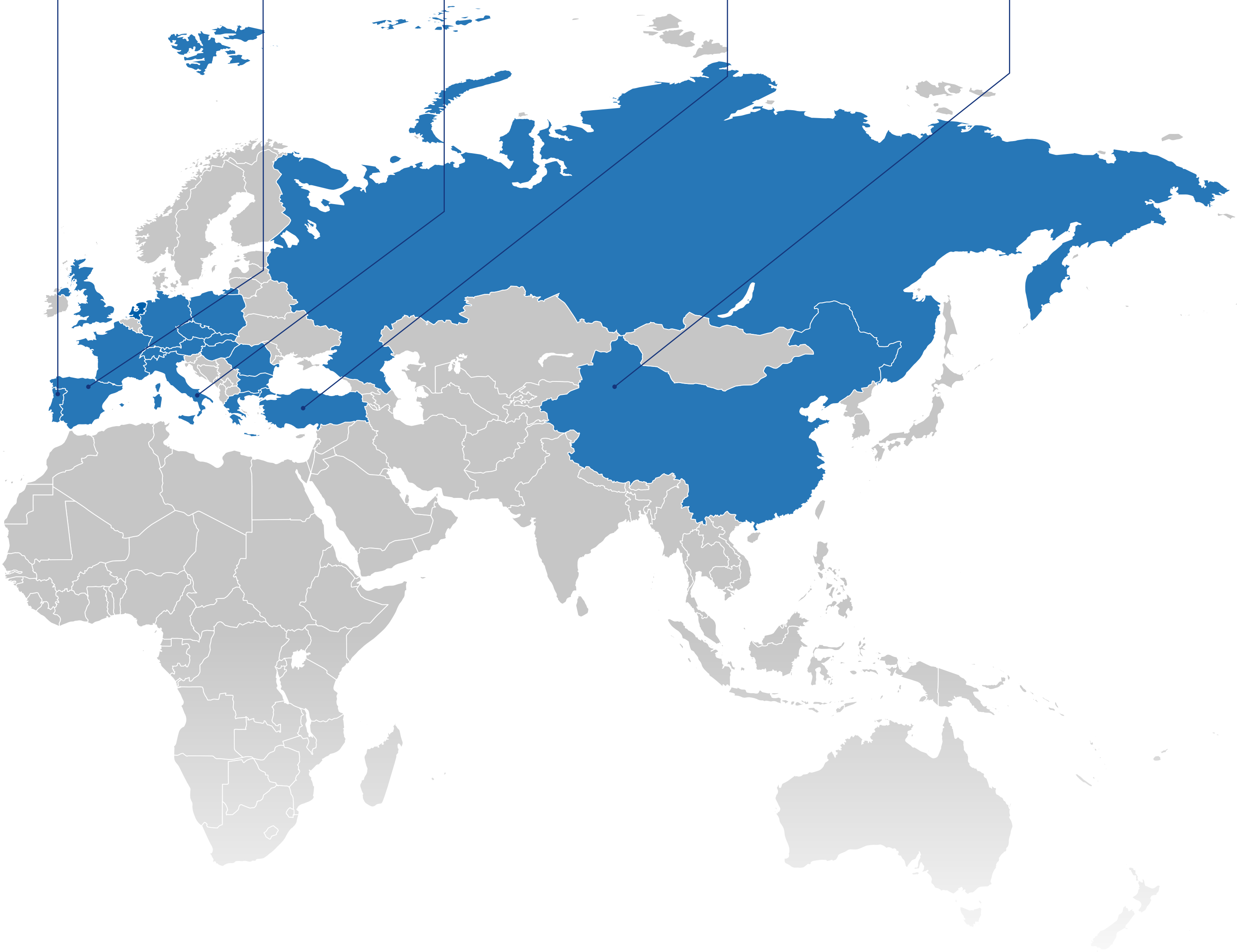
PORTUGAL
Porto

SPAIN
Barcelona

ITALY
Ancona
Aprilia (LT)
Campochiaro (CB)
Casella (GE)
Pescara
Sambuceto di San Giovanni
Teatino (CH)

TURKEY
Gebze

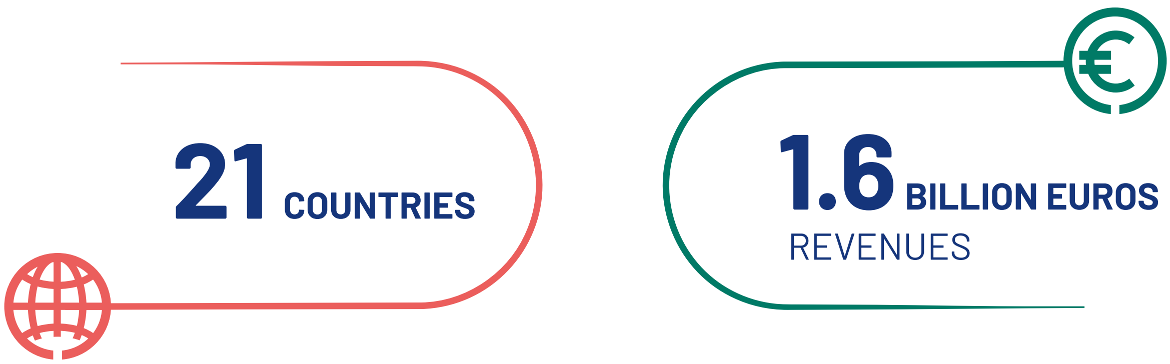
CHINA
Shanghai



ANGELINI INDUSTRIES

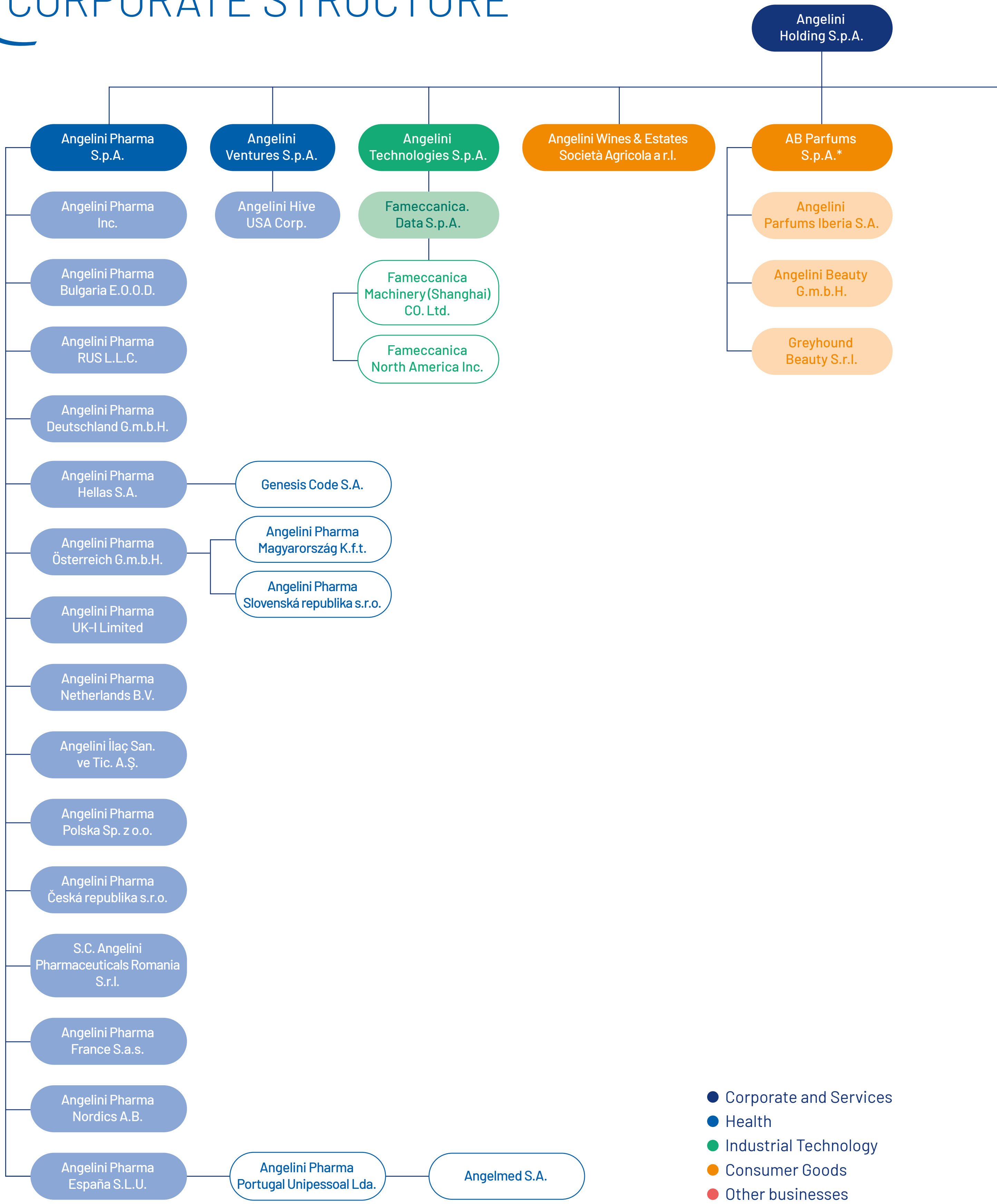
WHO WE ARE

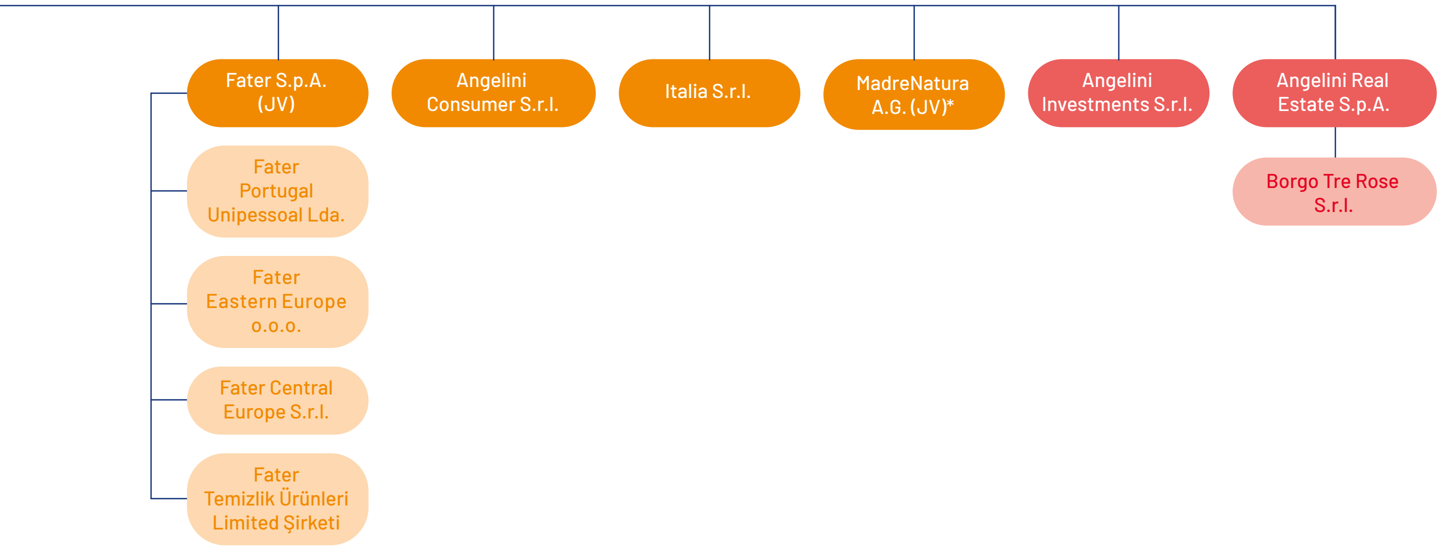
Led by Parent Company Angelini Holding, Angelini Industries is a multinational industrial group founded in Ancona, Italy in 1919 by Francesco Angelini. Today, it is a solid and well-structured industrial business with around 5,600 employees[6] operating in 21 countries worldwide, with revenues of 1.6 billion euros generated in the Health, Industrial Technology and Consumer Goods sectors.
Led by the Angelini family for more than 100 years, the Industrial Group is characterised by an investment strategy focused on growth, a governance model that combines the long-term vision of family businesses with the best practices of listed companies, in-depth knowledge of markets and business sectors, and a commitment to promoting sustainable growth for people, communities, ecosystems and the planet.



[6] The figure reflects the average number of Angelini Industries Group employees, including 100% of Fater Group employees.

CORPORATE STRUCTURE





This diagram shows the Group's structure as of 12/31/2024.

* For changes occurring after the end of the financial year, please refer to section "Significant events after the end of the year" of the chapter "Report on operations".

Angelini Industries' articulated structure underlines the Group's trend of international expansion.

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 with Angelini Pharma and venture capital applied to digital health and biotechnologies with Angelini Ventures.

Angelini
Pharma

Angelini Pharma is an international group that researches, develops and markets therapeutic solutions with a main focus on Brain Health, namely mental health and epilepsy, as well as Specialty & Primary Care and Consumer Healthcare.

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.

The Company operates in 20 countries with over 3,000 employees. Angelini's Research over the years has discovered and developed active ingredients of great importance, such as trazodone and benzydamine; the Research, Development and Innovation programs are currently concentrated in the areas of Brain Health (with a focus on mental health and epilepsy) and Consumer Healthcare. 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 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. Locations include Ancona for finished products, Aprilia (Latina) for raw materials and Casella (Genoa) for Amuchina brand products. In Barcelona (Spain), the Company produces dietary supplements such as Pastillas Juanola®, while in 2020 it acquired the plant in Albany (Georgia, USA), a global supplier of ThermaCare® Heatwrap. All plants use the latest technology, with automated control and supervision systems. Analysis and quality control testing are of particular importance throughout the process, starting with raw materials.

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), Xydalba (dalbavancin, antibiotic) and Ontozry (cenobamate).

Angelini Ventures

Angelini Ventures is the Group's corporate venture capital company, based in Rome. It relies on a global team of innovation experts, who use the Group's know-how to create, support and invest in innovative startups and companies while contributing to the transformation of current care paradigms and the creation of integrated healthcare platforms. Angelini Ventures has investment capital of 300 million euros, with over 100 million of that amount already planned in Europe and North America.

INDUSTRIAL TECHNOLOGY

Angelini Technologies

Angelini Technologies is the dedicated industrial technology division of Angelini Industries. It designs and develops technologies and services for the industrial production of household and personal products, sustainable packaging, innovative applications for logistics and digital services dedicated to process optimization. Converting and Automation & Robotics are the two main areas in which Angelini Technologies operates. Angelini Technologies' main company is Fameccanica, through which expertise in the design and manufacture of production lines for consumer goods was acquired in 1975. Fameccanica has over 1,300 machines delivered worldwide, more than 1,200 patent applications under its belt and approximately 700 employees at its operating sites in Italy, China and North America. From 1992 to 2022, it was a 50/50 joint venture between P&G and Angelini Industries, which regained 100% control in 2022 by acquiring the 50% from P&G.

CONSUMER GOODS

Angelini Industries' presence in the Consumer Goods sector is ensured by the Companies Angelini Wines & Estates and Fater.

Angelini Wines & Estates

In wine, Angelini Wines & Estates operates with respect for the territory, seeking to enhance it. It consists of 6 wineries, for a total area of over 1,500 hectares, 430 of which are cultivated as vineyards. At its three 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 is dedicated to the production of traditional wine from Friuli-Venezia Giulia, whereas the historical Bertani is known for the production of Amarone della Valpolicella Classico.

In 2018, Angelini Wines & Estates 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.

fater

Fater, founded in 1958 by the Angelini family, has been a 50/50 joint venture between Angelini Industries and P&G 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 brand, which it markets in 37 countries worldwide. In Italy, three out of four households have at least one Fater product[7]. 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, in redesigning 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 60% by 2029-2030; designing less impactful products; and analyzing its carbon 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 3% of its annual sales in innovation and has around 1,600 employees (Italy and abroad). It has its headquarters in Spoltore (Pescara) and production facilities in Italy (Pescara and Campochiaro - Campobasso), Portugal (Porto), and Turkey (Gebze).

OTHER HOLDING COMPANY ACTIVITIES

Angelini
Real Estate

Angelini Real Estate manages investment properties belonging to Angelini Industries and offers real estate consultancy services to all Angelini Industries Companies.

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.

(7) Source: YouGov Consumer Panel, September 2024.

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, 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.

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.

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.

OUR 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.

OUR PURPOSE

The purpose is the *raison d'etre* 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.

OUR 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 Group's governance and organizational model is based on accountability. The Operating Company managers come from the market and have been selected on the basis of the strictest selection criteria. 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

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.

1919-1940

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.

1950s

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.

1960s

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.

1970s

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.

1980s

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.

1990s

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.

2000s

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. Completed the acquisition of Fazi Battaglia, a historic enological company from the Marche region, producer of Verdicchio dei Castelli di Jesi Classico Superiore.

2010s

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 Marullo di Condojanni. I would like to thank the people who work at Angelini, our customers, partners and stakeholders who have trusted our company for 100 years".

2019

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 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 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.

2023 and 2024 were synonymous with investments: in the field of Health, Angelini Pharma announced an international collaboration with JCR Pharmaceuticals for the development and marketing of new biological therapies for epilepsy and entered into an agreement with Cureverse with the option for an exclusive licence for the worldwide development and marketing of a new and innovative brain health substance in the clinical phase; Angelini Ventures invested in epilepsy, women's health, "wearable therapies" and nanotechnology. In Industrial Technology: Angelini invested to consolidate the Converting business and to develop the new Automation & Robotics unit.

2020-today

STRATEGIC POSITIONING AND PRODUCTS

Angelini Industries is a multinational group. As explained above, it operates in the following business sectors: Health, Industrial Technology, Consumer Goods.
The figure summarizes the major brands associated with each business sector.

HEALTH

Acutil, Amuchina, Aulin, Erdomed, Infasil, Latuda, Momendol, Moment, Moment Act, Ontozry, Tachidol, Tachifludec, Tachipirina, Tantum Verde, ThermaCare, Trittico, Vellofent, Xydalba.

CONSUMER GOODS

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

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 creation of automated production lines in the sector of absorbent sanitary products and fast-moving consumer goods for household and personal care, development of innovative technologies and applications for the logistics sector, sustainable packaging, and digital services dedicated to process optimization.

ANGELINI VENTURES' INVESTMENTS

Angelini Ventures' current portfolio includes: Argobio, a "startup studio" in the biotech sector based in Paris; Angelini Lumira Biosciences Fund, a North American fund that invests in biotech startups; Pretzel Therapeutics, a Boston-based company that develops mitochondrial therapies; the Extend technological transfer hub, created by CDP Venture Capital in partnership with Angelini Ventures and Evotec; Serenis, a digital platform for mental well-being; and CeMM, Center for Molecular Medicine of the Austrian Academy of Sciences. In 2023, Angelini Ventures invested in: Cadence Neuroscience, which develops continuous neurostimulation for the treatment of epilepsy; Freya Biosciences, which operates between Europe and the United States in the biotechnology sector with clinical research on female and reproductive health; Cour Pharmaceuticals, which works on nanotechnologies to treat autoimmune diseases like type 1 diabetes and celiac disease; Noctrix Health, which has developed the first wearable technological device, approved by the Food and Drug Administration (FDA), to treat "restless leg syndrome", and Avation Medical, a wearable and non-invasive neuromodulation system for the treatment of urinary incontinence caused by overactive bladder. 2024 kicked off with the announcement of the investment in Nouscom, an Italian/Swiss startup working to develop anti-cancer vaccines, followed by investments in Neumirna, a Danish biotechnology company specialising in the use of RNA to develop next-generation therapies for neurological disorders, and in Nobi, an AgeTech company founded in Belgium, which has developed an AI-powered smart light that offers innovative solutions to detect and prevent falls in elderly people and provides smart care services.

2024 HIGHLIGHTS

ANGELINI INDUSTRIES
SMAU Innovation Award with AskAI, the project for the integration of generative artificial intelligence within the Group's processes

ANGELINI PHARMA
- **Top Employers Europe** certification
- **UNI/PdR 125:2022** certification, certifying the commitment to promoting gender equality and valuing diversity in the workplace

Produced
257.4 MILLION
packages of finished product

ANGELINI VENTURES

+53
DRUG DISCOVERY PROGRAMS AND THERAPEUTIC INNOVATIONS
developed by the 17 portfolio companies in which Angelini Ventures has invested with a potential target of more than 10 million patients over the 2024-2033 period

9
THERAPEUTIC AREAS
Neurology, psychiatry, epilepsy, rare diseases, metabolic diseases, immunotherapies/oncology, women's health, urology, agetech

ANGELINI TECHNOLOGIES - FAMECCANICA
EcoVadis – Sustainability Rating 2024 – Silver Medal

1.7 BILLION

disposable hygiene products from machines produced by Fameccanica

ANGELINI WINES & ESTATES
Amarone della Valpolicella Classico 2015 Bertani awarded with:

- **Wine of the Year** in the Corriere della Sera guide to "The best 100 wines and winemakers of Italy"
- **Tre Bicchieri** Gambero Rosso

100/100

James Suckling points and **Wine of the Year for 2024**

FATER
sold:

171.8 MILLION

bottles of bleach

117.5 MILLION

packages of diapers and sanitary pads

SUSTAINABILITY

For Angelini Industries, sustainability is a holistic and transversal concept, in continuous evolution, which is embodied first and foremost in the Group's ESG Plan, which the Company first adopted in 2024.

Angelini Industries ESG Plan 2024-2026
The Angelini Industries Group's ESG strategy is based on four pillars:

PEOPLE
creating an inclusive and safe work environment where our employees have all the tools necessary to work and constantly grow

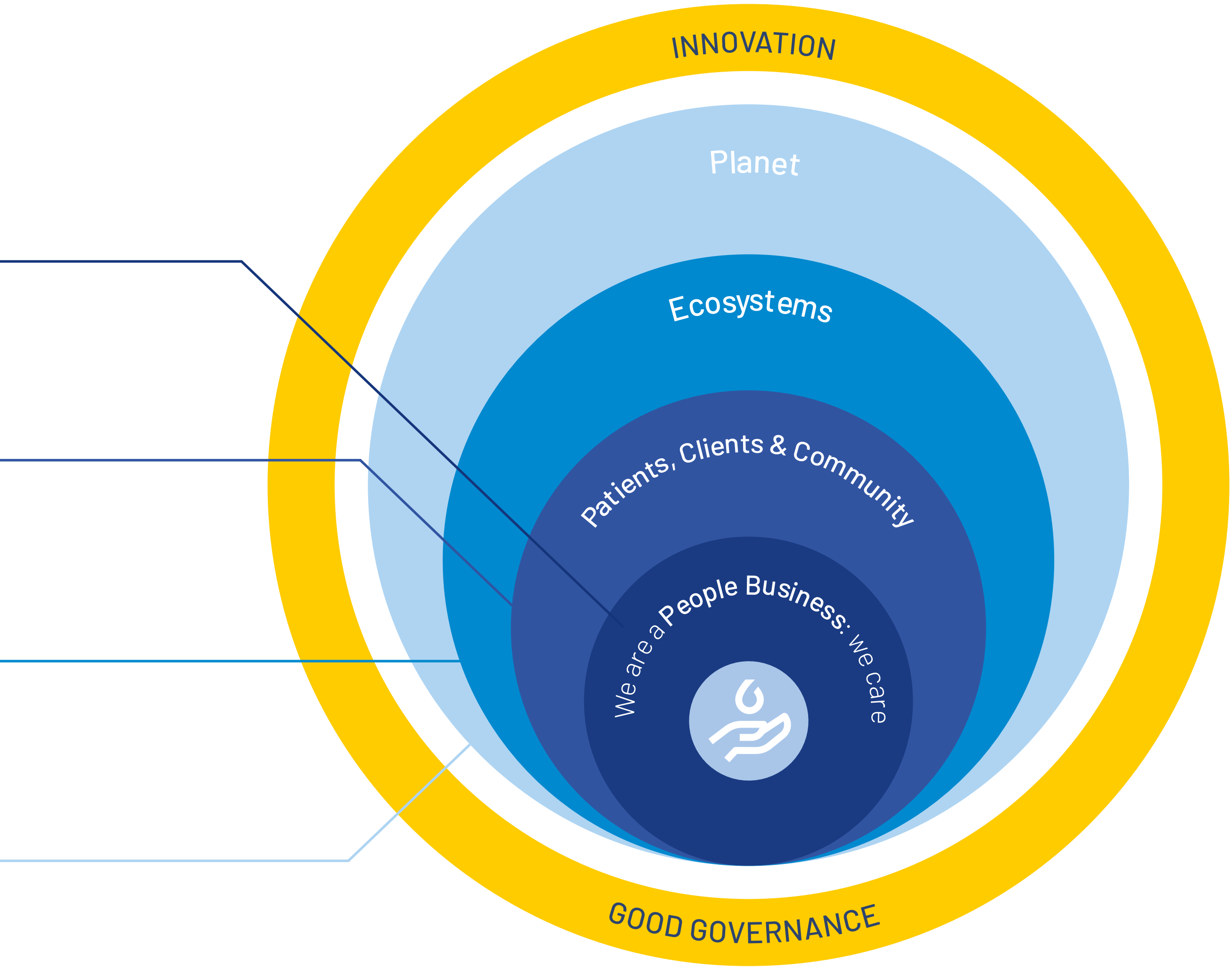
PATIENTS, CLIENTS & COMMUNITY
promoting access to treatments and empowering our communities to combat stigma, by generating knowledge and innovating

ECOSYSTEMS
collaborating with our suppliers and the entire ecosystem to promote virtuous change

PLANET
reducing our environment impact through lower impact from emissions, water and waste, and collaborating with suppliers to generate sustainable value chains

The enabling factors for achieving the ESG Plan will be **Governance** and **Innovation**.

ESG PLAN 2024-2026



Many initiatives were promoted and carried out in 2024 by the Group and the Operating Companies in support of the ESG Plan.
These included:

- People surveys, the results of which confirmed a high participation rate and an engagement rate of 75, in line with the ESG Plan target;
- highly specialised in-house training with Angelini Academy;
- continuous training and awareness-raising to promote health and safety in the workplace;
- updating the Supplier Code of Conduct with the inclusion of specific ESG-related aspects;
- purchase of 100% of electricity from renewable sources for the energy needs of the Italian sites, from the final quarter of 2024;
- calculation of the first Group Carbon Footprint according to the Greenhouse Gas Protocol, aimed at defining the Group's baseline for setting decarbonization targets;
- launch of the first Group Climate Risk Assessment with analysis of physical and transition risks.

ESG reporting: in 2024, the voluntary reporting of the Angelini Industries Group's sustainability performance continued, taking the form of the publication of three Sustainability Reports (Angelini Industries, Angelini Pharma and Angelini Technologies – Fameccanica), subject to external audit by an independent company, and two Sustainability Profiles, for Angelini Wines & Estates and Angelini Ventures.

Outreach initiatives: among the many initiatives to raise awareness on ESG issues carried out during the year, the Group organised "**Sustainability Talks**", a structured path of monitoring and ongoing training on sustainability, and "**Young People and Sustainability**", a survey carried out by Quorum/ YouTrend and CSA Research, which involved a representative sample (over 1,600 people) from the Italian population aged between 14 and 29 (Generation Z), collecting ideas, opinions and views of young people on several key issues.


Casa
Angelini

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

Consolidated financial statements as of December 31, 2024

I. **Report** on **operations**

INTRODUCTION

This Report has been prepared to accompany the consolidated financial statements of Angelini Holding S.p.A. (hereinafter also "the Company") as of and for the year ended December 31, 2024 and is intended to provide information and detailed clarification useful for understanding the operating performance and results achieved by the Angelini Industries Group (hereinafter also "the Group") during the reporting period and broken down into the business sectors in which Angelini Industries operates: Health, Industrial Technology, and Consumer Goods, 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 2024 with a consolidated net income of 155,807 thousand euros, up by 29.93% compared to 2023. The growth recorded in turnover across nearly all the business segments is only partially offset by the increase in management costs, in line with the increase in business with the expansion of the organizational structure in the subholdings, which led to an increase in staff costs. The positive effect of the increase in financial income and expenses allowed the Group to close the financial year with earnings before taxes that increased by 26.85%.
In detail, thanks to its business diversification and internationalisation, the Group consolidated revenues from operating activities amounting to 1,590,315 thousand euros, recording an increase of 43,591 thousand euros (or a percentage increase of about 3%) compared to the previous year, when revenues amounted to 1,546,724 thousand euros.

EBITDA was 238,050 thousand euros, up by 34,057 thousand euros on the previous year, due to the combined effect of a slight decrease in operating costs of 1,446 thousand euros and an increase in staff costs of 23,332 thousand euros.
The improvement in margins is also observed with reference to EBIT, which at year-end was 107,236 thousand euros, an increase of over 40% (+32,055 thousand euros) compared to December 31, 2023, despite the slight increase recorded in depreciation, amortization and writedowns of non-current assets, amounting to 2,002 thousand euros.

Net financial income and expenses closed FY 2024 with a positive balance of 69,751 thousand euros, mainly as a result of the financial Holding Activities performed by the companies Angelini Holding S.p.A. and Angelini Investments S.r.l.

FY 2024 closed with earnings before taxes at 176,987 thousand euros, compared to 139,530 thousand euros the previous year. Due to the effect of the tax burden, equal to 21,180 thousand euros, net income as of December 31, 2024 amounted to 155,807 thousand euros, up 35,888 thousand euros on 2023.
The Report on operations analyzes the main factors that gave rise to this increase, 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, 2023.

SIGNIFICANT EVENTS DURING THE YEAR

TRANSITION TO IFRS INTERNATIONAL ACCOUNTING STANDARDS

During FY 2024, the Company completed the transition process to the International Financial Reporting Standards (IFRS). For this purpose, January 1, 2023 was identified as the date of transition to IFRS. As of the financial year ending December 31, 2024, therefore, the Company will prepare its financial statements in accordance with IFRS. The main impacts of the first-time application of IFRS are better described in the explanatory notes to the consolidated financial statements and in the note on first-time adoption of IAS-IFRS.

SALE OF ANGELINI BEAUTY S.P.A.

In December 2024, the Group accepted the irrevocable purchase proposal received from Give Back Beauty Holding S.A. for 100% of the share capital of AB Parfums S.p.A. (formerly Angelini Beauty S.p.A.) and its subsidiaries: AB Parfums G.m.b.H., AB Parfums Iberia S.A., and Greyhound Beauty S.r.l.; this then led to the signing of the transfer agreement on January 7, 2025. On the basis of the agreement signed and in accordance with IFRS 5, the investment in AB Parfums S.p.A. and its subsidiaries was deconsolidated in the balance sheet and subsequently reclassified under "Assets held for sale" for a value equal to the sale price agreed upon between the parties, which amounted to 76,220 thousand euros.

ECONOMIC SCENARIO

During 2024, the global macroeconomic outlook improved further, despite persistent complex geopolitical situations, with significant impacts on the world economy.

The sharp rise in inflation over the last three years, caused by the shocks related to the pandemic and the Russian-Ukrainian crisis (with the resulting energy crisis), slowed down in 2024 to an average of 4.8%, down from the previous year. The disinflation process has allowed the central banks to initiate a cautious but gradual cut in the rates, supporting the recovery and growth of economic activity on a global scale.

Against this backdrop, world GDP grew by 3.2% and by 1% in the euro area, a value also followed by Italy. The employment figures in Italy in 2024 still paint a positive picture: the employment rate rose to 62.2% (+0.7 percentage points in one year), unemployment dropped to 7.4% (-0.3 points) and economic inactivity in 15-64 year old people to 32.8% (-0.5 points).
However, the recent tariff policy implemented by the US administration in early April 2025, though then suspended for 90 days, is likely to have a negative impact on the export trend of the EU and Italy in 2025. With reference to the business sectors in which the Group operates, the possible impacts on the business of a possible escalation of tariff policies between the US, the EU and the Asian bloc (China in particular) are being assessed, though no significant effects are currently foreseen in the short term.

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

HEALTH

The **pharmaceutical** sector confirmed its high strategic value for the EU, with Italy contributing fundamentally to its growth. The increase in exports is proof of this, and have grown in the last 11 years at higher rates than those of the EU average and the average of the main countries (+178% compared to +143% EU average). The value of exports was 50.5 billion euros in 2024 (+3% compared to previous year), showing a growth of approximately 92% in the last five years, well above the average of the manufacturing sector (+35% in the same period).
In particular, the markets in which Angelini Pharma operated in 2024 were impacted by the seasonal flu trend. The "fever" market shrank, both in "adults" (-4% vs. PY) and "children" (-14% vs. PY). On the other hand, the "pain" market was stable, within which Tachipirina 1000 increased its competitiveness (+0.3 percentage points MS%).
The "self-medication" market further consolidated the previous year's growth, achieving the highest sell-out ever, despite the decline in volumes (+1.8% in value and -3% in volume vs. 2023). The "hand sanitizer" market in volume terms, after halving in 2023, declined by a further 10%, still standing at twice the pre-pandemic level.

Finally, with regard to the "epilepsy" market, the reference for the product containing cenobamate, thanks to the important efficacy recognized in clinical practice, and despite the aggravated budget pressure to which European health services (universal or insurance) have been subjected as a result of the world geopolitical situation (and already being burdened by the management of the COVID-19 pandemic), Ontozry managed to consistently maintain excellent results in price and reimbursement renegotiations (no or minor reductions) in all markets, both in absolute terms (compared to internal Angelini Pharma Group benchmarks) and relative terms (compared to direct competitors in the market).

INDUSTRIAL TECHNOLOGY

With reference to the **Hygiene** market, growth in 2024 stood at 3%. High interest rates, rising costs of raw materials and geopolitical uncertainty related to the Russian-Ukrainian and Israeli-Palestinian conflicts weighed on the market. The market demand for new products that meet the needs of specific geographic areas or niches at the expense of global products reduced the investments of the major players in the sector. This tends to favour local players rather than international companies.
The ability to adapt to the needs of individual markets, together with the reduction of time to market to facilitate the introduction of product innovations, is a critical success factor for hygiene product machine manufacturers. To this end, Fameccanica.Data S.p.A. implemented a plan both to make its offer modular and to significantly reduce the lead time of its orders.
With regard to product families, baby diapers suffered the most, especially in the open variant and in markets where the birth rate is less pronounced. There was excess production capacity in the market, and investments, especially by the big players, were focused on upgrade kits. For the female sanitary pads segment, there was an emergence of premium products, characterized by increased comfort and refined materials. Growth in incontinence products remained stable, boosted by the aging population. Geographically, Asia remained the world's leading market, despite the slowdown in the Chinese economy. Barriers to entry were high, as end-customer products suffered from a strong Japanese influence and the demand for machinery was price-sensitive. In Europe and the United States, the

strongest growth was in the Adult segment with demand for cutting-edge technology solutions, though market shares are shifting from multinationals to store brands. South America and the Middle East and Africa benefited from a growing birth rate, which therefore required flexible and cost-effective solutions. For the three-year period 2025-2027, the growth rate of the Hygiene machinery market is expected to be in line with the past, hovering around 3%. Considering the modest growth rates, it is reasonable to expect concentration policies among the major machinery manufacturers to achieve synergy and operational efficiencies.
Slightly more encouraging are the growth estimates for the **Home & Personal Care** machinery market, where Fameccanica.Data S.p.A., together with its subsidiaries, competes with both built-to-print solutions and its own solutions, characterized by sustainable packaging machinery and platforms for the production of single-dose detergents for dish washing and laundry. In 2024, growth was double-digit thanks to the investment of a few large players; for the next three years, growth should be around 5%.

Consistent with the strategic intentions declared in previous years, the Group continues to invest in the diversification of its product and customer portfolio. In this regard, there was noteworthy development of **robotics solutions**, especially related to the automation of production and warehouse facilities, whose market is growing at around 7%. In 2024, collaboration with major industry players enabled Fameccanica.Data S.p.A. to double its turnover compared to the previous year, requiring the opening of a dedicated local unit in Alanno (PE). A further doubling of turnover is expected by 2025. In this regard, the process of strengthening the supply chain continues in order to make it ready for the imminent growth in volume and resilient to the vulnerabilities induced by the current geopolitical situation. Given the Company's significant exposure to the US market, it closely monitors developments in tariff regulations in order to assess their possible impact. In addition, it carried out hedging transactions to mitigate the EUR/USD exchange rate risk.

CONSUMER GOODS

With specific reference to the JV Fater S.p.A., despite the negative demographic trends, the market for **hygiene products** and in particular for diapers has grown in value in recent years thanks to the introduction of innovative products and the constant focus on improving the offer. This positive trend was also seen in the Feminine Care sector, with sanitary pads, which represent the largest segment, and panty liners and tampons, which are the fastest growing segment in the market.
As far as adult incontinence products are concerned, the market is growing steadily, driven by the demographic growth among individuals over the age of 55 and the growing demand for products in the incontinence pants segment.

The **home and fabric care** sector is another important product area for Fater. The Italian bleach market, divided into classic and gentle bleach, has seen strong growth, recording extraordinary results for both categories.

With reference to the **wine** market, 2024 was a significant year for exports of Italian wines with appellations of origin (DOP). Italy exported DOP wines packaged in containers of up to 2 liters for a total of around 5.4 billion euros, an increase of 6.7% compared to 2023. The volume of exports also grew, reaching 11 million hectolitres (+7.7% year-on-year). However, the average export price dropped slightly by 1% to 4.93 euros per liter.
Wine sales in the large retailers channel showed very varied dynamics. Modern distribution, which includes hypermarkets, supermarkets and mini-marts, accounted for a significant part of total sales. Discount stores and e-commerce continued to grow, reflecting changes in the shopping habits of Italian consumers.

In 2024, an increase in sales of organic wine was observed, which gained a significant market share in the off-premise channel. The data show that some products, classified as mix, do not fall under the traditional classification of red, white or rosé, thus affecting sales totals.

FINANCIAL AND REAL ESTATE HOLDING ACTIVITIES

With reference to the **stock market**, 2024 could be considered a golden year, with several indexes setting historical records and others returning to levels not seen in many years. However, there were also phases of volatility, such as during the summer, or individual sectors that, due to specific factors, lagged behind, sometimes heavily in the red. In particular, Wall Street once again touched all-time highs, boosted by the rebound of technology stocks. In detail, the Dow Jones ended 2024 with progress of 12.9%, while the S&P500 recovered 23.3% and the Nasdaq saw improved performance (+28.6%). 2024 was a year of ups and downs for the European stock exchanges. In particular, the German DAX gained 18.9%, while the French CAC40 ended the year down 2.15%, penalized by complex domestic politics. It is clear that the markets appreciated the change in monetary policy of the major central banks; the FTSE MIB benefited again from the rally in bank stocks and ended 2024 at over 34,000 points. In detail, in FY 2024, the basket of Italian companies with the largest capitalization recorded a positive difference of 12.63%: the value of the index went from 30,352 points at the beginning of the year to 34,186 points at the close of the last session of the year.

In this context, the management of financial investments in the portfolios of Angelini Holding S.p.A. and Angelini Investments S.r.l. allowed the Group to achieve significant returns, further boosting growth in profitability.

Finally, the aforementioned cut in interest rates by the European Central Bank also stimulated the recovery of the real estate market, a sector in which the Group operates, in Italy and abroad, through the company Angelini Real Estate S.p.A. and its branch in Spain. If, in fact, in the first three quarters of the reporting year, the volume of purchases and sales recorded by the Italian Revenue Agency remained at the same level as in 2023, a slight increase was observed in the final quarter of 2024. The volatile macroeconomic dynamics did not have a negative impact on the Group's real estate assets, whose yields increased compared to the previous year.

SUMMARY OF THE CONSOLIDATED ECONOMIC, EQUITY AND FINANCIAL RESULTS

INCOME STATEMENT

The reclassified Income Statement for FY 2024 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 %
Revenues from operating activities	1,590,315	1,546,724	43,591	2.82%
Other operating revenues	36,527	24,175	12,352	51.09%
TOTAL REVENUES	**1,626,842**	**1,570,899**	**55,943**	**3.56%**
Costs for purchases and services	919,057	929,693	(10,636)	(1.14%)
Staff costs	403,048	379,716	23,332	6.14%
Other operating costs	66,687	57,497	9,190	15.98%
EBITDA	**238,050**	**203,993**	**34,057**	**16.70%**
Depreciation, amortization and writedowns	130,814	128,812	2,002	1.55%
EBIT	**107,236**	**75,181**	**32,055**	**42.64%**
Financial income and expenses	62,039	46,635	15,404	33.03%
Adjustments on financial activity	7,712	17,714	(10,002)	(56.46%)
Earnings before taxes	**176,987**	**139,530**	**37,457**	**26.85%**
Income taxes	21,180	19,611	1,569	8.00%
Net income	**155,807**	**119,919**	**35,888**	**29.93%**

The Group's consolidated **Revenues** at the end of the financial year totalled 1,626,842 thousand euros, representing an increase of 3.56% compared to the previous period (+55,943 thousand euros). Revenues grew across the board in every industrial business segment of the Group, with the exception of Consumer Goods, where there was a slight decrease of about 10% compared to the comparison period.

In detail, the Health segment recorded revenues for 1,222,447 thousand euros (equivalent to 75% of total revenues), the Industrial Technology segment closed the year with overall revenues of 247,331 thousand euros (representing 15% of total revenues) and the Consumer Goods business generated overall revenues for 136,016 thousand euros (or 8% of total revenues). Lastly, the financial and real estate Holding Activities made a contribution to the growth in consolidated revenues for a value equal to 21,048 thousand euros.

In the **Health** business, revenue growth of 42,318 thousand euros was driven by excellent sales performance in markets outside of Italy. The best-performing countries were Poland, Great Britain, Romania, Germany, France and Spain, and more than compensated for the slowdown in Italy, where an increase in business investments was necessary to keep the level of gross revenues stable. In markets outside of Italy, the products driving growth were those in the Central Nervous System (CNS) segment, first and foremost Ontozry (cenobamate) which, after its launch in various countries last year, recorded 84% growth over 2023. Great Britain and Spain were the countries showing the largest increases in absolute value, followed by Germany, Poland and France. Another product, also in the CNS area, leading the 2024 turnover was Trittico (trazodone), which continues the growth trend already recorded in previous years, particularly in Eastern European countries such as Poland, Russia and Romania. Other products showing a positive sales trend include: i) Erdomed, a product acting in the area of respiratory conditions, which is growing especially in Poland and Romania; ii) ThermaCare, which, after the slowdown in 2023 due to both competitors and mild weather, is seeing a slow recovery in sales in both Germany and the USA; iii) Latuda, a product for the treatment of patients with schizophrenia, which is showing good results especially in Spain and Poland.

Turning to the Italian market, the trends of the main products are contrasting. Tachipirina saw improved results compared to the previous year, which, in a context of containment of the fever market for both adults and children, saw sales increase, especially in the pain market and took advantage of the summer campaign linked to the effects of the Australian flu; Amuchina, though in a context of a market in post-pandemic decline, also continued to record better results than the pre-COVID period; positive year-on-year differences were also seen by the product Infasil. On the other hand, the slowdown compared to last year affected Moment, due to competitor pressure, and Tantum Verde, which was penalized, both in Italy and in markets outside of Italy, by the product's low specific morbidity.

The **Industrial Technology** business recorded an increase in revenues of 14,693 thousand euros, ending FY 2024 with a turnover of 247,331 thousand euros. Of note is the increase in sales on markets outside of Italy, which accounted for about 90% of the total in this financial year, and the increase in sales volumes of about 6%. The robotics business segment played a key role in the growth of overall turnover, increasing by around 70% compared to the previous period.

Against this trend was the **Consumer Goods** segment, where there was a slight decrease in sales of 15,081 thousand euros, resulting in total revenues of 136,016 thousand euros at year-end. Specifically, the Group's Beauty division closed the year with revenues totalling 108,286 thousand euros, down 11,386 thousand euros compared to 2023. Similarly, a decrease in revenues, albeit more limited, was also recorded in the Wine segment, which totalled revenues of 27,730 thousand euros, a decrease of 3,984 thousand euros compared to the previous year, mainly as a result of the contraction in sales volumes caused by slight increases in product prices, amplified by inflationary pressures and the consequent contraction in consumer purchasing power.
Lastly, with reference to **Holding Activities** and, specifically, to the management of the Group's real estate assets by Angelini Real Estate S.p.A., revenues of 20,434 thousand euros were reported, up year-on-year by 14,685 thousand euros, mainly due to the sale of a prestigious property in Spain, no longer considered strategic for the achievement of corporate objectives.
As of December 31, 2024 the Group recorded an **EBITDA** of 238,050 thousand euros, up by 34,057 thousand euros compared to the previous year, despite the aforementioned notable increase in staff costs (+23,332 thousand euros), only partly offset by the slight decrease in operating costs for 1,446 thousand euros.

The **Health** business closed the year with an EBITDA of 302,360 thousand euros, an increase of 36,594 thousand euros compared to the comparison period, thanks to the cost rationalisation strategy adopted by management, aimed at recovering margins, which led to a decrease in costs for consultancy, promotional expenses, advertising services and sponsorships. However, this business segment also recorded the largest increase in staff costs - primarily in Italy, Spain, and Poland - amounting to 16,694 thousand euros.

The **Industrial Technology** segment also recorded a positive trend in margins, with EBITDA of 27,455 thousand euros, an increase of 6,279 thousand euros compared to FY 2023. This result was achieved thanks to the aforementioned increase in revenues, which largely absorbed the increase in operating costs. In particular: i) raw material costs increased by 37,101 thousand euros, more than offset by the positive difference in inventories of 38,284 thousand euros, reflecting both an increase in order intake and a peak in invoicing concentrated in the last quarter of the year; ii) costs for services increased by 3,713 thousand euros, in line with the increase in sales volumes; iii) staff costs increased by 3,407 thousand euros, proportionally to the increase in workforce.

Despite the aforementioned decline in revenues, the **Consumer Goods** business also contributed to the growth of the Group's margins in the reporting year, with a total EBITDA of 6,515 thousand euros, up by 3,326 thousand euros compared to 2023. Compatible with the reduction in sales volumes and thanks to a greater rationalisation of external operating costs, there was in fact a decrease in costs for services of 9,711 thousand euros, staff costs of 3,987 thousand euros and raw material costs of 2,190 thousand euros.
Given the nature of the business carried out by Group Companies in this sector, where generally financial activities prevail over operating activities, EBITDA attributable to **Holding Activities** decreased by 12,142 thousand euros compared to the previous year. This difference was mainly caused by the significant increase in costs for services (+13,544 thousand euros), driven by consultancy costs, costs for ICT services and higher directors' fees, the latter justified by the payment of long-term incentives

linked to the achievement of objectives. An increase in staff costs of 7,218 thousand euros further contributed to the decrease in margins.

The **EBIT** amounted to a total of 107,236 thousand euros, with an increase of 32,055 thousand euros compared to the previous year (75,181 thousand euros as of December 31, 2023). The positive difference in the item was, however, influenced by the increase in amortization and depreciation, particularly in relation to new contracts entered into during the year and concerning rights of use on leased assets. Although in the Health segment, the marketing right for a drug was written down by 3,500 thousand euros due to the discontinuation of its development and registration, and in the Beauty segment of Consumer Goods, extraordinary costs were incurred due to the discontinuation of the launch of a new brand, writedowns of non-current assets decreased by a total of 932 thousand euros.

Earnings before taxes recorded by the Angelini Industries Group at the end of FY 2024 were 176,987 thousand euros, up by 37,457 thousand euros compared to the previous year (139,530 thousand euros as of December 31, 2023). The increase in this item was mainly due to the significant increase in financial income and expenses, which closed the year with a balance of 62,039 thousand euros, an increase of 15,404 thousand euros compared to 2023. The positive difference was firstly attributable to the increase in income from financial Holding Activities carried out through the company Angelini Investments S.r.l. and the Parent Company Angelini Holding S.p.A.: in fact, income from current and non-current financial assets recorded an increase of 35,300 thousand euros, for details of which reference should be made to the explanatory notes; this positive impact on operations was partially offset by the increase recorded in financial expenses, amounting to 17,433 thousand euros, mainly caused by the increase in interest payable to banks. Finally, the balance of value adjustments made to financial assets was positive and amounted to 7,712 thousand euros, though down by 10,002 thousand euros compared to the previous year.

At the end of FY 2024 the Angelini Industries Group reported **Net income** of 155,807 thousand euros, up 35,888 thousand euros from the previous year. The tax effect on taxable income was 21,180 thousand euros, up on the previous year for 19,611 thousand euros.

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/Equity)	5.81%	4.73%
ROI (EBIT/Invested Capital)	2.52%	1.80%
ROS (EBIT/Revenues from operating activities)	6.74%	4.86%

As seen from the data in the table above, FY 2024 resulted in an improvement in all economic ratios, when compared to those of FY 2023, making the result of the margin recovery strategy adopted by the Group during FY 2024 evident.

BALANCE SHEET

Below is the Consolidated Balance Sheet as of December 31, 2024, reclassified according to financial criteria.

RECLASSIFIED BALANCE SHEET AND STATEMENT OF CASH FLOWS – Assets (thousands of euros)	Current year	Previous year	Difference in absolute value	Difference in %
WORKING CAPITAL	**2,642,834**	**2,491,190**	**151,644**	**6.09%**
Cash and cash equivalents	555,646	371,979	183,667	49.38%
Current assets	1,744,267	1,777,758	(33,491)	(1.88%)
Inventories	342,921	341,453	1,468	0.43%
ASSETS HELD FOR SALE	**101,556**	**0**	**101,556**	**> 100%**
FIXED CAPITAL	**1,504,404**	**1,682,487**	**(178,083)**	**(10.58%)**
Intangible assets	562,672	661,332	(98,660)	(14.92%)
Tangible assets	399,896	386,311	13,585	3.52%
Financial assets	475,049	566,078	(91,029)	(16.08%)
Other non-current assets	66,787	68,766	(1,979)	(2.88%)
TOTAL INVESTMENTS	**4,248,794**	**4,173,677**	**75,117**	**1.80%**

Working Capital as of December 31, 2024 was 2,642,834 thousand euros, an increase of 151,644 thousand euros compared to the previous year. On a component-by-component basis, cash and cash equivalents, centralized in the Holding Activities, increased by 183,667 thousand euros, impacted by the positive difference on restricted deposits (149,613 thousand euros); current assets, also concentrated in the Holding Activities, recorded a negative difference generated by the decrease in restricted and not immediately liquid deposits, which decreased by 110,000 thousand euros, partially offset by higher investments in bonds and funds; inventories increased by 1,468 thousand euros, mainly in the Industrial Technology segment, offset by decreases in other segments.

The item **Assets held for sale** refers to the disposal from changes in Group structure of the companies operating in the Beauty segment of the Consumer Goods sector, for 76,220 thousand euros, and the increase of the item in the year partially offset the decrease on other balance sheet items generated by the deconsolidation process.
The item also includes the value of the prestigious commercial property in Rambla de Catalunya in Barcelona, for which the company Angelini Real Estate S.p.A. signed a preliminary agreement of sale in December 2024; the value recorded is 25,336 thousand euros.

At the end of the year, **Fixed Capital** amounted to 1,504,404 thousand euros, a decrease of 178,083 thousand euros compared to the previous year. The difference was substantially due to depreciation, amortization and writedowns for the period, changes in non-current financial instruments held in the portfolio (which, in total, resulted in a decrease of 38,568 thousand euros), and the recognition of fair value (which resulted in a total writedown of 48,631 thousand euros).

RECLASSIFIED BALANCE SHEET AND STATEMENT OF CASH FLOWS – Liabilities and Equity (thousands of euros)	**Current year**	**Previous year**	**Difference in absolute value**	**Difference in %**
Current liabilities	847,962	785,227	62,735	7.99%
Non-current liabilities	683,251	829,788	(146,537)	(17.66%)
Net liabilities for defined employee benefits	34,419	23,884	10,535	44.11%
Equity	2,683,162	2,534,778	148,384	5.85%
TOTAL SOURCES OF FINANCING	**4,248,794**	**4,173,677**	**75,117**	**1.80%**

Current liabilities amounted to 847,962 thousand euros, an increase of 62,735 thousand euros compared to the previous year (785,227 thousand euros as of December 31, 2023). The difference was mainly due to the increase in trade payables, particularly in the Industrial Technology segment as a result of the increase in sales volumes, and to the overall increase in tax payables in the amount of 11,942 thousand euros.

The difference was opposite for **Non-current liabilities**, which closed the year with a decrease of 146,537 thousand euros compared to the previous year, mainly due to the decrease in the non-current portion of the loan underwritten by Angelini Holding S.p.A. in 2022 and the aforementioned deconsolidation of the Operating Companies in the Beauty segment.

Net liabilities for employee benefits amounted to 34,419 thousand euros, with an increase of 10,535 thousand euros compared to the previous year. The item was particularly affected by the

total value of the long-term incentive plan, which amounted to 20,733 thousand euros, an increase of 13,016 thousand euros. This increase was partially offset by the decrease in liabilities related to Employee Severance, which decreased by 2,480 thousand euros as a result of actuarial valuations and movements during the year.
Finally, Group **Equity** at the end of the year amounted to 2,683,162 thousand euros, an increase of 148,384 thousand euros compared to December 31, 2023. This increase was mainly driven by the consolidated profit for the year and the difference in the IAS 29 translation reserve, in addition to the aforementioned disposal from changes in Group structure of Group Operating Companies in the Beauty segment.

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 Capital)	1,178,758	852,291
Primary structure quotient (Equity/Fixed Capital)	1.78	1.51
Secondary structure margin (Equity+Non-current liabilities)-Fixed Capital	1,896,428	1,705,963
Secondary structure quotient (Equity+Non-current liabilities)/Fixed Capital	2.26	2.01
Financial autonomy ratio (Equity/Invested capital)	0.63	0.61
Ratio of debt (Non-current liabilities+Current liabilities)/Equity	0.58	0.65

ROTATION RATIOS (thousands of euros)	**Current year**	**Previous year**
Inventory rotation (Revenues from operating activities/Inventories)	4.64	4.53
Working Capital rotation (Revenues from operating activities/Working Capital)	0.60	0.62
Invested Capital rotation (Revenues from operating activities/Working Capital)	0.37	0.37

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 substantial stability in all structure ratios and rotation of Working Capital.

FINANCIAL MANAGEMENT

The following table provides a breakdown of the Group's Net Financial Position as of December 31, 2024.

NET FINANCIAL POSITION (thousands of euros)	Current year	Previous year	Difference
a) Cash and cash equivalents	**555,646**	**371,979**	**183,667**
b) Current financial assets	**1,199,547**	**1,234,004**	**(34,457)**
c) Non-current financial assets	**4,963**	**16,202**	**(11,239)**
Current bank liabilities	150,485	144,742	5,743
Current financial liabilities for IFRS 16 leases	13,866	13,082	784
d) Total current financial liabilities	**164,351**	**157,824**	**6,527**
e) Current financial position (Indebtedness) (a+b+c-d)	**1,595,805**	**1,464,361**	**131,444**
Non-current bank liabilities	631,274	780,494	(149,220)
Non-current financial liabilities for IFRS 16 leases	31,341	28,138	3,203
f) Total non-current financial liabilities	**662,615**	**808,632**	**(146,017)**
NET FINANCIAL POSITION (e-f)	**933,190**	**655,729**	**277,461**

As already highlighted in the previous paragraphs, the decrease in non-current bank debt and the significant increase in liquidity allowed the Group to report a **Net Financial Position** increase of 277,461 thousand euros compared to the previous year, further consolidating a position of strong solvency and financial solidity.

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 limited availability of subsidies in Italy.
During the year, Research & Development activities continued, conducted by the in-house structure with the use of highly advanced instruments and equipment, a specialized staff of 162 employees, in addition to senior researchers from foreign subsidiaries included in the organizational structure of the Research & Development Department; this structure also makes use of external organizations, including consultants of an international level, for a total investment of about 9% of sales to third parties.

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. During 2024, new therapeutic targets were identified and research and development projects deemed strategic or that showed interesting prospects in the therapeutic areas of reference were continued, continuing the studies already undertaken and implementing new in-depth studies and clinical development in line with European regulations. Activities were also carried out through scientific collaboration with private and academic research centers, university and hospital institutes, both nationally and internationally.

In relation to the Angelini Pharma Group's efforts in epilepsy, in 2024, the clinical research 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 continued. The observational collection of data from databases is integrated with the application of Artificial Intelligence, making 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.
Patient enrolment in a new international prospective observational study was also started in 2024, with the aim of generating effectiveness data on the cenobamate used in the treatment of patients as a third or fourth drug according to approved indications in Europe. Finally, in addition to these studies, three spontaneous preclinical studies for new therapeutic hypotheses were launched, collaborating with prestigious German research institutions.
In the field of mental health, and specifically in frail patients, an observational study was initiated to generate data to describe the treatment of elderly patients suffering from major depression and cognitive disorders.

Together with the efforts of the HQ Medical Department, the Country Medical Departments also carry out collaborative plans with scientific companies and academic bodies with the aim of investigating patient needs and unmet pathology needs, especially in the field of epilepsy and mental health. In addition to Medical Affairs activities, which include a scientific presence at major local conferences, in many countries part of the investment is dedicated to supporting independent research by centers of excellence. In addition, in Italy, a prospective observational study is being conducted with the aim of consolidating knowledge on the effectiveness of cenobamate in local clinical practice; this approach makes it possible to expand the data available for scientific communication and opens up avenues for other potential lines of research.

In addition, with a view to the continuous improvement and investigation of the mechanisms of action of our historical active ingredients (trazodone and benzydamine), preclinical studies continued in both *in vitro* and *in vivo* models.
In the area of Consumer Health, Life Cycle Management opportunities were identified for the different products in the pharmaceutical pipeline and related project operations were activated. The aim is to meet the needs of patients, with particular reference to ease of administration, flexibility of dosage and adherence to treatment schedules, using patient-oriented criteria that increasingly guide the design and development of new products. In particular, in support of products containing benzydamine, work continued on the development of new pharmaceutical forms to complement those currently on the market that can optimize efficacy, through the addition of the active ingredient cetylpyridinium to the formulation, and improve patient compliance, through optimization of the taste or ease of taking the drug.

In the field of non-pharmacological treatment of pain, communication was carried out to raise awareness of 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. Furthermore, thanks to the active collaboration with the recently reorganized and strengthened R&D group in Albany (USA), several Life Cycle Management opportunities were identified and some constitutive and functional aspects of the ThermaCare line of products were optimized, on which the relevant investigation activities were activated. Finally, the possibilities of improving the sustainability of products continued to be explored by searching for eco-friendly materials and packaging that have less impact on the environment, and improving the

patient experience through new proposals to improve the ergonomics and usability of products.
In the non-pharmaceutical sector, a disinfectant and virucidal soap containing environmentally sustainable and non-polluting active ingredients was developed and launched. In addition, technical/scientific investigations were undertaken to optimize established production processes in order to improve the productivity of the processes themselves, the quality of the final product and, at the same time, improve aspects of environmental sustainability. To this end, a process of exploration and experimental verification of the implementation of the potential optimizations identified was activated, which led, among other things, to the possibility of optimizing the production process of hypochlorite (an essential component of the Amuchina brand), and to the activation of a project that is confirming the technical feasibility, the positive impact on certain quality aspects, as well as the possibility of a general improvement in the sustainability of the process.

With reference to the **Industrial Technology** sector, Research & Development activities in 2024 ranged from Converting, Robotics to Artificial Intelligence applications. As far as Converting platforms are concerned, efforts focused on the implementation of technological innovations. Among the main projects, many of which started as early as 2023, are the creation of a modular platform for incontinence products, the revision of processes for the platform for feminine sanitary pads to better respond to market demands, the in-line processing of raw materials, and the design of production processes oriented towards environmental sustainability. In addition, the development of new machines for the automated production of lithium batteries was started, with a special focus on cell assembly. In addition, the foundations have been laid for a new multi-year development program that challenges autonomous machine management by leveraging Artificial Intelligence. Development activities in robotics, on the other hand, focused on end-of-line automation of production platforms for Consumer Goods, with the aim of improving the overall efficiency of workflows. In the coming years, development and innovation will focus on the modularity of lines for the Hygiene market; the development of more sustainable products and production processes; the implementation of new technological solutions in the field of energy storage production; and the invasive/massive application of Artificial Intelligence in Converting and Robotics. In line with the intellectual property protection strategy initiated in previous years, 40 new patent applications were filed.

In the **Consumer Goods** sector, Research & Development activities continued during the year, conducted by the internal structure of the Technology Innovation Department of Fater S.p.A., using tools, equipment and specialized personnel, joined by consultants and external services. Activities include research into consumer needs, formulation and analysis of products, study of new materials, development of packaging with 3D prototyping, performance tests, simulation of extreme environmental conditions and study of industrialization phases using pilot plants.
In particular, the Technology Innovation department pursues three objectives: improving the user experience, reducing the environmental footprint and optimizing production costs. This is the context for the "Net Zero" sustainable innovation projects: the greatest challenge is to achieve carbon neutrality of Fater S.p.A.'s products, without affecting the quality and accessibility of the offer. As part of its approach to research and innovation, Fater S.p.A. has for many years activated a series of scientific collaborations with universities and other private and academic research centers, both national and international, in the Fabric & Home Care and Paper categories.
In addition, the Company offers university students the opportunity to work for 6 months on a technical/scientific project relevant to their degree, in state-of-the-art spaces and supported by industry professionals, thanks to the #FaterLabExperience program. The projects cover development and innovation in various areas, with a focus on sustainability and reducing emissions. In the last year, 13 students participated in the project. For Fater S.p.A., the initiative represents an opportunity to gain new perspectives and know-how.

INFORMATION REGARDING PERSONNEL, SECURITY AND ENVIRONMENT

With reference to the **Health** business segment, in 2024 the Company was awarded the Top Employer certification, a prestigious international award given to companies that stand out for excellence in human resources management practices. This certification is issued by the Top Employers Institute, a global leader in HR best practice certification. Angelini Pharma achieved the Europe certification for the sixth consecutive year and for the first time ranked tenth among the Top 10 in Europe. The Company also achieved certification in Italy, ranking 14th among more than 1,200 certified companies in total. This important milestone confirms Angelini Pharma's commitment to constantly work towards excellence in HR practices and processes. In connection with Learning & Development, in order to enhance skills development and promote the professional growth of all employees, in 2024 the Company created the Pharma Learning Factory, which includes a training offer aimed at working on four main "learning areas":

- Self-empowerment: to support professional development and growth;
- Leadership & Managerial Skills: to strengthen managerial and leadership skills;
- Upskilling Pharma Functions: to enhance specific skills through *ad hoc* training programs for different professional families;
- On Boarding: to take care of new hires by overseeing and facilitating their induction into the company (also through a Buddy Program).

In addition to the Learning Factory's initiatives and programs, employees can also benefit from the educational offerings of Angelini Academy, the Angelini Industries Corporate University.

Angelini Pharma promotes Diversity, Equity and Inclusion (DEI) by recognizing the uniqueness of employees as strategic value. The aim is to create an inclusive working environment and ensure equal opportunities.
The goals achieved include:

- DEI Governance: establishment of two committees (Leadership Steering Committee and Operative Steering Team) to define and implement the DEI strategy;
- Shadow Board: an initiative to involve young talent in strategic corporate decisions;
- collaboration with Valore D: promotion of gender equality;
- UNI/PdR 125:2022 certification: for gender equality at Italian sites, obtained for the second year running;
- reducing the gender pay gap: analyzing and reducing pay differences between men and women.

Significant investments were also made in training personnel in the **Industrial Technology** sector. In the period in question, approximately 22,000 hours of training were delivered to the Group's Operating Companies in this sector, 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. Two self-learning platforms for the development of language and managerial skills were also activated.
In particular, training involved the following areas:

- regulatory updates: Group Code of Ethics, new Organization, Management and Control Model, Group Privacy Policy, Global Anti-Corruption Policy, Personal Data Protection;
- environment and energy efficiency, sustainability;
- communication: new brand identity;
- cybersecurity;
- digital transformation and digital productivity tools;
- Lean Manufacturing processes (Lean Six Sigma);
- intellectual property;
- basic, advanced and collaborative robotics; vision systems; AI and machine learning;
- occupational safety;
- development of language skills;
- development of soft skills and managerial skills;
- advanced mechanical design tools, software and hardware;
- Fameccanica.Data S.p.A. machine tools, systems and processes;
- train the trainers.

In keeping with the vision, mission and founding values of the Angelini Industries Group, Fameccanica. Data S.p.A. has made a concrete commitment to sustainability, considering the latter a competitive lever and at the same time a factor of responsibility towards the future and coming generations. For Fameccanica.Data, sustainability is implemented by reducing the impacts of its business activities and implementing initiatives to improve the well-being of people, society and the environment.
In 2024, as part of the Angelini Industries Group project, the Company actively participated in the definition of the sustainability strategy, complementary to its own roadmap and the ESG commitments already undertaken, which led to the formalisation of the three-year ESG Plan and the identification of four pillars on which it will act: "People" – creating an inclusive and safe work environment where our employees have all the tools necessary to work and constantly grow; "Clients & Community" – promoting active engagement of our communities by generating knowledge and innovating; "Ecosystems" – collaborating with our suppliers and the entire ecosystem to promote virtuous change; "Planet" – reducing our environment impact through lower impact from emissions, water and waste, and collaborating with suppliers to generate sustainable value chains. The enabling factors for achieving the ESG Plan will be "Governance" and "Innovation".

With reference to the **Consumer Goods** sector, Fater S.p.A. is strongly committed to encouraging the contribution of individuals, by increasing their skills and experience and promoting a safe and inclusive working environment based on trust, where everyone can express their full potential. The corporate culture is based on the "People First" concept, a strategy consisting of six interconnected pillars (Listen, Growth & Impact, Well-being, Inspire, Include and Do the Right Thing), with the aim of providing the best possible work experience in a climate of mutual trust and well-being and generating a cross-principle approach towards an osmotic combination, without pre-established conceptual constraints. Every year Fater defines a roadmap of People First activities, with the aim of developing the different pillars around the Company's strategic topics. Fater S.p.A. – SA 8000 certified – is one of the first companies in Italy to have adopted a hybrid work model with the possibility of working from home all 5 days for positions that can be managed remotely. Considered a benefit by 90% of employees, it promotes work-life balance. This is made possible by the relationship of trust that underlies the relationship with people. On the other hand, for functions that are not compatible with remote working, Fater offers 2 additional days off, and 3 days for workers over 50 to mitigate the impact of night shifts. In addition, given the great importance of parenthood and the role of fathers, Fater has chosen to

make available to new fathers a fully paid 3-month period to be used in the first year of the child's life. An internal satisfaction survey is conducted annually, which in 2024, in line with previous surveys, confirmed the positive relationship between employees and the Company.
Attention to the environment is a key factor in defining the Company's industrial strategy. Fater has welcomed the goal to become Net Zero by 2040 and, to this end, has identified a clear process to reduce the medium and long-term impacts, with defined targets and KPIs in line with the sustainability materiality topics found. Occupational health and safety is the main focus for Fater S.p.A.: an Occupational Health and Safety Management System compliant to ISO 45001:2018 is in operation at the Company. The management systems are applicable to all activities conducted at the certified offices and to the personnel therein, under ordinary and emergency operating conditions, according to the duties indicated in the Risk Assessment Document (RAD) approved by the Executive Committee of Fater S.p.A. (employers). Annual checks are performed on the safety systems via internal and external audits. The safety procedures periodically undergo analysis and review by the HSE team.

In the Wine segment, Angelini Wines & Estates has always invested in the continuous training and active participation of all personnel, with various information activities and tools. The training events sought to strengthen and standardize knowledge and behaviors in relation to aspects of hygiene, food safety, safety in the production sites, and of environmental and social sustainability. In FY 2024, all wineries maintained certification according to the international IFS 7 standard, with Tenuta Trerose also renewing its Equalitas sustainability certification, which was obtained in FY 2022.

COMPANY RISK MANAGEMENT

The Group is exposed to various risks arising both its industry sectors as well as the way in which its business activities are carried out, such as market risk, credit risk and liquidity risk. Group management is in charge of overseeing these risks. Below are the main risks to which the Group is exposed and the main policies adopted by management to mitigate them. For further details on the risks associated with the balance sheet items, please refer to the explanatory notes.

MARKET RISK

Market risk is the risk that the fair value of the future cash flows of a financial instrument will change due to differences in the market price. Market price risk generally comprises three types of risk: interest rate risk, exchange risk and other price risks, such as equity risk and commodity price risk. Financial instruments subject to market risk include deposits, receivables and payables in foreign currencies, and derivatives. To a lesser extent, the book values of pension plans and other post-employment obligations, as well as those financial assets and liabilities that contain a significant financial component, are also affected by market differences.

In calculating the sensitivity analysis of the significant elements of the Income Statement, i.e. the profit or loss for the year, the effect of the assumed differences relating to market risks was considered. This analysis is based on financial assets and liabilities held as of December 31, 2024 and 2023.
In addition, 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 Group's business may implement, to the detriment of margins. In this regard, the Group's management closely monitors the evolution of the policy of tariffs introduced by the US administration at the start of FY 2025; in order to deal with these risks, the Group takes all the necessary actions to support the value of the product portfolio recognized by the reference markets.

PRODUCT RISK

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.

With reference to the **Consumer Goods** sector and, in particular, to the business segments in which the JV Fater S.p.A. operates, from a demographic point of view, even in 2024 the trend of births in Italy recorded a significant contraction, in line with the trend of recent years. The number of women of menstrual age, namely between 12 and 54 years, also continued its downward trajectory in 2024. The over-55 population followed an opposing trend, which confirmed the constant growth recorded in previous years. Faced with this scenario, Fater S.p.A. has implemented all actions to safeguard the market share of its portfolio brands, focusing mainly on product innovations and commercial activities brought to the market, which further strengthened consumer loyalty to these brands. Albeit in a macroeconomic scenario characterized by strong uncertainty due to the international geopolitical situation and resulting inflation that affected most consumer goods markets in Italy, on the markets where Fater S.p.A. is present, there were no significant down-tiering phenomena (consumers shifting from products in high-end segments to low-end segments).

OVERCONCENTRATION RISK

Concentration arises when a number of counterparties are engaged in a similar business or carry out their activities in the same geographic area or have economic characteristics such that their ability to honor contractual commitments is affected by economic, political or other changes. Concentration indicates the relative sensitivity of the Company's results to changes that may affect a particular sector.

In order to avoid excessive concentrations of risk, the Group's rules and procedures include specific guidelines for maintaining a diversified portfolio. If any situations of concentration are identified, they are monitored and managed accordingly. Specific hedges are used within the Group to manage concentration risk at both the relationship and sector level.

COMPLIANCE RISK

Every operation carried out by the Group throughout the product life cycle, from Research and Development to production and dissemination of scientific information, presents an inherent risk of non-compliance with laws and regulations. To reduce these non-compliance risks, the Group has implemented an internal control system that includes a set of well-defined and integrated procedures and organizational structures. This system is designed to minimize the risk of regulatory non-compliance, ensure accurate and transparent market information, and prevent or limit the consequences of unforeseen events by focusing on achieving business objectives.

RISK OF PRODUCTION INTERRUPTION

Production activity, by its very nature, is exposed to potential risks of interruptions which, if they were to occur significantly or for a prolonged period – due to, for example, natural disasters, fires, long-term suspension of production permits/licences, malfunctions of plant and machinery, exceptional interruptions in the supply of strategic raw materials or energy – could have a negative impact on the continuity and regularity of sales. To mitigate these risks, the Group adopts an effective asset protection policy (through plant maintenance plans and automatic fire detection and extinguishing systems) and has plants with the production capacity and flexibility of use to respond to changing planning needs. In addition, the Group only uses reliable and qualified suppliers in accordance with the applicable technical standards and constantly monitors the availability of raw materials and strategic excipients, in order to promptly identify any shortfalls and take the necessary actions (supply and/or production backups) to ensure production autonomy. In addition, the Group has taken out appropriate "Property" insurance policies that provide risk coverage for both direct damage (damage to buildings, machinery and goods) and indirect damage (loss of profit resulting from accidents).

PHARMACOVIGILANCE RISK

As the holder of marketing authorizations for medicinal products, the Group is subject to pharmacovigilance regulations. This regulation requires, among other things, the transmission to the relevant regulatory bodies, at the time and in the manner determined by them, of information on the safety of medicines, with particular attention to adverse reactions. The detection of serious adverse reactions may expose the Group to the risk of restrictions in prescribing a drug, including, in the most serious cases, withdrawal of the marketing authorization of the drug. To effectively manage this risk and comply with national regulations in the countries in which it operates, the Group has assigned specific pharmacovigilance responsibilities and implemented integrated systems for collecting, analyzing, managing and transmitting the required information to the competent authorities. In response to the introduction of increasingly stringent regulatory requirements, there has been a constant strengthening of the internal structure dedicated to pharmacovigilance (in terms of organization, tools, training, procedures, etc.), with improved coordination with subsidiaries and partners and centralized evaluation of pharmacovigilance information.

RISKS ASSOCIATED WITH R&D INVESTMENTS

The Group's competitive positioning depends on the continuous development of its product portfolio through Research & Development of new molecules and pharmaceutical specialties, an activity to which it devotes a significant part of its resources. Given the complexity, duration and very nature of such initiatives, it cannot be ruled out that investments in research and development will not produce the expected results due to the failure of the research conducted, the failure to obtain the necessary marketing authorizations or unsatisfactory price/reimbursement conditions. To mitigate exposure to these risks, the Group constantly monitors the intermediate results generated in the various stages of the research and development process, selecting and pursuing only the most reliable initiatives or those with the highest probability of success and return.

CREDIT RISK

Credit risk is the risk that a counterparty will not fulfill its obligations under a financial instrument or commercial contract, thus leading to a financial loss. For further details, please refer to the explanatory notes to the financial statements.

LIQUIDITY RISK

The liquidity risk to which the Group may be subject is represented by the failure to obtain adequate financial resources necessary for its operations, as well as for the development of its industrial and commercial activities. For further details, please refer to the explanatory notes to the financial statements.

EXCHANGE RISK

Exchange risk is the risk that the fair value or future cash flows of an exposure will change as a result of differences in exchange rates. For further details, please refer to the explanatory notes to the financial statements.

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.
Please refer to the explanatory notes to the financial statements for further details.

TREASURY SHARES AND SHARES OF THE PARENT COMPANY

The Company does not hold any treasury shares or shares/stakes of parent companies, either directly or indirectly. Equally, the Company did not purchase or sell any treasury shares or shares/stakes of parent companies during the year.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

On January 7, 2025, the agreement to sell 100% of the share capital of AB Parfums S.p.A. (formerly Angelini Beauty S.p.A.) and its subsidiaries AB Parfums G.m.b.H., AB Parfums Iberia S.A. and Greyhound Beauty S.r.l. was finalized, stipulated between the Company and Give Back Beauty Holding S.A. for a total value of 76,220 thousand euros.
In May 2025, Angelini Pharma S.p.A. signed a collaboration agreement with GRIN Therapeutics for the development and marketing rights – outside North America – of the drug Radiprodil, currently under investigation for the treatment of several rare genetic epilepsies and neurodevelopmental disorders, enabling the Company's entry into the field of neurodevelopmental disorders and rare pediatric epilepsies.
Also in May 2025, the sale of the JV MadreNatura A.G. was finalized for an amount of 1,417 thousand euros.

BUSINESS OUTLOOK

While the general uncertainty around the consequences of existing conflicts remains, which has recently been joined by uncertainty around the risk of a tariff war, during 2025 the Group must continue to turn its attention to the execution of the strategic direction provided by the shareholder, developing the actions to be put in place to achieve the Group's objectives. At the same time, initiatives aimed at optimizing financial management and Group margins will continue.

Rome, May 28, 2025

for THE BOARD OF DIRECTORS

(Vice Chairman and CEO)
Sergio Marullo di Condojanni

II. Consolidated financial statements

ANGELINI HOLDING S.P.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (thousands of euros)	Notes	December 31, 2024	December 31, 2023	January 1, 2023
ASSETS				
Non-current assets				
Goodwill	3.1.1	58,895	59,778	60,256
Intangible assets	3.1.2	459,506	560,892	620,568
Right of use assets	3.1.3	44,271	40,662	38,417
Property, plant and equipment	3.1.4	399,896	386,311	338,052
Investments in associates and joint ventures	3.1.5	79,297	70,765	63,603
Non-current financial assets	3.1.6	395,752	495,313	526,055
Deferred tax assets	3.1.7	66,787	68,766	52,183
Total non-current assets		**1,504,404**	**1,682,487**	**1,699,134**
Current assets				
Inventories	3.1.8	342,921	341,453	327,160
Trade receivables	3.1.9	412,379	416,730	389,894
Tax receivables	3.1.10	39,935	33,913	22,687
Other current assets	3.1.11	92,406	93,111	88,438
Current financial assets	3.1.12	1,199,547	1,234,004	976,704
Cash and cash equivalents	3.1.13	555,646	371,979	320,596
Total current assets		**2,642,834**	**2,491,190**	**2,125,479**
Assets held for sale		101,556	0	0
TOTAL ASSETS		**4,248,794**	**4,173,677**	**3,824,613**

ANGELINI HOLDING S.P.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (thousands of euros)	Notes	December 31, 2024	December 31, 2023	January 1, 2023
LIABILITIES AND EQUITY				
Equity	3.2.1			
Share capital		3,000	3,000	3,000
Other reserves		2,492,261	2,496,157	2,492,231
Retained earnings		32,078	(84,670)	(116,790)
Period profit (loss)		155,813	119,980	80,046
Total Equity attributable to Parent Company shareholders		**2,683,152**	**2,534,467**	**2,458,487**
Third-party capital and reserve		10	311	1,294
Total Equity		**2,683,162**	**2,534,778**	**2,459,781**
Non-current liabilities				
Provisions for risks and charges	3.2.2	4,844	4,164	18,926
Tax payables		21	21	231
Net liabilities for defined employee benefits	3.2.3	34,419	23,884	18,638
Financial lease liabilities	3.2.4	31,340	28,138	38,276
Other financial liabilities	3.2.5	631,853	781,839	609,748
Deferred tax liabilities	3.2.6	10,474	12,407	17,042
Other liabilities	3.2.7	4,719	3,219	2,892
Total non-current liabilities		**717,670**	**853,672**	**705,753**
Current liabilities				
Payables to banks and loans	3.2.8	150,485	144,742	43,778
Provisions for risks and charges	3.2.2	9,226	9,026	9,957
Trade payables	3.2.9	481,216	446,155	427,847
Tax payables	3.2.10	58,915	46,973	35,424
Financial lease liabilities	3.2.4	13,866	13,082	0
Other financial liabilities	3.2.11	331	0	0
Other liabilities	3.2.12	133,923	125,249	142,073
Total current liabilities		**847,962**	**785,227**	**659,079**
TOTAL LIABILITIES AND EQUITY		**4,248,794**	**4,173,677**	**3,824,613**

ANGELINI HOLDING S.P.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT (thousands of euros)	Notes	December 31, 2024	December 31, 2023
Revenues from contracts with customers	4.1.1	1,590,315	1,546,724
Other revenues and operating income	4.1.2	36,527	24,175
TOTAL REVENUES AND INCOME		**1,626,842**	**1,570,899**
Raw material costs	4.2.1	503,929	507,738
Costs for services	4.2.2	415,128	421,955
Staff costs	4.2.3	403,048	379,716
Other operating costs	4.2.4	66,687	57,497
TOTAL OPERATING COSTS		**1,388,792**	**1,366,906**
GROSS OPERATING MARGIN (EBITDA)		**238,050**	**203,993**
Depreciation, amortization and writedowns	4.3	130,814	128,812
OPERATING RESULT (EBIT)		**107,236**	**75,181**
Financial income	4.4	131,036	95,736
Financial charges	4.5	65,055	47,622
Share of profit of associates and joint ventures	4.6	36,031	20,898
Value adjustments to assets measured at fair value	4.7	(28,319)	(3,184)
Exchange rate gains and losses		(3,942)	(1,479)
EARNINGS BEFORE TAX		**176,987**	**139,530**
Income taxes	4.8	21,180	19,611
PERIOD PROFIT (LOSS)		**155,807**	**119,919**
Share attributable to minority shareholders		(6)	(61)
Share attributable to shareholders and Parent Company		155,813	119,980

ANGELINI HOLDING S.P.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (thousands of euros)	**December 31, 2024**	**December 31, 2023**
STATEMENT OF OTHER COMPREHENSIVE INCOME		
Net profit	155,807	119,919
OTHER COMPREHENSIVE INCOME		
Net gain (loss) on cash flow hedges	(8,513)	(23,416)
Currency translation differences in foreign balance sheets	(175)	(11,638)
TOTAL OTHER COMPREHENSIVE INCOME THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT (LOSS) AFTER TAX	**(8,688)**	**(35,054)**
Net gain (loss) on equity instruments measured at fair value and recognized in the Comprehensive Income Statement	(20,597)	9,273
Net gain (loss) from revaluation of defined benefit plans	(56)	(301)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT (LOSS) AFTER TAX	**(20,653)**	**8,972**
Profit (Loss) in the Statement of other comprehensive income after tax	**126,466**	**93,837**
Share attributable to minority shareholders	(6)	(61)
Share attributable to shareholders and Parent Company	126,472	93,898

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY (thousands of euros)	Capital	Other reserves	IFRS first-time application (FTA) reserve	OCI reserve
Opening balance 01/01/2023	**3,000**	**2,228,399**	**256,333**	**0**
Net profit	0	0	0	0
Allocation of last year net profit	0	0	0	0
Other movements	0	20	0	8,972
Currency translation differences	0	0	0	0
Distribution of dividends to the shareholder	0	0	0	0
Merger	0	0	0	0
Closing balance 12/31/2023	**3,000**	**2,228,419**	**256,333**	**8,972**
Net profit	0	0	0	0
Allocation of last year net profit	0	0	0	0
Other movements	0	0	2,061	(20,650)
Currency translation differences	0	0	0	0
Distribution of dividends to the shareholder	0	0	0	0
Merger	0	0	0	0
Closing balance 12/31/2024	**3,000**	**2,228,419**	**258,394**	**(11,678)**

Retained earnings	Period profit (loss)	Cash flow hedge reserve	Currency translation differences reserve	Total Equity attributed to Parent Company shareholders	Third-party capital and reserve	Total Equity
(116,790)	**80,046**	**36,133**	**(28,634)**	**2,458,487**	**1,294**	**2,459,781**
0	119,980	0	0	119,980	(61)	119,919
80,046	(80,046)	0	0	0	0	0
(7,926)	0	(23,416)	29,032	6,682	(922)	5,760
0	0	0	(10,682)	(10,682)	0	(10,682)
(40,000)	0	0	0	(40,000)	0	(40,000)
0	0	0	0	0	0	0
(84,670)	**119,980**	**12,717**	**(10,284)**	**2,534,467**	**311**	**2,534,778**
0	155,813	0	0	155,813	(6)	155,807
119,980	(119,980)	0	0	0	0	0
(3,187)	0	(8,513)	23,380	(6,909)	(295)	(7,204)
(45)	0	0	(175)	(220)	0	(220)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
32,078	**155,813**	**4,204**	**12,922**	**2,683,152**	**10**	**2,683,162**

ANGELINI HOLDING S.P.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (thousands of euros)	as of 12/31/2024	as of 12/31/2023
A. Operating activities		
Net income	155,807	119,919
Income taxes	21,180	19,611
Net accrued interest	(27,651)	(21,731)
Other expenses (income) from financial assets	(13,066)	(7,355)
Dividends	(68,921)	(49,492)
Depreciation of property, plant and equipment	30,143	29,008
Amortization of intangible assets and right of use assets	94,243	93,109
Writedowns	58,298	114,860
Provision made	16,809	24,896
Other non-monetary items	(25,121)	(127,063)
Capital (losses) gains deriving from the disposal of assets	(12,199)	86
Difference in other assets and other liabilities	(472)	(3,405)
Employee severance indemnity paid to supplementary social security scheme	(10,755)	(10,563)
(Use of provisions)	(5,652)	(26,083)
Cash flow generated (absorbed) by operating activities before differences in Working Capital	**212,644**	**155,797**
Difference in:		
Inventories	(28,586)	(14,293)
Trade receivables	(31,469)	(26,836)
Trade payables	51,952	14,713
Other differences in Net Working Capital	37,612	(38,966)
Difference in Working Capital	**29,509**	**(65,382)**
Interest received	88,259	68,495
Interest paid	(61,677)	(44,868)
Income tax paid	(18,627)	(15,514)
Dividends collected	68,920	49,492
Cash flow generated (absorbed) by operating activities	**319,028**	**148,020**

CONSOLIDATED STATEMENT OF CASH FLOWS (thousands of euros)	as of 12/31/2024	as of 12/31/2023
B. Investment activities		
Investments in property, plant and equipment	(61,933)	(80,950)
Divestments of property, plant and equipment	17,089	1,195
Investments in intangible assets	(6,338)	(20,911)
Divestments of intangible assets	1,135	1,298
Acquisition of shareholdings in subsidiaries	(38,491)	(54,812)
Disposal of non-current assets held for sale	92,841	87,352
Other non-fixed financial assets	0	0
Investments in financial assets that do not constitute fixed assets	(1,030,668)	(977,846)
Divestments of financial assets that do not constitute fixed assets	1,113,478	738,365
Difference in the scope of consolidation[1]	(27,159)	0
Centralized treasury management	0	0
Cash flow generated (absorbed) by investment activities	**59,954**	**(306,309)**
C. Cash flow deriving from financing		
Centralized treasury management	(36,490)	(14,452)
Stipulation of loans	0	400,000
Repayment of loans	(149,220)	(121,552)
Payment of lease liabilities	(15,348)	(12,445)
Difference in short-term payables to banks and other lenders	5,743	(1,880)
Dividends paid	0	(40,000)
Purchase of treasury shares	0	0
Sale of treasury shares	0	0
Cash flow generated (absorbed) by financing activities	**(195,315)**	**209,671**
Difference in cash and cash equivalents	**183,667**	**51,383**
Opening cash and cash equivalents	371,979	320,596
Closing cash and cash equivalents	**555,646**	**371,979**

(1) Of which cash attributable to discontinued operations, classified as held for sale, -2,659 thousand euros.

III. Explanatory notes

to the consolidated financial statements
as of **December 31, 2024**

1. GENERAL INFORMATION

Angelini Holding S.p.A. (hereinafter also "the Company"), as the Industrial Holding Company of the Angelini Industries Group (hereinafter also "the Group"), aims to manage the industrial equity investments in the businesses in which the Group operates. In addition, it carries out the centralized management of the Group's treasury through investments in low-risk financial instruments, as well as providing the Group's Companies with IT, financial and M&A, administrative, management, insurance, legal and any other services required in the interest of those Companies.
The Angelini Holding S.p.A. headquarters are in Rome at Viale Amelia no. 70.

2. ACCOUNTING STANDARDS

2.1 REFERENCE PRINCIPLES

Effective January 1, 2024, the Board of Directors of the Parent Company Angelini Holding S.p.A. resolved to adopt the IAS/IFRS international accounting standards. These consolidated financial statements have therefore been prepared in accordance with International Financial Reporting Standards, as defined below, issued by the International Accounting Standards Board (hereinafter "IASB") and adopted by the European Commission in accordance with the procedure set forth in Article 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002. IFRS also includes all International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Standards Interpretations Committee, formerly known as the "Standard Interpretations Committee" (SIC). The IFRS have been applied consistently to the periods presented herein, as well as taking into account the best practice on the subject; any future guidelines and updates to interpretation will be reflected in subsequent periods, in accordance with the procedures provided for from time to time by the reference principles.

As indicated, since these financial statements are the first prepared by the Company in accordance with IFRS, it was necessary to carry out a process of conversion from Italian accounting standards to IFRS by applying, among other things, the provisions of IFRS 1 concerning the "First-time Adoption of International Financial Reporting Standards"; to this end, January 1, 2023 was identified as the date of transition to IFRS (hereinafter the "transition date"). With regard to the disclosure required by IFRS 1 on the accounting effects of the transition from Italian accounting standards to IFRS (hereinafter the "transition to IFRS"), please refer to the detailed information provided in the Note on first-time adoption of IAS-IFRS.

The consolidated financial statements have been prepared in accordance with the historical cost principle, except for derivatives, which are recorded at fair value. The book value of assets and liabilities that are the subject of fair value hedges and would otherwise be recognized at amortized cost is adjusted for differences in the fair value attributable to the hedged risks.

In order to better represent the Group's operations, the items in the Consolidated Income Statement have been classified by nature. For the preparation of the Balance Sheet, the distinction between current and non-current has been adopted as the method of representing assets and liabilities. The indirect method has been used to prepare the Statement of Cash Flows.

Management uses certain subtotals in the Income Statement as indicators of company performance, in particular EBITDA and EBIT (which do not represent GAAP measures), which are respectively the algebraic sum of the following balance sheet items represented in the Income Statement:

EBITDA: Revenues from contracts with customers, Other revenues and income, Raw material costs, For services, Staff costs, Other operating costs;
EBIT: EBITDA, Depreciation, amortization and writedowns of fixed assets.

The consolidated financial statements include the income statements and balance sheets of the Parent Company and all its subsidiaries, expressed in euros (€), rounded to the nearest thousand euros. Annex 11.1 lists the Companies included in the scope of consolidation, the method applied, their shareholding relationships and their activities.

Data from the financial statements of Consolidated Investee Companies, prepared by the Boards of Directors or by the Sole Director for approval by the respective Shareholders' Meetings, have been appropriately reclassified and adjusted by applying international accounting standards.

The Group's consolidated financial statements have been prepared on the assumption of going concern, as the Directors themselves have verified the absence of indicators, both financial and managerial in general, that could signal critical issues concerning the Group's ability to meet its obligations in the foreseeable future, and in particular in the next twelve months.

In particular, in making the estimates and assumptions related to the preparation of the consolidated financial statements, no effects that could have a significant impact on the figures in the financial statements, including potential ones, have been identified at this time deriving from the ongoing conflict between Russia and Ukraine, an area in which the Group operates in the Russian market with revenues in 2024 equal to 2.88% of total revenues.
The sanctions and trade restrictions resulting from the current geopolitical tensions, with particular reference to the Russia-Ukraine and Middle East crises, did not have a significant impact on logistics costs or, in general, on the Company's operating efficiency.

At the same time, the recent tariff policy implemented by the US administration in early April 2025, though then suspended for 90 days, is likely to have a negative impact on the export trend of the EU and Italy in 2025. With reference to the specific business of the Angelini Industries Group, the possible impact on the business of any escalation of tariff policies between the US, the EU and the Asian bloc (China in particular) is being assessed, though no significant effects are currently foreseen in the short term.

In light of the analyses performed, and also taking into account the achievement of the expected results and the sector to which it belongs, no effects that could have a significant impact on the balance sheet figures have been identified at present. However, the Group remains vigilant and ready to adapt its strategies in response to changes in the scenario.

2.2 CONSOLIDATION PRINCIPLES

The consolidated financial statements include the financial statements of Angelini Holding S.p.A. and its subsidiaries as of December 31, 2024. The financial statements, including those of Angelini Holding S.p.A., have been appropriately reclassified and adjusted by applying international accounting standards using 01/01/2023 as the reference date for the adoption of this set of standards.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the entity being invested in (i.e. holds valid rights that give it the current ability to direct the relevant activities of the entity being invested in);
- exposure or rights to variable returns arising from the relationship with the entity being invested in;
- the ability to exert its power over the entity being invested in to affect the amount of its returns.

The Group reconsiders whether or not it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. Generally, there is an assumption that a majority of the voting rights implies control. In support of this assumption, when the Group holds less than a majority of the voting or similar rights, the Group considers all relevant facts and circumstances to determine whether it controls the entity being invested in, including:

- contractual agreements with other holders of voting rights;
- rights arising from contractual agreements;
- voting rights of the Group;
- potential voting rights of the Group;
- a combination of the above facts and circumstances.

The Group reconsiders whether or not it has control of an investee if facts and circumstances indicate that there may have been changes in one or more of the three elements relevant to the definition of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the Company. Subsidiaries, included in the aforementioned scope of consolidation, are consolidated on a line-by-line basis, in accordance with the following methods:

- the assets and liabilities, expenses and income of wholly consolidated entities are recognized on a line-by-line basis in the consolidated financial statements;
- the book value of equity investments is eliminated against the corresponding fraction of Equity of the investee companies by attributing to the individual assets and liabilities their current value at the date control was acquired;
- profits and losses not yet realized for the Group, as they arise from transactions between Group Companies, are eliminated, as are reciprocal debit and credit and cost and revenue relationships;
- consolidation adjustments take into account their deferred tax effect.

CONSOLIDATION OF FOREIGN COMPANIES

The financial statements of investee companies operating in currencies other than the Euro, which is the Parent Company's functional currency, are converted into Euro by applying the spot exchange rate at the end of the period to the assets and liabilities, and the average exchange rates for the period to the Income Statement and Statement of Cash Flows items.
Exchange rate differences from the translation of the financial statements of investee companies operating in currencies other than the Euro are recognized directly in Equity and are shown separately in a special Equity reserve; this reserve is reversed to the Income Statement upon the full disposal or loss of control, joint control or significant influence over the investee company.

2.3 SUMMARY OF ACCOUNTING PRINCIPLES

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions based on best possible estimates, which affect the values of revenues, costs, assets and liabilities in the financial statements and the disclosure of contingent assets and liabilities at the reporting date. The main sources of uncertainty that could have an impact on valuation processes are also taken into account when making financial statement estimates. Actual results may differ from these estimates.
Estimates and assumptions are reviewed periodically and the effects of each difference are immediately recognized in the Income Statement.
The Angelini Industries Group has based its estimates and assumptions on parameters available at the time the consolidated financial statements were prepared.
Below is a brief description of the items in the financial statements that require greater subjectivity on the part of the Directors in the preparation of estimates, and for which a change in the underlying conditions of the assumptions used could have a significant impact on the financial data.

IMPAIRMENT OF ASSETS AND IDENTIFICATION OF CGUS

Asset impairment exists if the carrying amount of an asset or Cash Generating Unit (CGU) is greater than its recoverable amount (defined as the higher of an asset's or CGU's fair value less costs to sell and its value in use). A CGU represents the smallest group of assets that generates largely independent cash flows.
In the process of identifying the aforementioned CGUs, management took into account the specific nature of the asset to which it belongs (such as, for example, the relevant business areas), verifying that the cash inflows from one group of assets were strictly independent and largely autonomous from those from other assets (or groups of assets). In addition, the assets included in each CGU were also identified on the basis of how management manages and monitors them as part of its business model. The number and scope of CGUs are systematically monitored to take into account any external factors that could affect the ability of groups of business assets to generate their own cash flows, or in order to allocate the effects of any new business combination or reorganization by the Group.

In accordance with the accounting standards applied by the Group, goodwill is tested at least once a year ("impairment test") to determine whether any impairment has occurred. This review requires the Directors to exercise subjective judgments based on information available within the Group and from the market, as well as historical experience; they also depend on factors that may vary over time affecting the valuations and estimates made by the Directors. Furthermore, if it is determined that potential impairment may have occurred, the Group proceeds to determine such impairment using valuation techniques deemed appropriate. The goodwill recognized in the balance sheet relates to the Consumer Healthcare CGU and the Technologies CGU.

For both CGUs, the discounted cash flows refer to a time horizon of 3 years, from 2025 to 2027.
The aforementioned cash flows are taken from the 2025-2027 Business Plan; these flows, for the explicit forecast period, are formulated on the basis of assumptions associated with the evolutionary expectations of the business, while for the years following the explicit period, assumptions of sustainable profitability in the long term are developed to allow for business continuity (growth rates and other factors anchored to macroeconomic dynamics).
The assumptions made by management are as follows:

- depreciation and amortization aligned with investments to maintain fixed capital stock;
- the assumptions on costs and revenues were constructed on the basis of the sales plans of the products in the period considered;
- Working Capital balance of 0;
- the growth rate of operating cash flows after the explicit period and in perpetuity, used to determine the residual value (rate "g"), was estimated to be 0%.

LEASES

The Group makes significant accounting estimates and judgments with respect to: i) the determination of the term of leases, taking into account all the facts and circumstances that generate an economic incentive, or not, to exercise any extension and/or termination options provided for in the contract; ii) the determination of the lessee's incremental borrowing rate; iii) the identification and, where appropriate, the separation of non-lease components, in the absence of an observable stand-alone price for such components; and iv) the identification of variable payments and their characteristics for the purpose of estimating for inclusion, or not, in the determination of the lease liability.

PROVISIONS

The identification of the existence or non-existence of a current obligation (legal or implied) is in some circumstances not easy to determine. The Directors assess these phenomena on a case-by-case basis, together with an estimate of the amount of economic resources required to fulfill the obligation. When the Directors consider that the occurrence of a liability is only possible, the risks are disclosed in the appropriate section on commitments and risks, and no provision is made.

DEFERRED TAX ASSETS

The accounting is supported by a recoverability plan prepared on the basis of assumptions and hypotheses concerning future taxable income that the Directors have deemed reasonable.

INVENTORIES

Stocks that are obsolete or slow-moving are periodically tested for obsolescence and written down if their recoverable value is lower than their book value. The assessment of recoverability, as well as any writedowns, is based on assumptions and estimates derived from experience and historical results.

EMPLOYEE BENEFITS

Liabilities for employee benefits are measured using an actuarial method that requires the use of estimates and assumptions to determine the net value of the obligation. The actuarial methodology considers parameters of a financial nature such as the discount rate and the inflation rate curve, and parameters of a demographic nature such as mortality rate and staff turnover rate.

FINANCIAL INSTRUMENTS

Trade receivables are adjusted by the relevant writedowns to reflect their actual recoverable amount. The determination of the amount of writedowns made requires the Directors to exercise subjective judgment, thus taking into account past events, current conditions and forecasts of future economic conditions. In general, the methods of determining fair value for financial instruments, whether for accounting or disclosure purposes, are summarized below with reference to the main categories of financial instruments to which they have been applied:

- derivatives: appropriate pricing models based on market values of interest rates were adopted;
- receivables and payables and unlisted financial assets: for financial instruments with a maturity beyond 1 year, the discounted cash flow method (discounting of expected cash flows in consideration of current interest rates and creditworthiness) was applied to determine the fair value at “first recognition”. Subsequent recognitions were made according to the amortized cost method;
- listed financial instruments: the market value on the reporting date is used.

HYPERINFLATIONARY ECONOMIES

As of April 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29 – Financial Reporting in Hyperinflationary Economies". For the purpose of preparing these consolidated financial statements, in accordance with IAS 29, certain non-monetary items included in the balance sheet of the Turkish investee company and items in the Consolidated Income Statement have been remeasured by applying the general consumer price index to historical data, in order to reflect the changes in the purchasing power of the Turkish lira at the date of that company's financial statements. In order to take into account the impact of hyperinflation also on the local currency exchange rate, the balances of the Income Statements expressed in hyperinflationary currencies were converted into Euro (the Group's presentation currency), applying the final exchange rate instead of the average exchange rate for the period, in line with the requirements of IAS 21, in order to bring these amounts back to current values. The cumulative levels of the general consumer price indexes are shown below:

- from January 2023 to December 31, 2023: 65%;
- from January 2024 to December 31, 2024: 44%.

As of January 1, 2023, the application of IAS 29 resulted in the recognition of a first-time application reserve of -2,570 thousand euros. In 2024, the application of IAS 29 resulted in the recognition of a net financial income (pre-tax) of 1,610 thousand euros, compared to a financial expense of -1,261 thousand euros recognized at the end of the comparison period. In addition, the implementation of this principle resulted in a positive difference in revenues of the Turkish subsidiary of 2,378 thousand euros in FY year 2024 and 672 thousand euros in FY 2023; finally, the negative impact on the net income was 4,588 thousand euros for FY 2024 and 3,453 thousand euros for FY 2023.

INCOME STATEMENT ITEM (thousands of euros)	IAS 29 effect	
	2024	2023
Revenues from sales and services	2,378	672
Difference in inventories	(9)	(14)
Other revenues and income	11	4
TOTAL OPERATING REVENUES	**2,380**	**662**
Raw material costs	3,079	268
Other operating costs	2,493	245
TOTAL OPERATING COSTS	**5,572**	**513**
Gross operating margin	**(3,192)**	**149**
Depreciation, amortization and writedowns	3,006	2,341
Operating profit	**(6,198)**	**(2,192)**
Net financial income and expenses	1,610	(1,261)
Financial income and expenses	**1,610**	**(1,261)**
Period profit (loss)	**(4,588)**	**(3,453)**

CLIMATE-RELATED TOPICS

The Group considers climate-related topics in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts for the Group from both physical and transition risks. In relation to climate risk aspects within the framework of the impairment test exercise, the impacts in terms of sensitivity analysis on CGUs, companies and plants were identified through the development of a risk analysis, considering the main external variables indirectly impacted by climate change (such as production price indexes and energy price indexes) potentially capable of impacting the economic variables of interest, such as EBITDA. In addition, with regard to assessments related to legal risks and any contingent liabilities, no significant economic and financial impacts on the sectors in which the Group operates were identified during the preparation of the financial statements.

Though the Group believes that its business model and products will still be attractive following the transition to a low-emission economy, climate-related topics increase the uncertainty of estimates and assumptions concerning numerous elements or items in the financial statements. Though climate risks may not currently have a significant impact on the measurement, the Group is closely monitoring developments and changes, such as new climate-related regulations and standards.

The Group started the preparatory activities for the transposition of the CSRD regulation and, in this context, specific analyses on climate change risks were initiated. In particular, the levels of air pollution in the territories of the Group's production facilities, as well as the increased level of exposure to extreme weather events (such as floods, hurricanes and desertification) could have an impact on business activities and the ability to procure raw materials.

The Group's responsibility towards sustainability goes far beyond mere regulatory compliance; it forms part of its strategy and founding values. Though the Group's main commitment rests with its patients, Angelini Holding recognizes that protecting the environment in which its patients live cannot be overlooked. The Company has drawn up an Environmental Policy that testifies to Top Management's willingness to implement, adopt and maintain an efficient Environmental Management System in accordance with UNI EN ISO 14001:2015. This Policy defines the objectives that the organization intends to pursue in order to reduce direct and indirect environmental impacts through the adoption of the best available technologies and virtuous behavior. Particular attention is paid to limiting the waste generated, favoring its recovery and promoting a careful separation of waste from the very start. No less important is the commitment reserved to lowering energy consumption, the efficient use of water resources, and the reduction of the environmental impact of the packaging of its products, which meets the strictest international standards.

APPLICATION OF NEW PRINCIPLES

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS WITH MANDATORY APPLICATION FROM JANUARY 1, 2024

Below is a description of the new standards, interpretations and amendments, applied for the first time, with mandatory application from January 1, 2024, which, based on the assessments performed, did not have a material impact on the consolidated financial statements for the year ended December 31, 2024.

AMENDMENTS TO IAS 7 STATEMENT OF CASH FLOWS AND IFRS 7 FINANCIAL INSTRUMENTS: DISCLOSURES: SUPPLIER FINANCE ARRANGEMENTS

The amendments to IAS 7 and IFRS 7 concern "Supplier Finance Arrangements" and aim to improve the transparency and understanding of such arrangements in financial statements. The amendments require detailed information on the cash flows related to these arrangements and disclosure of the financial impact and associated risks. The objective is to enable users of financial statements to better assess the entity's liquidity, credit risks and financial exposure.

AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS: CLASSIFICATION OF LIABILITIES AS CURRENT OR NONCURRENT; CLASSIFICATION OF LIABILITIES AS CURRENT OR NONCURRENT - DEFERRAL OF EFFECTIVE DATE; NON-CURRENT LIABILITIES WITH COVENANTS

The amendments to IAS 1 clarify the criteria for classifying liabilities as current or non-current, with a focus on those with covenants. They specify that the classification depends on conditions existing at the reporting date and not on any future breaches or renewal expectations. These changes aim to improve clarity and consistency in the presentation of financial liabilities in financial statements.

AMENDMENTS TO IFRS 16 LEASES: LEASE LIABILITY IN A SALE AND LEASEBACK

The amendments to IFRS 16 clarify how to calculate and account for the lease liability in sale and leaseback transactions. They specify that the seller-lessee must measure the lease liability according to the right of use retained. These changes aim to ensure greater consistency and transparency in the financial reporting of such transactions.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS WITH MANDATORY APPLICATION FROM JANUARY 1, 2025

Below is a description of the amendment with mandatory application from January 1, 2025. Based on the verifications conducted as of the date of this document, no impact is expected from the application of the following amendment.

AMENDMENTS TO IAS 21 THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES: LACK OF EXCHANGEABILITY

The amendment concerns the handling of situations where there is no exchangeability between currencies. It provides criteria for identifying this deficiency, methodologies for estimating appropriate exchange rates, and guidelines on how to evaluate and recognize financial items. It also requires the disclosure of specific information regarding the impact of the lack of exchangeability on financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY

As of the date of these consolidated financial statements, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the following accounting standards and amendments.

ACCOUNTING STANDARD/ AMENDMENT	Approved by the EU	Effective date	Adopted by the Company early
IFRS 18 Presentation and Disclosure in Financial Statements	NO	Financial years beginning on or after January 1, 2027	NO
IFRS 19 Subsidiaries without Public Accountability	NO	Financial years beginning on or after January 1, 2027	NO
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	NO	Financial years beginning on or after January 1, 2026	NO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

GOODWILL

Goodwill is initially recognized at cost represented by the excess of the aggregate of the consideration paid and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group reassesses whether it has correctly identified all assets acquired and all liabilities assumed and reviews the procedures used to determine the amounts to be recognized at the acquisition date. If the remeasurement still results in a fair value of the net assets acquired exceeding the consideration, the difference (gain) is recognized in the income statement. After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each cash-generating unit of the Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

Goodwill and other assets with indefinite useful lives are not subject to systematic amortization but are subject to at least annual impairment tests conducted at the level of the individual CGU or groups of CGUs to which assets with indefinite lives can be reasonably allocated, based on the Group's procedure.
On an annual basis, the Group's CGUs identified by its impairment procedure are analyzed.
If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset is included in the book value of the asset when determining the gain or loss on disposal. The goodwill associated with the discontinued operation is determined on the basis of the relative values of the discontinued operation and the retained portion of the cash-generating unit.

TANGIBLE ASSETS

Tangible assets are recognized at cost, including incidental costs directly attributable and necessary to bring the asset to its intended use, less accumulated depreciation and any accumulated impairment losses.
Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, expressed in years, as summarized below.

TANGIBLE ASSETS (years)	Min.	Max.
Land and buildings	10	50
Plant and equipment	3	12
Other fixtures and fittings, tools and equipment	3	10
Other assets	4	10

Plant and equipment under construction are recorded at cost, net of writedowns for impairment losses. Costs include the cost of replacing part of the equipment and plant at the time they are incurred, if in accordance with the recognition criteria, as well as any professional fees and, for certain assets, financial charges capitalized in accordance with the Company's accounting policies. Where it is necessary to replace significant parts of plant and equipment on a regular basis, the Group depreciates them separately in accordance with their specific useful lives. Similarly, in the case of major overhauls, the cost is included in the book value of the plant or equipment, as in the case of replacement, where the criterion for recognition is met. All other repair and maintenance costs are recognized in the Income Statement when incurred. The depreciation of such assets, as for all other assets, begins when the assets are ready for use. For certain types of complex assets for which even prolonged function tests are required, suitability for use is attested by successful completion of these tests.

The book value of an item of property, plant and equipment and any significant component initially recognized is derecognized on disposal (i.e. on the date the purchaser obtains control) or when no future economic benefit is expected from its use or disposal. The gain/loss arising at the time of derecognition of the asset (calculated as the difference between the net book value of the asset and the consideration received) is recognized in the Income Statement when the item is derecognized. The Group reviews the residual values, useful lives and depreciation methods of tangible assets and, where appropriate, adjusts them prospectively. In particular, the Group considers the impact of health, safety and environmental legislation when assessing expected useful lives and estimated residual values. Additionally, the Group considers climate-related topics, including physical and transition risks. Specifically, the Group determines whether climate-related laws and regulations may impact both the expected useful life and the estimated residual value, for example, by prohibiting or restricting the use of the Group's fuel-powered plant and equipment or imposing additional energy efficiency requirements for the Group's buildings and offices.

INTANGIBLE ASSETS

Intangible assets are assets without physical substance, are identifiable, controlled by the undertaking and capable of producing future economic benefits. Intangible assets acquired separately are capitalized at cost, while those acquired through business combinations are capitalized at fair value as defined at the date of acquisition. After initial recognition, the cost criterion is applied to the category of intangible assets. The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with a finite useful life are amortized over their useful life and are tested for impairment whenever there are indications of possible impairment. The amortization period and amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the manner in which the future economic benefits associated with the asset will be realized are recognized through changes in the period or the amortization method, as appropriate, and are considered changes in accounting estimates. The amortization of intangible assets with a finite useful life is recognized in the statement of period profit (loss) in the cost category consistent with the function of the intangible asset.
Intangible assets with an indefinite useful life are not amortized, but are tested annually for impairment, both at the individual and cash-generating unit level. The assessment of the indefinite useful life is reviewed annually to determine whether this allocation continues to be sustainable, otherwise, the change from indefinite to finite useful life is applied on a prospective basis.

An intangible asset is derecognized upon disposal (i.e. on the date the purchaser obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss from the disposal of the asset (calculated as the difference between the net disposal consideration and the book value of the asset) is included in the Income Statement.

The principles applied by the Group for intangible assets are summarized below.

INTANGIBLE ASSETS (years)	Minimum useful life	Maximum useful life
Development costs	5	5
Industrial patent and intellectual property rights	3	10
Concessions and licenses	3	Contract term
Trademarks	10	10
Goodwill	5	10
Other intangible assets	5	5

RIGHT OF USE ASSETS

The Group recognizes right of use assets at the lease commencement date (i.e. the date on which the underlying asset is available for use). Right of use assets are measured at cost, net of accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets comprises the amount of recognized lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date net of any incentives received. Right of use assets are amortized on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right of use or the end of the lease term, whichever is earlier.
If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the lessee will exercise the purchase option, the lessee shall amortize the asset consisting of the right of use from the effective date until the end of the useful life of the underlying asset.

In the context of the first application of the standard, the transition approach used by the Angelini Industries Group is the modified retrospective approach and, therefore, contracts whose leases, including renewals, end within twelve months of the date of first application are not included. The Angelini Industries Group has also made use of the option provided by the standard not to account separately for the "non-lease" component of mixed contracts, thus choosing to treat these contracts as "leases".
For debt discounting purposes, the Group used an IBR (Incremental Borrowing Rate) calculated by interpolating, at specific maturities, a rate curve constructed through the sum of two different components: the risk-free rate and a credit spread component reflecting the Group's riskiness.

LEASE LIABILITIES

At the date of effect of the lease, the Group recognizes lease liabilities by measuring them at the present value of unpaid lease payments due at that date. Payments due include fixed payments (including fixed payments in substance) net of any lease incentives to be received, variable lease payments that depend on an index or rate, and amounts expected to be paid as security for the residual value. Lease payments also include the exercise price of a purchase option, if it is reasonably certain that such option will be exercised by the Group, and lease termination penalty payments, if the lease term takes into account the Group's exercise of its lease termination option.

Variable lease payments that do not depend on an index or rate are recognized as expenses in the period (unless incurred in the production of inventories) in which the event or condition that generated the payment occurs.

In calculating the present value of payments due, the Group used an IBR calculated by interpolating, at specific maturities, a rate curve constructed through the sum of two different components: the risk-free rate and a credit spread component reflecting the Group's riskiness. After the effective date, the amount of the lease liability increases to reflect interest on the lease liability and decreases to reflect payments made. In addition, the book value of lease payables is restated in the event of any changes to the lease or for revisions to the contractual terms for changes in payments; it is also restated for changes in the valuation of the option to purchase the underlying asset or for differences in future payments resulting from a change in the index or the rate used to determine those payments.

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group applies the exemption for the recognition of short-term leases (i.e. leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). The Group also applied the exemption for leases relating to low-value assets in respect of leases whose value is considered low. Lease payments for short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

IMPAIRMENT

Goodwill and other assets with indefinite useful lives are not subject to systematic amortization but are subject to at least annual impairment tests conducted at the level of the individual CGU or groups of CGUs to which assets with indefinite lives can be reasonably allocated, based on the Group's procedure. On an annual basis, the Company performs an analysis on the Group's CGUs identified by its impairment procedure and any impairment losses are recognized in the Income Statement.

FAIR VALUE MEASUREMENT

The Group measures financial instruments, such as derivatives, at fair value at each reporting date. The fair value is the price that would be received for the sale of an asset or that would be paid to transfer a liability in a regular transaction between market participants on the valuation date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place:

- in the principal market of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured by adopting the assumptions that market participants would use in pricing the asset or liability, assuming that they would act to satisfy their economic interest in the best way possible.
A fair value measurement of a non-financial asset considers the ability of a market participant to generate economic benefits by using the asset to its highest and best use or by selling it to another market participant who would use it to its highest and best use.
The Group uses valuation techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized according to the fair value hierarchy, as described below:

- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** – inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- **Level 3** – valuation techniques for which the inputs are unobservable for the asset or liability.

Where, for certain assets or liabilities, it is not possible, or too costly, to estimate the fair value, the Group, following the indications of IFRS 9, approximates it using the historical cost of the instrument under analysis. The Group also monitors the indicators, indicated by the standard, in the presence of which the cost may no longer be representative of fair value.
The fair value measurement is entirely classified in the same level of the fair value hierarchy in which the lowest level input used for the valuation is classified.

For assets and liabilities recognized in the balance sheet at fair value on a recurring basis, the Group determines whether transfers between levels of the hierarchy have occurred by reviewing the categorization (based on the lowest level input, which is significant to the fair value measurement in its entirety) at each reporting date.

At each balance sheet date, the Group Finance Department analyzes differences in the values of assets and liabilities for which revaluation or restatement is required under the Group's accounting policies. For this analysis, the main inputs applied in the most recent valuation are verified, linking the information used in the valuation to contracts and other relevant documents.
The Group Finance Department makes a comparison between any differences in the fair value of each asset and liability and the relevant external sources, in order to determine whether the change is reasonable.

For the purposes of fair value disclosures, the Group determines classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as illustrated above.

TRADE RECEIVABLES

A receivable is recognized if the consideration is unconditionally due from the customer (i.e. only the passage of time is necessary before payment of the consideration is obtained). Please refer to the paragraph on standards in the section on "Financial instruments" – "Initial recognition and measurement".

FINANCIAL INSTRUMENTS – RECOGNITION AND MEASUREMENT

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

I) FINANCIAL ASSETS

Initial recognition and measurement

Upon initial recognition, financial assets are classified, as appropriate, according to the subsequent measurement methods, i.e. at amortized cost, at fair value through other comprehensive income (FVTOCI) and at fair value through profit or loss (FVTPL).
The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial assets and the business model the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs. Trade

receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are valued at the transaction price.
In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it must generate cash flows that depend solely on the principal and interest on the amount of principal to be repaid (i.e. "solely payments of principal and interest (SPPI)"). This measurement is referred to as the SPPI test and is performed at instrument level. Financial assets whose cash flows do not meet the above requirements (e.g. SPPI) are classified and measured at FVTPL.

The Group's business model for managing financial assets refers to the way it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will arise from the collection of contractual cash flows, the sale of financial assets, or both.

Financial assets that are classified and measured at amortized cost are held within the framework of a business model whose objective is to own financial assets in order to collect contractual cash flows, while financial assets that are classified and measured at FVTOCI are held within the framework of a business model whose objective is to collect contractual cash flows and to sell financial assets.
The purchase or sale of a financial asset that requires delivery within a period of time generally established by regulation or market convention (a "standardized sale" or "regular way trade") is recognized on the trade date, i.e. the date on which the Group committed to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories.

Financial assets measured at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including dividends or interest received, are recognized in period profit (loss).

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost in accordance with the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange (gains)/losses and impairment losses are recognized in the period profit (loss) as are any gains or losses on derecognition.

Debt securities valued at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated in accordance with the effective interest method, foreign exchange (gains) losses and impairment losses are recognized in the period profit (loss). Other net gains and losses are recognized in other comprehensive income. Upon derecognition, accumulated gains or losses in other components of the comprehensive income are reclassified to period profit (loss).

Equities valued at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized in the period profit (loss) unless they clearly represent a recovery of part of the investment. Other net gains and losses are recognized in the components of comprehensive income and are never reclassified in the period profit (loss).

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized in the first instance (e.g. removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished; or
- the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred substantially all risks and benefits of ownership of the financial asset, or (b) has neither transferred nor retained substantially all risks and benefits of the asset, but has transferred control of the asset.

In cases where the Group has transferred the rights to receive cash flows from an asset or has entered into an agreement whereby it retains the contractual rights to receive the cash flows from the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through), it assesses whether and to what extent it has retained the risks and benefits inherent to ownership. If it has neither transferred nor retained substantially all risks and benefits or has not lost control over it, the asset continues to be recognized in the Group's financial statements to the extent of its continuing involvement in the asset. In this case, the Group also recognizes an associated liability. The transferred asset and associated liability are valued to reflect the rights and obligations that remain with the Group.
When the entity's continuing involvement is a guarantee of the transferred asset, the involvement is measured at the lower of the amount of the asset and the maximum amount of the consideration received that the entity could be required to repay.

Impairment

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected losses based on PD (Probability of Default) and LGD (Loss Given Default). Therefore, the Group does not monitor differences in credit risk, but fully recognizes the expected loss at each reporting date. In addition, the Group has established a matrix system based on historical information, revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, as a tool for determining expected losses.

For assets represented by debt instruments measured at FVTOCI, the Group applies the simplified approach allowed for low credit risk assets. At each reporting date of the financial statements, the Group assesses whether the debt instrument is considered to have low credit risk using all available information that can be obtained without undue cost or effort. In making this assessment, the Group monitors the creditworthiness of the debt instrument.
For financial assets measured at FVTOCI, the Group measures expected losses in the next 12 months. However, where there is a significant increase in credit risk, the Group fully recognizes the expected losses over the remaining term of the exposure. The Group uses market data both to determine whether the credit risk of the debt instrument has significantly increased and to estimate expected losses over the remaining life of the exposure.

On the basis of the different characteristics of the counterparties (type of customer, sector, etc.) and depending on the geographical area, the Group identifies a time horizon beyond which a financial asset is considered to be in default. In some cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to recover the contractual amounts in full before considering the credit collateral held by the Group. A financial asset is derecognized when there is no reasonable expectation of recovering the contractual cash flows.

II) FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, upon initial recognition, as financial liabilities at FVTPL, as loans and borrowings, or as derivatives designated as hedging instruments.
All financial liabilities are initially recognized at fair value, plus, in the case of loans, borrowings and debts, directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, loans, including overdrafts and derivatives.

Subsequent measurement

Financial liabilities at amortized cost (loans and borrowings)

After initial recognition, loans are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the Income Statement when the liability is extinguished, as well as through the amortization process.
Amortized cost is calculated by recognizing the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortization at the effective interest rate is included in financial charges in the statement of profit (loss).
This category generally includes interest-bearing loans and receivables.

Derecognition

A financial liability is derecognized when the obligation underlying the liability is discharged, cancelled or fulfilled. Where an existing financial liability is exchanged for another financial liability of the same lender, under substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences between the book values recognized in period profit (loss).

III) OFFSETTING OF FINANCIAL INSTRUMENTS

A financial asset and a financial liability may be offset and the net balance disclosed in the statement of financial position if there is a current legal right to offset the recognized amounts and there is an intention to settle the net balance, or realise the asset and settle the liability simultaneously.

IV) DERIVATIVES AND HEDGE ACCOUNTING

Initial recognition and subsequent measurement

The Group uses derivatives to hedge its currency exchange risks, interest rate risks and commodity price risks. These derivatives are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are accounted for as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For hedge accounting purposes, there are three types of hedges:

- fair value hedge where the exposure is hedged against differences in the fair value of the recognized asset or liability or an unrecognized firm commitment;
- cash flow hedge where the exposure is hedged against the variability of cash flows attributable to a particular risk associated with all recognized assets or liabilities or a highly probable forecast transaction or exchange rate risk on an unrecognized firm commitment;
- hedging a net investment in a foreign operation.

When initiating a hedging transaction, the Group formally designates and documents the hedging relationship to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.
The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk and how the Group will assess whether the hedging relationship meets hedge effectiveness requirements (including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it satisfies all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not prevail over differences in value resulting from the aforementioned economic relationship;
- the hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Group actually hedges and the amount of the hedging instrument that the Group actually uses to hedge that amount of the hedged item.

Transactions that meet all the qualifying criteria for hedge accounting are accounted for as follows.

Fair value hedging

Differences in the fair value of hedging derivatives are recognized in period profit (loss) under other costs. Differences in fair value of the hedged item attributable to the hedged risk are recognized as part of the carrying amount of the hedged item and are also recognized in other costs in period profit (loss).
For fair value hedges referring to items accounted for under the amortized cost method, any adjustment to the book value is amortized in the period profit (loss) over the remaining term of the hedge using the effective interest rate (EIR) method. The amortization determined in this way may begin as soon as an adjustment exists but may not extend beyond the date on which the hedged item ceases to be adjusted due to changes in fair value attributable to the hedged risk.
If the hedged item is derecognized, the unamortized fair value is recognized immediately in period profit (loss).

When an unrecognized firm commitment is designated as a hedged item, subsequent cumulative differences in its fair value attributable to the hedged risk are recognized as assets or liabilities and corresponding gains or losses recognized in period profit (loss).

Hedging a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including hedges of a monetary item accounted for as part of a net investment, are accounted for similarly to cash flow hedges. Gains or losses on the hedging instrument are recognized in other comprehensive income for the effective portion of the hedge, while the remaining (ineffective) portion is recognized in profit and loss for the period. Upon the disposal of the foreign operation, the accumulated value of these cumulative gains or losses is transferred to the period profit (loss).

Cash and cash equivalents

This item includes cash and bank current accounts and deposits repayable on demand or very short-term and other highly liquid short-term financial investments, which are readily convertible into cash and are subject to an insignificant risk of change in value.

Equity

Equity instruments issued by the Company are recognized based on the amount received. This item includes all transactions of an equity nature between the Company and persons exercising their rights and duties as shareholders. Dividends distributed by the Company are recognized as a liability at the time of the distribution resolution. The purchase cost and sales price of treasury shares are recognized directly in Equity and thus do not pass through the Income Statement.

Provisions for risks and charges

Provisions for risks and charges are made when the Group has a present obligation (legal or constructive) as a result of a past event, an outflow of resources to meet the obligation is probable, and a reliable estimate of the amount of the obligation can be made. Provisions are made on the basis of Management's best estimate of the costs required to meet the obligation at the balance sheet date and where the effect is material. When the financial effect of time is material and the payment dates of the obligations can be reliably estimated, the provision is determined by discounting the expected cash flows determined taking into account the risks associated with the obligation at the average rate of the Company's debt. The increase in the provision related to the passage of time is recognized in the Income Statement under "Financial income (charges)".

Funds for employee benefits

Employee benefits are reported in the financial statements on the basis of the results of assessments performed in accordance with IAS 19. Post-employment benefit liabilities recognized in the financial statements represent the present value of defined benefit plan liabilities adjusted for unrecognized actuarial gains and losses and unrecognized past service cost. The valuation of the liability is performed by independent actuaries.
In particular, the Projected Unit Credit Method is applied. All actuarial gains and losses are recognized directly in Equity. Until December 31, 2006, the Italian companies' employee severance indemnity provision (TFR) was considered a defined benefit plan. The regulation of this provision was amended by Law no. 296 of December 27, 2006 ("2007 Budget Law") and subsequent Decrees and Regulations issued in early 2007. In light of these changes, and with particular reference to companies with at least 50 employees, this institution is now to be considered a defined benefit plan solely for the amounts accrued prior to January 1, 2007 (and not yet settled at the reporting date), while after that date it is similar to a defined contribution plan.
Finally, it should be noted that the Company's funds are not financed.

Foreign currency transactions

Transactions in currencies other than the Euro are converted into the functional currency at the exchange rates of the transactions. Monetary assets and liabilities denominated in these currencies are restated at the spot exchange rates as of the reporting date. Emerging exchange rate gains and losses are charged to the Income Statement for the year. Non-monetary assets and liabilities, measured at historical cost expressed in foreign currency, are not reconverted at the reporting date.

CONSOLIDATED INCOME STATEMENT

REVENUES FROM CONTRACTS WITH CUSTOMERS

Revenues are recognized, in accordance with IFRS 15 "Revenues from Contracts with Customers", at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of goods or services to the customer. The steps involved in accounting for revenues are:

- identify the contract, defined as an agreement (written or verbal) having commercial substance between two or more parties that creates legally enforceable rights and obligations with the customer;
- identify the distinctly identifiable obligations to perform (also "performance obligations") contained in the contract;
- determine the price of the transaction, as the consideration that the company expects to receive from the transfer of goods or the provision of services to the customer, consistent with the techniques set forth in the standard and depending on the possible presence of financial components and variable components;
- allocate the price to each performance obligation;
- recognize the revenue when the related performance obligation is discharged by the entity, taking into account the fact that the services may be rendered not at a specific point in time, but over a period of time.

Revenues are measured by the Group at the fair value of the consideration received or receivable according to the type of transaction, taking into account the value of any trade discounts, returns, rebates granted and any other consideration payable to customers, as defined by IFRS 15.

Revenues of the Angelini Industries Group derive from contracts with customers and are not subject to significant seasonal fluctuations, with the exception of those in the flu therapeutic area. Revenues mainly comprise sales of products to end customers or distributors and are represented by the net value shown on the invoice, less estimated values for discounts, returns and rebates; they are also recognized net of charges related to clawback/payback mechanisms, promotional and sales support initiatives agreed with distributors, such as slotting and listing fees, and returns of finished products. Revenues are recognized when control of the products has been transferred to a third party and this generally occurs upon shipment or receipt of the goods, according to the specific terms of sale; at the same time, performance obligations arising from contracts with customers are deemed to have been fulfilled and revenues are recognized at a point in time.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are charged to the Income Statement in the year in which they are incurred in accordance with IAS 38, except in cases where they are capitalized in accordance with that same standard. Specifically, IAS 38 provides that development expenditure must be capitalized if, with respect to the products subject to the activity, the technical and commercial feasibility for sale with a high probability of success has been determined and future economic benefits are probable. These expenses include charges related to collaborative relationships with third parties.

FINANCIAL INCOME

Financial income includes interest income and expenses, realized and unrealized positive and negative exchange rate differences, and securities adjustments. Interest income and expenses are recognized in the Income Statement for the year on an accrual basis using the effective interest method.

EMPLOYEE BENEFITS

Guaranteed employee benefits paid on or after termination of employment through defined benefit and defined contribution programs (such as employee severance, additional month's pay, rate subsidies, as described in the explanatory notes) or other long-term benefits are recognized over the vesting period. The valuation of the liability is performed by independent actuaries. These funds and benefits are not financed. The cost of benefits under the various plans is determined separately for each plan using the projected unit credit valuation method by performing actuarial valuations at the end of each financial year.

TAXES

Taxes for the year represent the sum of current taxes (as per tax consolidation) and deferred taxes. Current taxes are based on the taxable income for the year. Taxable income differs from the result reported in the Income Statement because it excludes positive and negative items that will be taxable or deductible in other years and also excludes items that will never be taxable or deductible. The liability for current taxes is calculated using the rates in force or de facto in force at the reporting date as well as the taxation instruments permitted by tax legislation (national tax consolidation, transparency taxation).
Deferred taxes are taxes that are expected to be paid or recovered on temporary differences between the book value of assets and liabilities in the balance sheet and the corresponding tax value used in the calculation of taxable income, accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that there will be future taxable results that will allow the utilisation of deductible temporary differences.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent that, based on the plans approved by the Board of Directors, it is no longer considered probable that sufficient taxable income will be available to allow for all or part of the recovery of such assets.

The following pages provide an analysis and illustration of the items in the Consolidated statement of financial position. The values of the items are expressed in thousand euros, unless otherwise indicated.

3. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

3.1 COMMENTARY ON ITEMS OF THE BALANCE SHEET: ASSETS

3.1.1 GOODWILL – 58,895 THOUSAND EUROS

(thousands of euros)	NET VALUE CURRENT YEAR	NET VALUE PREVIOUS YEAR	DIFFERENCE
Goodwill	58,895	59,778	(883)

Goodwill as of 12/31/2024 amounted to 58,895 thousand euros; the difference with the balance of the comparison period resulted from the conversion at the EUR/USD exchange rate.

GOODWILL ON CONSUMER HEALTHCARE CGU – "HEALTH" SECTOR

The item includes 14,156 thousand euros for goodwill related to the acquisition of the ThermaCare brand by Angelini Pharma Inc., a company operating in the United States and directly controlled by Angelini Pharma S.p.A.

The goodwill recognized in the balance sheet relates to the Consumer Healthcare CGU, which includes the ThermaCare brand, and was tested for impairment in accordance with IAS 36. For the Consumer Healthcare CGU, the discounted cash flows refer to a 3-year time horizon, from 2025 to 2027, and are taken for the same period from the Business Plan approved by the Board of Directors on January 21, 2025. These flows, for the explicit forecast period, are formulated on the basis of assumptions associated with the evolutionary expectations of the business, while for the years following the explicit period, assumptions of sustainable profitability in the long term are developed to allow for business continuity (growth rates and other factors anchored to macroeconomic dynamics).

The discount rate used for the impairment test for FY 2024 is represented by the weighted average cost of capital equal to 9.74%; the main assumptions underlying its determination are outlined below:

- Risk Free Rate: 3.38%;
- Market Risk Premium: 5.50%;
- Beta Unlevered: 0.78%;
- Tax rate: 24%;
- Cost of debt: 0%.

Finally, as required by the Group's impairment methodology and in accordance with the relevant accounting standards, a sensitivity analysis was conducted to highlight the possible impact on the value of the headroom when the following parameters change: long-term growth rate (-0.5%), operating profit growth rate (-10%) and discount rate (-0.5%). The result of the impairment test showed a headroom of 428,000 thousand euros, which, also following the sensitivity analysis mentioned above, confirmed the absence of impairment losses.

GOODWILL ON TECHNOLOGIES CGU – "INDUSTRIAL TECHNOLOGY" SECTOR

In addition to goodwill related to the acquisition of ThermaCare, the item includes goodwill amounting to 44,540 thousand euros arising from the consolidation of the companies operating in the Industrial Technology sector, i.e. Angelini Technologies – Fameccanica and its direct and indirect subsidiaries. Again, the impairment test was performed in accordance with IAS 36. For the Technologies CGU, the discounted cash flows refer to a 3-year time horizon, from 2025 to 2027, and are taken for the same period from the Business Plan approved by the Board of Directors. These flows, for the explicit forecast period, are formulated on the basis of assumptions associated with the evolutionary expectations of the business, while for the years following the explicit period, assumptions of sustainable profitability in the long term are developed to allow for business continuity (growth rates and other factors anchored to macroeconomic dynamics).
The discount rate used for the impairment test for FY 2024 is represented by the weighted average cost of capital equal to 10.36%; the main assumptions underlying its determination are outlined below:

- Risk Free Rate: 3.98%;
- Market Risk Premium: 6.71%;
- Beta: 0.98%;
- Tax rate: 24%;
- Cost of debt: 4.30%.

Also in this case, as required by the Group's impairment methodology and in accordance with the relevant accounting standards, a sensitivity analysis was conducted to highlight the possible impact on the value of the headroom when the following parameters change: long-term growth rate (-0.5%), operating profit growth rate (-10%) and discount rate (-0.5%). The result of the impairment test showed a headroom of 147,000 thousand euros, which, also following the sensitivity analysis mentioned above, confirmed the absence of impairment losses.

The following tables show detailed changes in this item during the reporting year.

(thousands of euros)	Opening balance	Increases	Other movements	Currency translation differences	Disposal from changes in Group structure	Ending balance
Goodwill	59,778	0	0	842	(1,725)	58,895

The difference of -1,725 thousand euros relates to Group Companies operating in the Beauty segment of the Consumer Goods sector, which are treated in accordance with IFRS 5.

3.1.2 INTANGIBLE ASSETS – 459,506 THOUSAND EUROS

(thousands of euros)	NET VALUE CURRENT YEAR	NET VALUE PREVIOUS YEAR	DIFFERENCE
Intangible assets	459,506	560,892	(101,386)

Intangible assets as of 12/31/2024 amounted to 459,506 thousand euros and mainly related to licences and trademarks, acquired for consideration. As of 12/31/2023, these amounted to 560,892 thousand euros.
In particular, this item is formed of patents and intellectual property rights for 9,030 thousand euros, net of an amortization provision of 144,509 thousand euros, licences and trademarks, mainly related to Angelini Pharma S.p.A., for 431,349 thousand euros, net of an amortization provision of 504,644 thousand euros, and fixed assets in progress for 19,127 thousand euros.
The following tables show detailed changes in this item during the reporting year.

STATEMENT OF DIFFERENCES IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2024

(thousands of euros)	HISTORICAL COST							
	Opening balance	Increases	Reclassification	Decreases	Other movements	Currency translation differences	Disposal from changes in Group structure	Ending balance
Patents and rights, intellectual property and others	157,075	4,084	541	(2,288)	(211)	36	(5,698)	**153,539**
Concessions, licenses, trademarks and similar rights	985,992	4,250	3,791	(6,072)	6,881	(1,965)	(56,884)	**935,993**
Intangible fixed assets in progress and down payments	19,253	16,747	(16,537)	(484)	150	9	(11)	**19,127**
TOTAL	**1,162,320**	**25,081**	**(12,205)**	**(8,844)**	**6,820**	**(1,920)**	**(62,593)**	**1,108,659**

(thousands of euros)	ACCUMULATED AMORTIZATION/DEPRECIATION									
	Opening balance	Amortization/ Depreciation	Reclassification	Decreases	Writedowns	Other movements	Revaluations	Currency translation differences	Disposal from changes in Group structure	Ending balance
Patents and rights, intellectual property and others	(143,453)	(7,907)	123	2,153	**0**	171	**0**	(36)	4,440	**(144,509)**
Concessions, licenses, trademarks and similar rights	(457,977)	(67,025)	0	5,530	**(3,224)**	(5,510)	**7**	1,772	21,783	**(504,644)**
TOTAL	**(601,430)**	**(74,932)**	**123**	**7,683**	**(3,224)**	**(5,339)**	**7**	**1,736**	**26,223**	**(649,153)**

The increases for the period are mainly attributable to:

- Angelini Pharma S.p.A., relative to the licence for the insourcing of the production of cenobamate for 8,492 thousand euros and the renewal of the Nimesulide licence, in addition to the milestone for the achievement of sales targets, for a total of 10,337 thousand euros;
- Angelini Holding S.p.A., for investments in computer application licences for 1,259 thousand euros;
- Fameccanica.Data S.p.A. for investments in software in preparation for the design of equipment and tools for production process efficiency for 920 thousand euros.

The remainder is mainly related to investments in software licences.
The decrease in the item related to disposal from changes in Group structure refers to the Group Companies operating in the Beauty segment of the Consumer Goods sector for a net value of 35,808 thousand euros and to the company Teqqo S.r.l. for a net value of 562 thousand euros, which, as of December 31, 2024, are no longer included in the scope of consolidation.

The item "Other movements" reflects the effect of hyperinflation in Turkey in accordance with IAS 29.

During 2024, a writedown of 3,500 thousand euros was made in Angelini Pharma S.p.A. for the marketing right of a drug, following the discontinuation of its development and registration activities and the consequent loss of the ability to economically exploit the investment.
"Currency translation differences" includes the effect of translating the value of intangible assets held and recorded in other currencies into euros.
The main depreciation coefficients used are referred to in the "Summary of accounting principles" section of this document and are unchanged since FY 2023.

With reference to the cenobamate marketing licence, in consideration of the state of progress of the launch and marketing activities of the product, it was deemed necessary to carry out an impairment test aimed at identifying the existence of any impairment losses.
An impairment test was then performed by comparing the book value of the assets related to products containing cenobamate with their recoverable value. This recoverable amount was determined by calculating the value in use ("VIU") through the use of discounted cash flow ("DCF") models involving the estimation of expected cash flows and the application of an appropriate discount rate.
Cash flows were determined over a 10-year time horizon (2025-2034) in order to take into account the state of development of the marketing of the asset. These flows derive from the Three-Year Plan approved by the Board of Directors on December 18, 2024, supplemented for subsequent years by specific forecasts approved by the Board of Directors on March 31, 2025.
At the end of the explicit forecast period, a terminal value was determined in perpetuity, using an appropriate growth rate.

The discount rate used for estimation purposes is the weighted average cost of capital (WACC) determined using market inputs such as Risk-Free, Beta and Market Risk Premium rates, further supplemented to reflect specific risk elements. The discount rate used to perform this impairment test was 9.12%.
The growth rate used to project cash flows for the explicit period in perpetuity is -2%, in order to take into account the impact of the loss of the exclusivity right from 2031.
The VIU determined using the method described above was higher than the book value of the assets under analysis as of December 31, 2024, and therefore no impairment loss is shown.
Finally, a sensitivity analysis was performed to show the difference in the value of the headroom when the following parameters change: i) discount rate (+/-0.5%); ii) growth rate (+/-1%). The result of the analysis confirmed the non-existence of impairment in all cases.

3.1.3 RIGHT OF USE ASSETS – 44,271 THOUSAND EUROS

This item includes rights of use over third-party assets, which, in accordance with IFRS 16, are recognized as leased assets and amortized over the term of the contracts.
As of December 31, 2024, the net book value of these assets amounted to 44,271 thousand euros (40,662 thousand euros as of December 31, 2023) and referred mainly to leased buildings used as HQ by Group Companies, buildings used as warehouses and the corporate car fleet.

(thousands of euros)	NET VALUE CURRENT YEAR	NET VALUE PREVIOUS YEAR	DIFFERENCE
Rights of use – Land and buildings	23,297	21,296	2,001
Rights of use – Cars and motor vehicles	18,528	17,788	740
Rights of use – Other assets	2,446	1,578	868
TOTAL	**44,271**	**40,662**	**3,609**

STATEMENT OF CHANGES IN RIGHTS OF USE AS OF DECEMBER 31, 2024

(thousands of euros)	HISTORICAL COST							
	Opening balance	New contracts	Reclassification	Decreases	Other movements	Currency translation differences	Disposal from changes in Group structure	Ending balance
Rights of use – Land	96	0	0	0	(1)	0	0	**95**
Rights of use – Industrial buildings	24,428	6,070	0	(180)	3,811	365	(3,475)	**31,019**
Rights of use – Civil buildings	2,201	1,219	0	(469)	74	7	(274)	**2,758**
Rights of use – Equipment	2,119	1,581	0	(201)	9	5	0	**3,513**
Rights of use – Service cars	468	313	0	(57)	(10)	0	0	**714**
Rights of use – Assigned cars	23,794	9,930	683	(4,021)	946	(384)	(872)	**30,076**
TOTAL	**53,106**	**19,113**	**683**	**(4,928)**	**4,829**	**(7)**	**(4,621)**	**68,175**

(thousands of euros)	ACCUMULATED AMORTIZATION/DEPRECIATION							
	Opening balance	Amortization/ Depreciation	Reclassification	Decreases	Other movements	Currency translation differences	Disposal from changes in Group structure	Ending balance
Rights of use – Land	(12)	(12)	0	0	0	0	0	**(24)**
Rights of use – Industrial buildings	(4,695)	(5,269)	0	178	(71)	(110)	565	**(9,402)**
Rights of use – Civil buildings	(722)	(913)	0	400	1	(4)	89	**(1,149)**
Rights of use – Equipment	(541)	(734)	0	202	11	(5)	0	**(1,067)**
Rights of use – Service cars	(131)	(234)	0	41	0	0	0	**(324)**
Rights of use – Assigned cars	(6,343)	(8,224)	(683)	3,551	(662)	187	236	**(11,938)**
TOTAL	**(12,444)**	**(15,386)**	**(683)**	**4,372**	**(721)**	**68**	**890**	**(23,904)**

There are also no guarantees on residual value and variable payments. Finally, it should be noted that costs related to short-term leases and low-value assets are recognized, in line with IFRS 16, in the Income Statement item “Other operating costs”.

3.1.4 PROPERTY, PLANT AND EQUIPMENT – 399,896 THOUSAND EUROS

The following table shows the breakdown of property, plant and equipment with details of their differences.

(thousands of euros)	NET VALUE CURRENT YEAR	NET VALUE PREVIOUS YEAR	DIFFERENCE
Land and buildings	237,377	216,183	21,194
Plant and equipment	96,445	90,631	5,814
Other fixtures and fittings, tools and equipment	3,610	3,581	29
Other tangible assets	18,572	9,714	8,858
Tangible fixed assets in progress and down payments	43,892	66,202	(22,310)
TOTAL	**399,896**	**386,311**	**13,585**

Property, plant and equipment as of 12/31/2024 amounted to 399,896 thousand euros and mainly related to production buildings and investment property and production plants. As of 12/31/2023, these amounted to 386,311 thousand euros.

STATEMENT OF DIFFERENCES IN PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2024

(thousands of euros)	HISTORICAL COST							
	Opening balance	Increases	Reclassifica-tion	Decreases	Other movements	Currency translation differences	Disposal from changes in Group structure	Ending balance
Land and buildings	338,778	21,769	1,125	(3,247)	384	(15)	0	358,794
Plant and equipment	281,594	15,403	7,653	(3,566)	(3)	1,483	(3,771)	298,793
Other fixtures and fittings, tools and equipment	40,164	1,700	746	(616)	(6,620)	34	(215)	35,193
Other tangible assets	39,518	2,060	10,301	(906)	6,406	172	(3,772)	53,779
Tangible fixed assets in progress and down payments	66,202	21,001	(40,553)	(2,868)	0	110	0	43,892
TOTAL	**766,256**	**61,933**	**(20,728)**	**(11,203)**	**167**	**1,784**	**(7,758)**	**790,451**

(thousands of euros)	ACCUMULATED AMORTIZATION/DEPRECIATION								
	Opening balance	Amortization/ Depreciation	Reclassifica-tion	Decreases	Writedowns	Other movements	Revaluations	Currency translation differences	Disposal from changes in Group structure	Ending balance
Land and buildings	(122,593)	(6,531)	6,097	1,542	155	(104)	4	13	0	(121,417)
Plant and equipment	(190,963)	(18,002)	24	3,416	0	5	0	(519)	3,691	(202,348)
Other fixtures and fittings, tools and equipment	(36,583)	(1,555)	16	611	0	5,769	0	(15)	174	(31,583)
Other tangible assets	(29,804)	(3,630)	110	770	0	(5,635)	0	(145)	3,127	(35,207)
TOTAL	**(379,943)**	**(29,718)**	**6,247**	**6,339**	**155**	**35**	**4**	**(666)**	**6,992**	**(390,555)**

LAND AND BUILDINGS – 237,377 THOUSAND EUROS

The item “Land and buildings” is mainly broken down between the Wine activity for 77,162 thousand euros, Holding Activities, specifically Angelini Real Estate S.p.A. for 106,649 thousand euros, Industrial Technology for 24,301 thousand euros and the Health sector for 32,434 thousand euros.

Increases included the investment through the company Angelini Real Estate S.p.A. for the purchase of additional apartments to accompany the investment already started in 2023 for a prestigious building in the amount of 18,666 thousand euros. It should be noted that at the end of the previous year, the Company had recorded a building under “Tangible fixed assets in progress and down payments”, which was appropriately reclassified to “Land and buildings” during the current year for a value of 21,919 thousand euros.

Decreases included the sale of a property in Barcelona to Angelini Real Estate S.p.A., the sale value of which was 14,300 thousand euros, generating a capital gain of 11,426 thousand euros in the year.

It should also be noted that in the current year, by virtue of a preliminary sales agreement signed in December 2024, the company Angelini Real Estate S.p.A. reclassified as an asset held for sale the prestigious commercial property located on Rambla de Catalunya in Barcelona, for a total value of 25,170 thousand euros.

PLANT AND EQUIPMENT – 96,445 THOUSAND EUROS

The item is broken down into all the business segments, specifically: Health for 65,375 thousand euros, Consumer Goods for 14,074 thousand euros, Industrial Technology for 12,535 thousand euros, and Holding Activities for 4,461 thousand euros. Increases in investments in plant and equipment were mainly concentrated in the Health, Industrial Technology, Consumer Goods and Wine activities. In the Health sector, investments amounted to approximately 11,149 thousand euros for new production plants included in the renovation and modernization works of several departments; in the Industrial Technology sector, investments mainly concerned technological renewal activities for a total of 2,774 thousand euros; as for the Wine activity, investments were mainly in farming machinery and wine cellar equipment for 785 thousand euros.

OTHER ASSETS – 18,572 THOUSAND EUROS

Other assets are attributable to Health (2,922 thousand euros), Consumer Goods (363 thousand euros), Holding Activities (13,187 thousand euros), and Industrial Technology (2,100 thousand euros).
The increase in the item mainly related to the reclassification from "Intangible fixed assets in progress" relative to the indivisible right to use of two aircraft made available in 2024 for an amount of 10,595 thousand euros. The value is attributed to Angelini Holding S.p.A.

FIXED ASSETS IN PROGRESS AND DOWN PAYMENTS – 43,892 THOUSAND EUROS

Tangible fixed assets in progress are attributable to Health (13,624 thousand euros), Consumer Goods (2,047 thousand euros), Holding Activities (25,848 thousand euros), and Industrial Technology (2,373 thousand euros).
The increase in the item mainly refers to Angelini Pharma S.p.A. for new production plants and modernization of research laboratories included in the restructuring works of some departments, to works for seismic adjustments and investments in photovoltaic and fire-fighting systems for a total of 10,113 thousand euros, to Angelini Real Estate S.p.A. for 7,596 thousand euros referring to the progress in the third phase of the requalification of the "Casa Angelini" Headquarters.
The decrease in the item related to the disposal from changes in Group structure refers to Group Companies operating in the Beauty segment of the Consumer Goods sector.
The main depreciation coefficients used are referred to in the specific subsection in paragraph 2.3.
"Currency translation differences" include the effect of translating the value of property, plant and equipment held and recorded in other currencies into euros.
Based on actual data and forecast plans, there are no indicators that would require impairment tests or a review of the useful life.

3.1.5 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES – 79,297 THOUSAND EUROS

Investments in associates and joint ventures amounted to 79,297 thousand euros (70,765 thousand euros as of 12/31/2023) and represent the Company's share of Equity in proportion to the investment made.

Below is an indication of the companies valued using the Equity method and their relative share.

ASSOCIATES AND JOINT VENTURES (thousands of euros)	Business segment	% ownership	12/31/2024	12/31/2023
MadreNatura A.G.	Consumer Goods	50%	499	282
Argobio S.a.s.	Holding Activities	30%	5,698	4,667
Fater S.p.A. Group	Consumer Goods	50%	73,100	65,816
TOTAL			**79,297**	**70,765**

STATEMENT OF CHANGES IN INVESTMENTS IN ASSOCIATES AND JOINT VENTURES AS OF DECEMBER 31, 2024

(thousands of euros)	Opening balance	Acquisitions	Revaluation	Writedowns	Sales	Other movements	Merger	Additions from changes in Group structure	Currency translation differences	Disposal from changes in Group structure	Ending balance
Equity investments in affiliated companies	4,667	3,000	0	(1,915)	0	(54)	0	0	0	0	5,698
Equity investments in joint ventures	66,098	1,273	48,981	(11,035)	0	(30,932)	0	0	(786)	0	73,599
TOTAL	**70,765**	**4,273**	**48,981**	**(12,950)**	**0**	**(30,986)**	**0**	**0**	**(786)**	**0**	**79,297**

The Group also operates in some sectors through entities whose control is exercised jointly with third parties, which are valued using the Equity method as they qualify as joint ventures. The joint venture considered to be significant, from the point of view of both volumes and the Group's strategic approach, is the one in Fater S.p.A., in which the Parent Company holds a 50% stake. Consequently, in accordance with IFRS 12, the financial data of the Company and its subsidiaries are reported below.

JOINT VENTURE STATEMENT AS OF 12/31/2024 (thousands of euros)	Fater S.p.A.	Fater Temizlik Ürünleri Limited Şirketi	Fater Portugal Unipessoal Lda.	Fater Central Europe S.r.l.	Fater Eastern Europe o.o.o.	Total
Non-current assets	241,393	18,945	3,627	395	0	**264,360**
Current assets	249,330	14,365	1,935	6,165	1,266	**273,061**
- of which cash and cash equivalents	53,942	3,262	560	2,821	2,389	**62,974**
Non-current liabilities	10,628	3,292	29	253	0	**14,202**
- of which non-current financial liabilities	2,743	159	29	253	0	**3,184**
Current liabilities	323,576	13,282	767	1,920	1,129	**340,674**
- of which current financial liabilities	1,693	0	0	0	0	**1,693**
Equity	156,519	16,736	4,766	4,387	137	**182,545**
Revenues	858,736	33,051	5,196	16,525	4,677	**918,185**
Depreciation, amortization and writedowns	40,434	500	657	76	0	**41,667**
Financial income (charges)	1,781	(20,698)	(1)	83	0	**(18,835)**
Income taxes	(29,310)	(143)	(126)	(222)	(943)	**(30,744)**
Profit (Loss) from continuing operations	**91,736**	**(19,965)**	**415**	**1,162**	**3,712**	**77,060**
Other components of Comprehensive Income Statement	(402)	(1,589)	0	2	16	(1,973)
TOTAL COMPREHENSIVE INCOME	**91,334**	**(21,554)**	**415**	**1,164**	**3,728**	**75,087**
Dividends received by the joint venture or associate	43,656					

JOINT VENTURE STATEMENT AS OF 12/31/2023 (thousands of euros)	**Fater S.p.A.**	**Fater Temizlik Ürünleri Limited Şirketi**	**Fater Portugal Unipessoal Lda.**	**Fater Central Europe S.r.l.**	**Fater Eastern Europe o.o.o.**	**Total**
Non-current assets	260,307	16,381	3,582	125	0	**280,395**
Current assets	243,088	10,774	1,506	6,102	2,685	**264,155**
- of which cash and cash equivalents	31,712	3,708	736	4,058	2,685	**42,899**
Non-current liabilities	11,030	3,604	0	84	0	**14,718**
- of which non-current financial liabilities	2,263	80	0	84	0	**2,427**
Current liabilities	340,269	10,877	443	2,920	6,276	**360,785**
- of which current financial liabilities	1,693	0	0	0	0	**1,693**
Equity	152,096	12,674	4,645	3,223	(3,591)	**169,047**
Revenues	855,769	45,312	4,099	21,745	8,080	**935,005**
Depreciation, amortization and writedowns	40,081	487	680	65	(6)	**41,307**
Financial income (charges)	(1,154)	(26,181)	0	65	0	**(27,270)**
Income taxes	(34,534)	(1,230)	(67)	(47)	0	**(35,878)**
Profit (Loss) from continuing operations	**83,268**	**(29,293)**	**230**	**246**	**(4,929)**	**49,522**
Other components of Comprehensive Income Statement	(402)	(5,050)	0	(19)	91	(5,380)
TOTAL COMPREHENSIVE INCOME	**82,866**	**(34,343)**	**230**	**227**	**(4,838)**	**44,142**
Dividends received by the joint venture or associate	30,464					

3.1.6 NON-CURRENT FINANCIAL ASSETS – 395,752 THOUSAND EUROS

Non-current financial assets as of December 31, 2024 amounted to 395,752 thousand euros and mainly related to financial investments in other businesses. As of 12/31/2023, these amounted to 495,313 thousand euros.

(thousands of euros)	2024	2023	DIFFERENCE
Equity investments in subsidiary companies	133	133	0
Equity investments in other businesses	371,203	458,412	(87,209)
Other non-current assets	11,160	11,359	(199)
Other investments	8,293	9,207	(914)
Derivative financial assets (non-current)	4,963	16,202	(11,239)
TOTAL	**395,752**	**495,313**	**(99,561)**

EQUITY INVESTMENTS IN OTHER BUSINESSES – 371,203 THOUSAND EUROS

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

STATEMENT OF CHANGES IN INVESTMENTS IN OTHER BUSINESSES AS OF DECEMBER 31, 2024

(thousands of euros)	Opening balance	Acquisitions	Revaluation	Writedowns	Sales	Other movements	Ending balance
Equity investments in other businesses	458,412	34,218	3,982	(52,613)	(72,796)	0	371,203

The following tables summarize the changes in the financial assets of the three Group Companies mentioned.

ANGELINI HOLDING S.P.A.

IN OTHER COMPANIES (thousands of euros)	PREVIOUS YEAR					CURRENT YEAR
	% ownership	Value adjustments	Decreases	Revaluation	Writedowns	Ending balance
Flagship I	7,037	(1,704)	0	692	0	6,024
Part. Flagship 2007 Ventures Fund	969	(256)	0	45	(24)	736
Flagship IV Ventures Fund	84,058	(57,880)	0	1,666	(20,220)	7,623
Flagship V Ventures Fund	20,775	(6,536)	0	906	(2,987)	12,158
Tages Emerging Fund I	2,687	384	(765)	455	0	2,761
Tages Credit Opportunities Feeder Class I	338	(51)	0	18	(91)	213
Springrowth S.G.R.	2,858	237	(462)	0	(263)	2,370
Oberon	2,395	243	(2,635)	0	(3)	1
Consorzio "Identitas Vini"	1	0	0	0	0	1
FF Investments	319	0	0	0	0	319
ZOO 5	2,001	200	0	200	0	2,401
TOTAL	**123,438**	**(65,364)**	**(3,862)**	**3,982**	**(23,588)**	**34,606**

Non-current financial assets in the portfolio of Angelini Holding S.p.A. are valued at FVTPL and amount to a total of 34,606 thousand euros, a decrease of 23,468 thousand euros compared to the previous year (58,074 thousand euros as of December 31, 2023). The difference during the year is due to both fair value adjustments and decreases during the year.

ANGELINI INVESTMENTS S.R.L

NON-CURRENT FINANCIAL ASSETS (thousands of euros)	12/31/2023	CHANGES DURING THE YEAR					12/31/2024	
	Opening balance	Increases	Decreases	Reclassification	Fair value measurement	Use of provision	Ending balance	% ownership
Opera Participation 2	50	0	0	0	0	0	50	20.55%
GS Distressed Opportunities III	0	0	0	0	0	0	0	0.00%
Mediobanca S.p.A.	44,820	0	(44,820)	0	0	0	0	0.00%
UniCredit S.p.A.	10,433	0	(10,433)	0	0	0	0	0.00%
Grecale S.r.l.	0	0	0	0	0	0	0	20.00%
Tamburi Investments Partners	181,695	0	0	0	(17,779)	0	163,916	10.60%
Sator S.p.A.	1,000	0	0	0	0	0	1,000	1.10%
Sator Private Equity Fund a L.P.	2,515	0	0	0	26	0	2,541	2.00%
Pegaso Transportation Investment	13,169	0	0	0	(3,240)	0	9,929	20.13%
Gamma Luxembourg 2	4	0	0	0	0	0	4	2.70%
Trilantic Capital Partners V	5,211	263	0	0	(1,054)	0	4,420	3.39%
Asset Italia S.p.A.	21,746	0	(788)	0	0	0	20,958	6.36%
Talent Garden S.p.A.	2,056	0	0	0	0	0	2,056	2.20%
Bluegem III	8,776	175	(1,118)	0	(1,824)	0	6,008	2.94%
Digital Magics 2020	320	0	0	(320)	0	0	0	0.00%
Banca del Fucino	5,000	0	0	0	0	0	5,000	2.00%
Itaca Holding S.p.A.	564	166	0	0	(265)	0	465	1.67%
EQT IX	10,894	352	(214)	0	1,318	0	12,350	0.08%
Prysmian S.p.A.	10,293	0	(10,293)	0	0	0	0	0.00%
Revo S.p.A.	1,848	0	0	0	858	0	2,706	0.89%
Be Cause S.p.A.	1,500	240	0	0	157	0	1,897	3.64%
Mediobanca Blackrock Project 1	673	0	0	0	10	0	683	0.89%
Mediobanca Blackrock Project 2	1,301	0	0	0	17	0	1,318	0.93%
Trilantic VI	6,665	658	0	0	(1,484)	0	5,839	1.25%
Eljovy Global	11,891	0	0	0	(5,076)	0	6,815	n.a.
Project Q	500	750	0	0	0	0	1,250	16.67%

NON-CURRENT FINANCIAL ASSETS (thousands of euros)	12/31/2023	CHANGES DURING THE YEAR					12/31/2024	
	Opening balance	Increases	Decreases	Reclassification	Fair value measurement	Use of provision	Ending balance	% ownership
Mediobanca Blackrock Project 3	374	0	0	0	(12)	0	362	1.16%
Energy Transition Investments	3,486	1,557	(103)	0	(1,403)	0	3,537	3.23%
Mediobanca Blackrock Project 4	490	0	0	0	121	0	611	0.87%
Ogyre_clubdeal fiduciaria	50	0	0	0	0	0	50	n.a.
Get Pica_clubdeal fiduciaria	50	0	0	0	0	0	50	n.a.
Mediobanca Blackrock Project 5	566	0	0	0	6	0	572	1.30%
Screevo S.r.l.	50	0	0	0	0	0	50	n.a.
Etic Inv Riina S.p.A.	3,000	0	0	0	0	0	3,000	10.11%
17th Capital	2,250	149	(789)	0	(184)	0	1,427	0.56%
Vesper Next Generation	190	2,907	(363)	0	1	0	2,734	3.07%
Clubdesign S.r.l.	2,345	0	0	0	(81)	0	2,264	9.73%
Re Learn S.r.l.	50	0	0	0	0	0	50	n.a.
Mediobanca Blackrock Project 7	702	0	0	0	(17)	0	685	1.12%
Nextsense	3,000	0	0	0	0	0	3,000	10.03%
Mediobanca Blackrock Project 8	472	0	0	0	25	0	497	1.42%
Zest S.p.A.	0	0	0	320	(116)	0	204	0.77%
Mediobanca Blackrock Project 9	0	421	0	0	(25)	0	396	1.42%
Banor Alternative Asset	0	2,558	0	0	44	0	2,602	3.76%
G Squared VI	0	2,520	0	0	969	0	3,489	1.47%
Be Cause S.p.A. - comparto B	0	300	0	0	0	0	300	16.95%
TOTAL	**359,999**	**13,017**	**(68,921)**	**0**	**(29,008)**	**0**	**275,087**	

Non-current financial assets held by Angelini Investments S.r.l. are valued at FVTPL and at FVTOCI and amount to a total of 275,087 thousand euros, a decrease of 84,912 thousand euros compared to the comparison period. As of December 31, 2024, the impact resulting from the valuation at FVTPL amounted to -8,411 thousand euros while the impact resulting from the valuation at FVTOCI amounted to -20,597 thousand euros.

The aforementioned increases refer to new investments subscribed during the year and to the increases in the investments already finalized at the end of previous years.

In particular, the following transactions bear noting.

- **Investment in the Banor Alternative Asset fund**
  During the year, the investment in the Banor Alternative Asset fund was finalized in several tranches for a total value of 2,558 thousand euros, against a commitment of 5,000 thousand euros.

- **Investment in the G Squared VI fund**
  In August and October 2024, the Company invested a total of 2,520 thousand euros in the G Squared VI fund. The Company's commitment to the fund amounts to 5 million US dollars.

- **Investment in the Mediobanca Blackrock Project 9 fund**
  In May 2024, the Company finalized the investment of 421 thousand euros in the Mediobanca Blackrock Project 9 fund.

- **Investment in Be Cause S.p.A. – comparto B fund**
  On December 18, 2024 the Company subscribed to a new investment in Comparto B fund of Be Cause S.p.A. for an amount of 300 thousand euros, against an overall commitment equal to 3 million euros.

- **Investment in Zest S.p.A.**
  The investment of 496 thousand euros in Zest S.p.A. is the result of the merger between LVenture Group and Digital Magics 2020, a company in which Angelini Investments already held an equal amount at the end of the previous year. The transaction is part of the strong growth in the venture capital market in Italy, creating an internationally significant operator active in the digital transformation of enterprises and open innovation.

- **Increase in the investment in the Vesper Next Generation fund**
  During the year, the Company subscribed to additional drawdowns in the Vesper Next Generation fund for a value of 2,543 thousand euros; as of December 31, 2024, the total investment in the fund amounted to 2,733 thousand euros, against a total commitment of 10 million euros.

- **Increase in the investment in the Energy Transition fund**
  In 2024, the Company increased its investment in the Energy Transition fund for a total amount of 1,454 thousand euros, against an overall commitment equal to 10 million euros.

Decreases during the year may refer to capital redemptions made by companies and investment funds in which the Company had previously subscribed to shares and to partial or total divestments made during the year.
Among the decreases recorded, the following movements are particularly noteworthy.

- **Sale of the equity investment in UniCredit S.p.A.**
  During the year, the Company sold all shares in UniCredit S.p.A. for an overall value of 10,433 thousand euros, achieving a capital gain of 975 thousand euros.

- **Sale of the equity investment in Prysmian S.p.A.**
  In FY 2024 the Company sold its equity investment in Prysmian S.p.A., for a total value of 10,923 thousand euros, achieving a capital gain of 526 thousand euros.

- **Sale of the equity investment in Mediobanca S.p.A.**
  In February 2024, the Company sold all shares in Mediobanca S.p.A. for a value of 44,820 thousand euros, achieving a capital gain of 3,180 thousand euros.

In relation to investments in listed companies, the following provides a brief summary of the investments held in the respective portfolios.

TIP S.p.A.

Tamburi Investment Partners (TIP) S.p.A. 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 over time, 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 tripled compared to the initial cost, while obviously not expressed in financial statements prepared according to accounting standards not based on the fair value measurement of minority interests. This positive trend was also confirmed in FY 2024. Particularly positive results were recorded by its investees Amplifon S.p.A., Moncler Group, OVS S.p.A., Hugo Boss, Bending Spoons and Azimut-Benetti.

Zest S.p.A.

Zest S.p.A. was created through the merger of Digital Magics S.p.A., Italy's leading incubator and accelerator of innovative startups, and LVenture Group S.p.A., an early stage venture capital operator investing in digital startups with growth prospects. The transaction was finalized to achieve the necessary consolidation of the current strong growth context of the venture capital market in Italy, creating an operator of international relevance, with the aim of attracting the best talents and startups and contributing to the digital transformation of businesses and the enhancement of open innovation, for an ever greater creation of value and returns for shareholders. In March 2025, the Board of Directors of Zest S.p.A. approved the new strategic guidelines and the 2025-2029 Business Plan, based on the following 4 levers of expansion: i) expansion of the portfolio through follow-ons and new acquisitions for an estimated value in 2029 of 82 million euros; ii) investments of 15 million euros and exits of 2.5 million euros over the five-year period; iii) strengthening of advisory activities towards subsidiaries and open innovation programs for revenues growing by 58% over the plan period; iv) organizational efficiency actions with positive and growing EBITDA over the plan period.

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. The results of the 2024 financial statements show that Revo has implemented the Strategic Plan approved on January 2 of the previous year, and the significant results achieved in 2024 which will enable the payment of substantially higher dividends compared to 2023.

ANGELINI VENTURES S.P.A.

IN OTHER COMPANIES (thousands of euros)	PREVIOUS YEAR SITUATION		NON-CURRENT FINANCIAL ASSETS					CURRENT YEAR SITUATION	
	Cost	Value adjustments	Increases	Decreases	Revaluation	Writedowns	Use of provision	Ending balance	% ownership
Pretzel Therapeutics Inc.	6,703	0	3,672	0	0	0	0	10,375	8.25%
Lumira Ventures IV L.P.	1,811	0	1,191	0	0	0	0	3,003	11.64%
Extend S.r.l.	1,170	0	1,257	0	0	0	0	2,427	16.50%
Serenis Health S.r.l.	1,000	0	275	0	0	0	0	1,275	5.00%
Cadence Neuroscience Inc.	947	0	0	0	0	0	0	947	1.82%
Freya Biosciences	1,600	0	1,197	0	0	0	0	2,797	4.55%
Freya Biosciences License Co.	2	0	1	0	0	0	0	3	4.74%
Cour Pharmaceuticals Development Company Inc.	2,616	0	1,141	0	0	0	0	3,758	2.20%
Avation Medical Inc.	3,668	0	0	0	0	0	0	3,668	10.43%
CoMind Technologies Limited	5,000	0	0	0	0	0	0	5,000	9.24%
Noctrix Health Inc.	3,667	0	0	0	0	0	0	3,667	3.81%
Nouscom A.G.	0	0	7,000	0	0	0	0	7,000	3.76%
Vantis G.m.b.H.	0	0	7	0	0	0	0	7	11.22%
TOTAL	**28,185**	**0**	**15,742**	**0**	**0**	**0**	**0**	**43,926**	

The non-current financial assets comprising the Angelini Ventures S.p.A. portfolio totalled 43,926 thousand euros, an increase of 15,742 thousand euros compared to the previous year. It should be noted that as of December 31, 2024, given the nature of the investments and the absence of observable, reliable market prices reflecting current market conditions, their purchase cost is still the best approximation of fair value.

Movements arose from new investments made during the year and increases in investments already completed in previous years. In particular, the following transactions bear noting.

- **Investment in Nouscom A.G.**
  On February 26, 2024, the investment in Nouscom A.G. was finalized for an amount equal to 7 million euros.
  Nouscom A.G. is developing an immunotherapy platform for the development of engineered viral vector vaccines for the treatment of cancer and includes a toolkit for the induction of broad and potent anti-cancer T-cell responses, enabling patients to boost cancer-specific cellular immunity.

- **Increase in the investment in Cour Pharmaceuticals Inc.**
  On October 16, 2024 the Company made an additional investment of 1,141 thousand euros in Cour Pharmaceuticals Inc. Cour Pharmaceuticals is engaged in the development of an immune-modifying platform aimed at achieving antigen-specific tolerance for immune-mediated disease. The company's platform offers non-biological therapies for acute inflammation and autoimmunity and also engages in pharmaceutical development of immunology and cardiovascular medicinal products, enabling patients to receive acute treatments for encephalitis syndromes, autoimmune disorders, infections and heart attacks.
  It should be noted that during the year, the Food and Drug Administration (FDA) issued its initial approval by releasing Tranche 2 of the investment.

- **Increase in the investment in Freya Biosciences**
  On September 13, 2024 the Company signed off on an additional investment equal to 1,197 thousand euros in Freya Biosciences, a company that develops an innovative approach to women's health, based on microbial immunotherapies.

- **Increase in the investment in Pretzel Therapeutics Inc.**
  On August 13, 2024, the Company made a further investment for an amount of 3,672 thousand euros in Pretzel Therapeutics Inc., a company that develops drugs targeted at mitochondrial disorders, such as mitochondrial DNA depletion syndrome (MDDS) and primary mitochondrial disorders.

- **Increase in the investment in Extend S.r.l.**
  During the year, the Company increased its investment in Extend S.r.l. for an amount of 1,257 thousand euros, against an overall commitment of 4,950 thousand euros. Extend is a startup generator in Italy, which operates as an incubator for academic projects in order to create new businesses.

- **Increase in the investment in Lumira Ventures IV L.P.**
  During the year the Company made an additional investment in the fund Lumira Ventures IV L.P. for an amount of 1,191 thousand euros. Lumira Ventures IV LP is a venture capital fund operating in the United States and Canada and it invests in companies that develop innovative solutions for healthcare and health tech & life science. As of December 31, 2024 the investment in the fund amounted to 3,003 thousand euros, against an overall commitment equal to 5 million US dollars.

- **Increase in the investment in Serenis Health S.r.l.**
  During the year the Company made an additional investment in Serenis Health S.r.l., a company in the mental health sector, for an amount of 275 thousand euros.

The following is a description of additional investments made by the Company in the previous year for which no increases were recorded.

- **Investment in CoMind Technologies Limited**
  In December 2023 the Company made an investment in CoMind Technologies Limited for an amount equal to 5 million euros. CoMind is developing a non-invasive neural device to measure intracranial biomarkers such as intracranial pressure, which can only currently be measured by drilling through the skull and inserting specific devices, allowing for better evaluation and better treatment for complex neurological conditions.

- **Investment in Avation Medical Inc.**
  In December 2023, the Company made an investment of 3,668 thousand euros in the capital of Avation Medical Inc., the developer of a neuromodulation therapy system combined with a mobile app, approved by the FDA, in order to provide patients with at-home solutions.

- **Investment in Cadence Neuroscience Inc.**
  In February 2023, the investment in Cadence Neuroscience Inc. was finalized for an amount equal to 947 thousand euros. Cadence Neuroscience is developing a new implantable neuromodulation system for the treatment of drug-resistant epilepsy (DRE) and other brain disorders. In particular, Cadence uses a combination of software and devices, Biomarker Targeted Stimulation (BTS), which significantly improves treatment procedures and patient outcomes.

- **Investment in Noctrix Health Inc.**
  In December 2023, the investment in Noctrix Health Inc. was finalized for an amount equal to 3,667 thousand euros. Noctrix developed the Nidra NTX100 neurostimulation system for refractory RLS (Restless Legs Syndrome) and received FDA approval in 2023. The next target is to market the product in the United States, expand into Europe and launch a second-generation product with more connected elements.

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 startup phase of the investee companies, there are no indicators of impairment of the investments held and described above.

OTHER NON-CURRENT FINANCIAL ASSETS

The item "Other non-current financial assets" includes non-current receivables arising from deposits paid for rental contracts in the amount of 1,940 thousand euros, the receivable from ClubItaly for the sale of the equity investment in ClubItaly S.r.l., which took place in FY 2016 and was attributed to Angelini Investments S.r.l. in the amount of 9,220 thousand euros, the Blugem II convertible loan in the amount of 8,292 thousand euros.
This item also includes derivatives amounting to 4,963 thousand euros to hedge the long-term bank loan entered into with a pool of banks in 2022.

3.1.7 DEFERRED TAX ASSETS – 66,787 THOUSAND EUROS

Deferred tax assets as of 12/31/2024 amounted to 66,787 thousand euros and mainly related to the recognition of deferred taxation inherent to trademark amortization, provisions for liabilities and writedowns of assets deductible in future years. As of 12/31/2023, these amounted to 68,766 thousand euros.

The difference in FY 2024 is mainly attributable to the tax benefit due to the tax losses of the Swiss branch of Angelini Pharma S.p.A., and the ACE (Aid to Economic Growth) tax benefit.

The item "Other movements" includes the tax effect, for the year, of derecognition of margins within the scope of consolidation.

The overall movement and the movement by main types are shown in the following two tables.

DEFERRED TAX ASSETS (thousands of euros)	Opening balance	Decreases	Increases	Other movements	Disposal from changes in Group structure	Currency translation differences	Ending balance
Recoverable tax losses	9,175	(12,370)	3,521	6	0	0	332
Amortization/Depreciation	18,871	(1,780)	2,624	10	(380)	0	19,345
Writedowns	11,275	(4,382)	2,818	(105)	(1,446)	(107)	8,053
Amounts provided for risk provisions and other accruals	9,467	(3,014)	3,274	201	(383)	(6)	9,539
Other	19,978	(3,505)	13,192	1,006	(1,006)	(147)	29,518
TOTAL	**68,766**	**(25,051)**	**25,429**	**1,118**	**(3,215)**	**(260)**	**66,787**

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent that, based on the plans approved by the Board of Directors, it is no longer considered probable that sufficient taxable income will be available to allow for all or part of the recovery of such assets. The value reported in the financial statements is deemed fully recoverable based on the taxable income expected under future plans.

3.1.8 INVENTORIES – 342,921 THOUSAND EUROS

Inventories as of 12/31/2024 amounted to 342,921 thousand euros, already netted with a provision for inventory writedowns of -22,183 thousand euros. As of 12/31/2023, inventories amounted to 341,453 thousand euros, net of a provision for inventory writedowns of -24,592 thousand euros.

The breakdown by category is shown in the following table.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Raw materials, consumables and goods for sale	113,724	107,158	6,566	6.13%
Work in progress and components	34,074	36,801	(2,727)	(7.41%)
Contracts in progress	55,190	36,903	18,287	49.55%
Finished products and goods for resale	137,562	157,361	(19,799)	(12.58%)
Down payments	2,371	3,230	(859)	(26.59%)
TOTAL	**342,921**	**341,453**	**1,468**	**0.43%**

The increase of 1,468 thousand euros is allocated to the various sectors as follows:

- Health sector (-8,883 thousand euros), driven by the decrease in inventories of semi-finished and finished products, which reflected the increase in sales;
- Consumer Goods sector (-27,409 thousand euros), due to the disposal from changes in Group structure of the Beauty segment;
- Industrial Technology sector (+38,033 thousand euros), where inventories of raw materials and contracts in progress were affected by the cyclical dynamics of the reference business and the increase in business volumes with a consequent increase in intake concentrated in the final quarter of 2024;
- Holding Activities sector (-273 thousand euros), related to real estate activities.

Differences in the provision for inventory writedowns are detailed below.

(thousands of euros)	PROVISION FOR DOUBTFUL ACCOUNTS						
	Opening balance	Increases	Decreases	Other movements	Currency translation differences	Disposal from changes in Group structure	Ending balance
Raw materials, consumables and goods for sale – Provision for writedowns	(7,583)	(1,533)	1,053	0	(29)	2,642	(5,450)
Work in progress and components – Provision for writedowns	(960)	(588)	453	0	0	0	(1,095)
Contracts in progress – Provision for writedowns	(4,241)	(3,417)	123	0	1	0	(7,534)
Finished products and goods for resale – Provision for writedowns	(11,808)	(5,059)	8,505	(632)	(18)	908	(8,104)
TOTAL	**(24,592)**	**(10,597)**	**10,134**	**(632)**	**(46)**	**3,550**	**(22,183)**

The column “Other movements” refers to the derecognition of intercompany margins for products still in stock as of December 31, 2024 purchased within the Group.

3.1.9 TRADE RECEIVABLES – 412,379 THOUSAND EUROS

Trade receivables as of 12/31/2024 amounted to 412,379 thousand euros, net of a provision for writedowns of -6,956 thousand euros. As of 12/31/2023, these amounted to 416,730 thousand euros, net of a provision for writedowns of -7,199 thousand euros.

Details of the item are given below.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Receivables from customers	405,652	405,858	(206)	**(0.05%)**
Trade receivables from subsidiaries	384	0	384	**0.00%**
Trade receivables from affiliates	6,167	8,316	(2,149)	**(25.84%)**
Trade receivables from Parent Companies	176	2,556	(2,380)	(93.11%)
TOTAL	**412,379**	**416,730**	**(4,351)**	**(1.04%)**

Below are the detailed changes in the provision for writedowns of receivables.

(thousands of euros)	PROVISION FOR DOUBTFUL ACCOUNTS						
	Opening balance	Increases	Decreases	Other movements	Currency translation differences	Disposal from changes in Group structure	Ending balance
Receivables from customers within 1 year – Provision for doubtful accounts	(7,199)	(1,323)	510	(16)	(4)	1,075	(6,957)
TOTAL	**(7,199)**	**(1,323)**	**510**	**(16)**	**(4)**	**1,075**	**(6,957)**

The Health business is the main contributor to the item "Trade receivables" at 73% and the Industrial Technology business at 25%. The negative difference in trade receivables of -4,351 thousand euros was distributed among the various sectors: Health contributed -4,500 thousand euros attributable to more aggressive sales policies in support of turnover, Consumer Goods contributed -40,306 thousand euros attributable to the Beauty segment following the removal from the scope of consolidation, and Industrial Technology recorded an increase of 39,606 thousand euros, related to the increase in turnover.
Receivables from Group Companies refer in part to receivables from Angelini Finanziaria for services rendered in the amount of 176 thousand euros, receivables from the Joint Venture Fater S.p.A. and its subsidiaries in the amount of 6,167 thousand euros, and for the remainder to receivables from the Beauty segment companies, which are not eliminated since they are assets held for sale.

The Group measures losses on trade receivables using both a simplified approach, which involves the use of market indicators to estimate the probability of default and loss given default, and a matrix to calculate expected losses. The writedown percentages in the matrix used are determined on the basis of days past due and by grouping receivables from customers that are characterized by similar causes of impairment (geographical area, product type, customer type, rating, presence of guarantees or other types of insurance). The calculation is based on the probability of credit recovery, the time value of money, and information on past events that is available at the reporting date, current conditions and expected market scenarios. For more details, see the paragraph on "Credit risk".

3.1.10 TAX RECEIVABLES – 39,935 THOUSAND EUROS

As of December 31, 2024, the net book value of tax receivables was 39,935 thousand euros (33,913 thousand euros as of December 31, 2023).
The item refers to IRAP tax receivables and advances paid to the revenue office in the amount of 3,612 thousand euros and income tax receivables of foreign subsidiaries in the amount of 14,170 thousand euros. With reference to the latter, the most significant amounts are shown below, distributed as follows: USA for 1,786 thousand euros, Romania for 1,455 thousand euros, UK for 1,061 thousand euros, Czech Republic for 777 thousand euros, and Spain for 8,058 thousand euros.
The remaining portion refers to receivables arising from the consolidation of taxable income under the tax consolidation agreement entered into with the Parent Company Angelini Finanziaria S.p.A.

3.1.11 OTHER CURRENT ASSETS – 92,406 THOUSAND EUROS

As of December 31, 2024, the net book value of these assets was 92,406 thousand euros (93,111 thousand euros as of December 31, 2023).

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Non-trade receivables from related parties	13,679	10,018	3,661	36.54%
Other tax receivables	27,248	34,284	(7,036)	(20.52%)
Other receivables	31,740	29,819	1,921	6.44%
Prepaid expenses and accrued income	19,739	18,990	749	3.94%
TOTAL OTHER CURRENT ASSETS	**92,406**	**93,111**	**(705)**	**(0.76%)**

The item includes other tax receivables totalling 27,248 thousand euros and related to tax receivables for government incentives and tax benefits, such as Research and Development and super-amortization amounting to 10,864 thousand euros for the Health sector and 2,932 thousand euros for the Industrial Technology sector, receivables for withholding tax incurred and receivables for value added tax of subsidiaries.
The item also includes advances paid to suppliers and receivables from employees, as well as advance payments, mainly related to insurance premiums and cloud computing services.
Receivables from related parties, amounting to 13,679 thousand euros, refer to the credit balance of Group VAT transferred to the Parent Company Angelini Finanziaria S.p.A.

3.1.12 CURRENT FINANCIAL ASSETS – 1,199,547 THOUSAND EUROS

As of December 31, 2024, the net book value of these assets was 1,199,547 thousand euros (1,234,004 thousand euros as of December 31, 2023).

Current financial assets refer to the balance of the centralized treasury current account held by Angelini Holding S.p.A. with the Parent Company Angelini Finanziaria S.p.A. for 432,394 thousand euros, to the valuation of derivatives on exchange rates for 1,426 thousand euros, and to investments in "money market" financial instruments and investment funds through which the Group's treasury is actively managed for 560,728 thousand euros. The item also includes restricted bank deposits recorded for 160,000 thousand euros in Angelini Holding S.p.A. and 45,000 thousand euros in Angelini Investments S.r.l.
The difference with respect to the previous year, of -34,457 thousand euros, was due to the transactions carried out during the year, which resulted in a net increase in the value of securities in the portfolio for 37,984 thousand euros, to the increase in the balance of the giro account with Angelini Finanziaria S.p.A. for 36,490 thousand euros and to the decrease in term deposits for -110,000 thousand euros.

3.1.13 CASH AND CASH EQUIVALENTS – 555,646 THOUSAND EUROS

As of December 31, 2024, the net book value of cash and cash equivalents was 555,646 thousand euros (371,979 thousand euros as of December 31, 2023).

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Ordinary bank deposits	381,427	347,327	34,100	10%
Restricted bank deposits	174,130	24,517	149,613	610%
Cash	89	135	(46)	(34%)
TOTAL	**555,646**	**371,979**	**183,667**	**49%**

Cash and cash equivalents include deposits, representing cash equivalents, in the companies Angelini Holding S.p.A., Angelini Investments S.r.l. and Angelini Pharma Polska in Złoty currency, totalling 174,130 thousand euros as of December 31, 2024 and 24,517 thousand euros as of December 31, 2023. The aforesaid deposits can be released at any time at the request of the company that holds them.

ASSETS HELD FOR SALE – 101,556 THOUSAND EUROS

In December 2024, the irrevocable purchase proposal received from Give Back Beauty Holding S.A. for 100% of the share capital of AB Parfums S.p.A. (formerly Angelini Beauty S.p.A.) and its subsidiaries AB Parfums G.m.b.H., AB Parfums Iberia S.A. and Greyhound Beauty S.r.l. was accepted; this then led to the signing of the transfer agreement on January 7, 2025. On the basis of the agreement signed and in accordance with IFRS 5, the investment in AB Parfums S.p.A. and its subsidiaries was deconsolidated in the balance sheet and subsequently reclassified under "Assets held for sale" for a value equal to the sale price agreed upon between the parties, which amounted to 76,220 thousand euros.

In addition, in December 2024, Angelini Real Estate S.p.A. signed a preliminary agreement for the sale of a prestigious commercial property located on Rambla de Catalunya in Barcelona, with a total net book value of 25,170 thousand euros, as well as a plot of land located in Teiá with a book value of 166 thousand euros. In accordance with IFRS 5, these assets were classified under "Assets held for sale" at cost; the fair value is estimated at 37,000 thousand euros.

3.2 COMMENTARY ON ITEMS OF THE BALANCE SHEET: LIABILITIES

3.2.1 EQUITY – 2,683,162 THOUSAND EUROS

Consolidated shareholder's equity as of 12/31/2024 amounted to 2,683,162 thousand euros. As of 12/31/2023, this amounted to 2,534,779 thousand euros.

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

Differences during the period are analytically illustrated in the dedicated table.

(thousands of euros)	Opening balance	Allocation of last year net profit	Currency translation differences	Net profit	Other movements	Ending balance
Capital	3,000	0	0	0	0	3,000
Share premium reserve	458,698	0	0	0	0	458,698
Legal reserve	600	0	0	0	0	600
Extraordinary reserve	38,789	0	0	0	0	38,789
Other reserves	27,221	0	0	0	0	27,221
Consolidation reserve	59,353	0	0	0	0	59,353
Currency translation reserve	(63,947)	0	(175)	0	0	(64,122)
Merger surplus reserve	1,682,547	0	0	0	0	1,682,547
Cash flow hedge reserve	12,717	0	0	0	(8,513)	4,204
Translation reserve – IAS 29 hyperinflation effects	53,664	0	0	0	23,380	77,044
IFRS first-time application (FTA) reserve	256,333	0	0	0	2,061	258,394
OCI reserve	8,972	0	0	0	(20,650)	(11,678)
Retained earnings (losses)	(123,459)	119,980	(45)	0	(3,187)	(6,711)
Group profit (loss) for the period	119,980	(119,980)	0	155,813	0	155,813
TOTAL GROUP EQUITY	**2,534,468**	**0**	**(220)**	**155,813**	**(6,909)**	**2,683,152**
Third party capital and reserve	372	(61)	0	0	(295)	16
Third party profit (loss) for the period	(61)	61	0	(6)	0	(6)
TOTAL THIRD-PARTY CAPITAL AND RESERVE	**311**	**0**	**0**	**(6)**	**(295)**	**10**
TOTAL EQUITY	**2,534,779**	**0**	**(220)**	**155,807**	**(7,204)**	**2,683,162**

As of December 31, 2024, the share capital amounted to 3,000 thousand euros, fully subscribed and paid up.
The changes in Equity of the Angelini Industries Group refer to the consolidated profit for the year of 155,807 thousand euros, the change in the IAS 29 translation reserve for 23,380 thousand euros, which records the effects of hyperinflation on the Equity items of the subsidiaries and associates present in Turkey, the change in the OCI reserve, which mainly records the effects of the application of IFRS 9 to financial investments made by the companies; for further details, please refer to the Comprehensive Income Statement.

Furthermore, in 2024, there was a 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 at Angelini Holding.

Differences represented in the column "Other movements" are affected by the disposal from changes in Group structure of the companies in the Beauty segment of the Consumer Goods sector.

3.2.2 PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are divided into current and non-current provisions, as shown in the table below.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Provisions for non-current risks and charges	4,844	4,164	680	16.33%
Provision for current risks and charges	9,226	9,026	200	2.22%
TOTAL	**14,070**	**13,190**	**880**	**6.67%**

As of December 31, 2024, the total net book value of the provisions for risks and charges was 14,070 thousand euros (13,190 thousand euros as of December 31, 2023) and is allocated to cover, among other things, liabilities that may arise from legal disputes in progress, based on the indications of internal and external lawyers, without, however, considering the effects of those disputes that are expected to have a positive outcome and those for which a negative outcome is only considered possible.
In determining the amount of the provision, consideration is given both to the presumed charges, which could arise from litigation and other disputes during the year, and to updated estimates of positions arising in previous years for the companies.

The following tables detail the overall composition by nature and the differences during the period.

(thousands of euros)	CHANGES IN PROVISIONS FOR NON-CURRENT RISKS AND CHARGES							
	Opening balance	Amounts provided for risk provisions and other accruals	Use of provision	Reclassification	Currency translation differences	Disposal from changes in Group structure	Other movements	Ending balance
Other provisions - Employee bonuses	1	0	0	0	0	0	0	1
Other provisions - Litigation with employees	206	0	0	0	0	0	0	206
Other provisions - Environmental risks	207	0	0	0	0	0	0	207
Other provisions - Future charges	3,083	368	(417)	(213)	0	(54)	(1)	2,766
Other provisions - Various risks	667	1,484	(151)	(152)	(7)	(11)	(166)	1,664
TOTAL	**4,164**	**1,852**	**(568)**	**(365)**	**(7)**	**(65)**	**(167)**	**4,844**

(thousands of euros)	CHANGES IN PROVISIONS FOR CURRENT RISKS AND CHARGES						
	Opening balance	Amounts provided for risk provisions and other accruals	Use of provision	Reclassification	Currency translation differences	Other movements	Ending balance
Other current provisions - Exit incentives provision	2,872	585	(2,790)	0	0	0	667
Other current provisions - Building reorganization provision	116	0	(116)	0	0	0	0
Other current provisions - Environmental risks provision	50	0	0	0	0	0	50
Other current provisions - Future charges provision	1,123	2,010	(1,123)	0	55	0	2,065
Other current risks and charges	4,865	1,642	(400)	299	40	(2)	6,444
TOTAL	**9,026**	**4,237**	**(4,429)**	**299**	**95**	**(2)**	**9,226**

The difference in 2024 provisions is the result of provisions and other accruals for risks and charges net of releases due to excess and utilizations. Despite the uncertainty of the outcome of current events and litigations, it is believed that the provisions set aside represent the best estimate of the liability based on the information available at the reporting date.
Provisions for risks and charges are mainly recorded in the Health sector for 4,065 thousand euros, in the Consumer Goods sector for 1,699 thousand euros, and in the Industrial Technology sector for 8,157 thousand euros. The most relevant components are detailed below:

- provisions for severance incentive refer mainly to incentives for settlements with employees for mobility procedures initiated in previous years;
- provisions for future charges refer to:
  a. charges payable to the sales force and to disputes that arose over electricity consumption and for risks on the failure to reach guaranteed minimums on supply contracts;
  b. guarantee funds on products for which Industrial Technology companies guarantee against defects in machine components for a specified period of time;
  c. provision for onerous orders, also relating to the Industrial Technology sector, recorded on the basis of the expectation that the orders in progress may close with a loss for the Company.

3.2.3 NET LIABILITIES FOR DEFINED EMPLOYEE BENEFITS – 34,419 THOUSAND EUROS

As of December 31, 2024, the net book value of these liabilities was 34,419 thousand euros (23,884 thousand euros as of December 31, 2023) and reflected severance indemnities, long-term incentive plans and other benefits to be paid subsequent to employee performance.

The following table shows the difference in actuarial liabilities during the period.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Employee severance indemnity	10,773	13,253	(2,480)	(18.71%)
LTI Plans	20,733	7,717	13,016	> 100%
Other post-employment benefits	2,913	2,914	(1)	(0.03%)
TOTAL	**34,419**	**23,884**	**10,535**	**44.11%**

EMPLOYEE SEVERANCE INDEMNITY PROVISION

The table below provides details of the changes in employee severance for FY 2024, referring exclusively to companies with headquarters in Italy.

EMPLOYEE SEVERANCE INDEMNITY (thousands of euros)	
Opening balance	13,253
Amounts provided for risk provisions and other accruals	10,720
Utilizations for employee settlement	(655)
Utilizations for pension fund contributions	(10,755)
Other movements	309
Merger	0
Addition from changes in Group structure	0
Currency translation differences	(1)
Disposal from changes in Group structure	(2,098)
Ending balance	**10,773**

The difference was affected not only by the provision that, following the severance indemnity reform, represents the severance indemnity of employees until December 31, 2006, but also by the impact of the revision of the discount rate used for valuation under IAS 19.
As provided for in paragraph 78 of IAS 19, the interest rate used to determine the present value of the obligation was derived from the Iboxx Corporate AA index with a duration consistent with the duration of the collective subject to valuation, recorded at the valuation date for each of the Group's companies.

As far as the economic and financial scenario is concerned, the following table shows the main parameters used for the valuation.

COMPANY	Annual discount rate	Annual inflation rate	Annual rate of employee severance increase	Annual rate of salary increase
Angelini Holding S.p.A.	2.93%	2.00%	3.00%	1.00%
Angelini Pharma S.p.A.	2.93%	2.00%	3.00%	1.00%
Fameccanica.Data S.p.A.	3.18%	2.00%	3.00%	1.00%
Angelini Real Estate S.p.A.	3.38%	2.00%	3.00%	1.00%
Angelini Wines & Estates Società Agricola a r.l.	2.93%	2.00%	3.00%	1.00%
Borgo Tre Rose S.r.l.	2.93%	2.00%	3.00%	1.00%
Angelini Ventures S.p.A.	3.18%	2.00%	3.00%	1.00%

COMPANY	Frequency of advances	Frequency of turnover
Angelini Holding S.p.A.	1.50%	4.00%
Angelini Pharma S.p.A.	1.50%	4.00%
Fameccanica.Data S.p.A.	1.50%	4.00%
Angelini Real Estate S.p.A.	1.20%	8.50%
Angelini Wines & Estates Società Agricola a r.l.	1.20%	8.50%
Borgo Tre Rose S.r.l.	1.20%	8.50%
Angelini Ventures S.p.A.	1.20%	8.50%

INCENTIVE PLANS

This item includes the 2023-2025 multi-year incentive plan, which involves certain employees who perform functions deemed relevant to the achievement of strategic results.
The incentive is attributed upon reaching specific thresholds of the Company's future results.

The liability as of December 31, 2024 is determined on the basis of the Company's results for the two-year program period 2023-2024 and the benefit related to the incentive plan was settled in early 2025.

OTHER POST-EMPLOYMENT BENEFITS

This item includes the pension plan liability of foreign companies and is classified as a "defined benefit plan" in accordance with IAS 19.

3.2.4 LEASE LIABILITIES

This item includes liabilities arising from the application and subsequent impact of IFRS 16, which amounted to 45,206 thousand euros as of December 31, 2024 (41,220 thousand euros as of December 31, 2023), the short-term portion of which amounts to 13,866 thousand euros (13,082 thousand euros as of December 31, 2023).

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Non-current financial liabilities for leases	31,340	28,138	3,202	11.38%
Current financial lease liabilities	13,866	13,082	784	5.99%
TOTAL FINANCIAL LEASE LIABILITIES	**45,206**	**41,220**	**3,986**	**9.67%**

Details of the current and non-current portions of financial lease liabilities outstanding as of December 31, 2024 are shown below.

LIABILITIES FOR LEASED ASSETS AS OF 12/31/2024 (thousands of euros)	< 1 year	1 to 5 years	> 5 years	Total
Liabilities for leased assets	13,866	31,340	0	45,206

3.2.5 OTHER FINANCIAL LIABILITIES – 631,853 THOUSAND EUROS

As of December 31, 2024, the net book value of these liabilities was 631,853 thousand euros (781,839 thousand euros as of December 31, 2023).
Non-current financial liabilities 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, for which the drawdown took place during FY 2023.

In accordance with the amortized cost method, this item is presented in the financial statements net of the transaction costs incurred for its issuance, which amount to 4,550 thousand euros. The outstanding balance as of December 31 is 780,494 thousand euros, divided between the portion to be paid back within the next year (149,220 thousand euros) and the portion to be paid back after the next year (631,274 thousand euros).

The item also includes the fair value of derivatives entered into to hedge the risk of exchange rate fluctuations for future commercial transactions in countries where the Group operates in currencies other than the Euro.

3.2.6 DEFERRED TAX LIABILITIES – 10,474 THOUSAND EUROS

As of December 31, 2024, the net book value of deferred tax liabilities was 10,474 thousand euros (12,407 thousand euros as of December 31, 2023).

The movements are shown in the following table.

(thousands of euros)	Opening balance	Decreases	Increases	Other movements	Disposal from changes in Group structure	Currency translation differences	Ending balance
Provision for deferred taxes - Other taxable temporary differences	12,407	(2,190)	35	18	(1)	205	10,474
TOTAL	**12,407**	**(2,190)**	**35**	**18**	**(1)**	**205**	**10,474**

3.2.7 OTHER LIABILITIES – 4,719 THOUSAND EUROS

In 2024, the item includes the measurement of the provision for supplementary customer allowances recorded by Angelini Pharma and Angelini Wines & Estates for a total value of 3,578 thousand euros as of 12/31/2024 (3,219 thousand euros as of 12/31/2023), as well as the non-tax payable of Angelini Pharma Hellas to the Greek government amounting to 1,126 thousand euros to be paid in 2026 and 2027.
The provision for supplementary customer allowances was determined by quantifying future payments through the projection of indemnities accrued at the valuation date by agents working for the Company until the presumable (random) moment of termination of the contractual relationship with the Company.

In the valuation of the provision, account was also taken of all possible events that may lead to the termination of the relationship between the Company and the agent, including death, disability, retirement, or termination of the relationship by the Company or by the agent.
The main assumptions are outlined below:

- the RG48 survival table developed by the Italian State General Accounting Office for assessing the future survival of the Italian population was used for the mortality rate;
- the retirement age for the generic active agent was assumed to be the attainment of the requirements currently laid down in the Enasarco regulations;
- an INPS table differentiated according to age and gender was used to estimate the phenomenon of incapacity within the collective of agents in question;
- with regard to the termination of the agency relationship and thus the interruption of the professional relationship, the frequencies were quantified on the basis of recent company history. In particular, for both reporting years, the frequency of termination of the professional relationship due to corporate reasons was 3%, while the frequency of voluntary resignation of the agent was 0.5%.

3.2.8 PAYABLES TO BANKS AND LOANS – 150,485 THOUSAND EUROS

Payables to banks and loans amounted to 150,485 thousand euros (144,742 thousand euros as of December 31, 2023) and mainly related to bank accounts with a debit balance and the short-term portion of the bank loan already mentioned.

3.2.9 TRADE PAYABLES – 481,216 THOUSAND EUROS

As of December 31, 2024, trade payables amounted to 481,216 thousand euros (446,155 thousand euros as of December 31, 2023).

The item is broken down into the Health sector for 269,523 thousand euros, the Consumer Goods sector for 7,601 thousand euros, the Industrial Technology sector for 184,498 thousand euros and the Holding Activities sector for 19,594 thousand euros.

The year-on-year change recorded a significant increase in the Industrial Technology sector for 78,532 thousand euros as a result of the increase in business volumes, adjusted by the disposal from changes in Group structure of the companies of the Beauty segment of the Consumer Goods sector, which decreased the item by 35,635 thousand euros; the Health sector recorded a decrease in the item of -9,872 thousand euros, while Holding Activities closed the year with an increase in trade payables of 3,583 thousand euros.

3.2.10 TAX PAYABLES – 58,915 THOUSAND EUROS

As of December 31, 2024, tax payables amounted to 58,915 thousand euros (46,973 thousand euros as of December 31, 2023) and mainly included tax payables related to income taxes of foreign subsidiaries consolidated in the amount of 12,608 thousand euros and payables to the Parent Company Angelini Finanziaria S.p.A. under the tax consolidation system in the amount of 38,556 thousand euros. The item also includes an IRAP tax payable of 7,751 thousand euros.

3.2.11 OTHER FINANCIAL LIABILITIES – 331 THOUSAND EUROS

The item, amounting to 331 thousand euros as of 12/31/2024 (0 as of 12/31/2023), refers exclusively to the fair value of derivatives entered into to hedge the risk of exchange rate fluctuations for future commercial transactions in countries where the Group operates in currencies other than the Euro.

3.2.12 OTHER LIABILITIES – 133,923 THOUSAND EUROS

As of December 31, 2024, the net book value of other liabilities was 133,923 thousand euros (125,249 thousand euros as of December 31, 2023).
The following table highlights the main components.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Non-trade payables from related parties	19,254	1,299	17,955	> 100%
Other tax payables	13,795	11,466	2,329	20.31%
Payables to social security institutions	22,987	22,229	758	3.41%
Other payables	74,357	81,723	(7,366)	(9.01%)
Accruals and deferred income	3,530	8,532	(5,002)	(58.63%)
TOTAL	**133,923**	**125,249**	**8,674**	**6.93%**

The item "Non-trade payables from related parties" refers exclusively to Group tax payables to the Parent Company Angelini Finanziaria S.p.A.

Other payables mainly referred to payables to employees in the amount of 63,239 thousand euros, mainly referring to bonuses accrued and not yet paid, accrued fourteenth-month salary and unused vacation days.

Deferred income refers to the residual balance of licence agreements entered into with third parties.

4. EXPLANATORY NOTES TO THE CONSOLIDATED INCOME STATEMENT

4.1 CONSOLIDATED NET REVENUES – 1,626,842 THOUSAND EUROS

As of December 31, 2024, consolidated net revenues amounted to 1,626,842 thousand euros (1,570,899 thousand euros as of December 31, 2023).

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Revenues from contracts with customers	1,590,315	1,546,724	43,591	2.82%
Other revenues and operating income	36,527	24,175	12,352	51.09%
TOTAL REVENUES AND INCOME	**1,626,842**	**1,570,899**	**55,943**	**3.56%**

The Group's revenues increased by 55,943 thousand euros in 2024.

The Health sector accounts for 76%, the Industrial Technology sector for 15% and the Consumer Goods sector for 8%. The remaining portion is attributable to Holding Activities.

Revenues increased mainly in the Health sector by 42,048 thousand euros and in the Industrial Technology sector by 16,286 thousand euros, while the Consumer Goods sector recorded a decrease in sales of approximately -14,872 thousand euros.

It should be noted that the Income Statement items are not affected by the disposal from changes in Group structure by companies in the Beauty segment of the Consumer Goods sector, as the economic components were consolidated as a result of the loss of control that occurred in early 2025.

4.1.1 REVENUES FROM CONTRACTS WITH CUSTOMERS

Revenues of the Angelini Industries Group derive from contracts with customers and are not subject to significant seasonal fluctuations, with the exception of those related to flu products.
The following table highlights the main components and the difference during the period.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Revenues from contracts with customers	1,584,705	1,533,914	50,791	3.31%
Revenues from related parties	5,610	12,810	(7,200)	(56.21%)
TOTAL	**1,590,315**	**1,546,724**	**43,591**	**2.82%**

The application of IAS 29 "Financial Reporting in Hyperinflationary Economies" to operations in Turkey resulted in a revaluation effect on revenues for the year of 2,378 thousand euros (672 thousand euros in 2023).

Revenues are measured by the Group at the fair value of the consideration received or receivable according to the type of transaction and are recorded net of any trade discounts, returns, rebates granted and any other consideration payable to customers, as defined by IFRS 15. Details are given below.

(thousands of euros)	2024	2023	DIFFERENCE
Returns on goods	1,131	379	752
Listing Fees-Slotting Fees	52,468	55,389	(2,921)
Payback and repayment of pharmaceutical expenditure	30,840	27,091	3,749
Discount coupons	1,075	305	770
TOTAL ADJUSTMENT OF REVENUES (IFRS 15)	**85,514**	**83,164**	**2,350**

In the following tables, net revenues are broken down, in accordance with paragraph 113 of IFRS 15, by geographical area.

REVENUES FROM CONTRACTS WITH CUSTOMERS (thousands of euros)	2024	2023	DIFFERENCE
Italy	592,395	653,334	(60,939)
Europe	772,864	723,272	49,592
Rest of the world	225,056	170,118	54,938
TOTAL	**1,590,315**	**1,546,724**	**43,591**

Revenues are recognized, in accordance with IFRS 15 "Revenues from Contracts with Customers", at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of goods or services to the customer.

Revenues mainly comprise sales of products to end customers or distributors and are represented by the net value shown on the invoice, less estimated values for discounts, returns and rebates; they are also recognized net of charges related to clawback/payback mechanisms, promotional and sales support initiatives agreed with distributors, such as slotting and listing fees, and returns of finished products. Finally, it should be noted that, as explained in note 2.3 "Summary of accounting principles", all revenues from contracts with customers are recognized at a point in time.

4.1.2 OTHER REVENUES AND OPERATING INCOME

As of December 31, 2024, other operating revenues amounted to 36,527 thousand euros (24,175 thousand euros as of December 31, 2023).
The following table highlights the main components and the difference during the period.

(thousands of euros)	12/31/2024	12/31/2023	DIFFERENCE
Income from chargebacks to customers	1,605	3,286	(1,681)
Release of provisions for doubtful accounts, risks and charges	65	2,993	(2,928)
Royalties	815	370	445
Chargeback mixed use of employee benefits	1,879	1,528	351
Insurance reimbursements	303	712	(409)
Miscellaneous income	8,895	9,007	(112)
Miscellaneous income from previous years	3,206	452	2,754
Operating grants	6,575	5,753	822
Capital gain from the transfer of intangible fixed assets	843	0	843
Capital gain from the transfer of tangible fixed assets	12,341	74	12,267
TOTAL OTHER REVENUES	**36,527**	**24,175**	**12,352**

In particular, it should be noted that the item "Miscellaneous income" mainly consists of CONAI contributions and rebates received from rental companies.

Capital gains on disposal of tangible fixed assets mainly refer to the sale of the Francesc Macià property in Barcelona, amounting to 11,426 thousand euros, realized by Angelini Real Estate S.p.A.

4.2 OPERATING COSTS – 1,388,792 THOUSAND EUROS

Operating costs as of December 31, 2024 amounted to 1,388,792 thousand euros (1,366,906 thousand euros as of December 31, 2023) and are classified as follows.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Raw material costs	503,929	507,738	(3,809)	(0.75%)
Costs for services	415,128	421,955	(6,827)	(1.62%)
Staff costs	403,048	379,716	23,332	6.14%
Other operating costs	66,687	57,497	9,190	15.98%
TOTAL OPERATING COSTS	**1,388,792**	**1,366,906**	**21,886**	**1.60%**

4.2.1 RAW MATERIAL COSTS

Raw material costs in 2024 amounted to 503,929 thousand euros and in 2023 to 507,738 thousand euros, and were mainly allocated to the Health sector for 331,303 thousand euros, Consumer Goods for 50,687 thousand euros and Industrial Technology for 121,000 thousand euros.
This item includes differences in inventories of raw materials, consumables and goods for sale and semi-finished goods amounting to -29,178 thousand euros in 2024 and -19,548 thousand euros in 2023. The decrease in the year was the result of higher raw material procurement in the amount of 5,821 thousand euros offset by a difference of -9,630 thousand euros in inventories compared to the previous year.

4.2.2 COSTS FOR SERVICES

The consolidated value of costs for services amounted to 415,128 thousand euros (421,955 thousand euros as of December 31, 2023).
The item is broken down into the Health sector for 268,840 thousand euros, the Consumer Goods sector for 47,605 thousand euros, the Industrial Technology sector for 38,169 thousand euros and the Holding Activities sector for 60,514 thousand euros.
Costs for services from third parties mainly refer to advertising and sponsorship services, which accounted for approximately 21% of the item, consultancy for 16%, third-party processing, depositing

and transport costs for 15%, research and experimentation for 5%, conference expenses for 4%, agent and employee travel expenses for 5%, and IT services for 4%; the remainder relates to sundry services. The decrease from the previous year is mainly due to the containment of costs for services, particularly in Italy and at Headquarters, with particular reference to consultancy, promotion and advertising expenses.

4.2.3 STAFF COSTS

As of December 31, 2024, staff costs amounted to 403,048 thousand euros (379,716 thousand euros as of December 31, 2023).
The item is broken down into the Health sector for 281,341 thousand euros, the Consumer Goods sector for 23,759 thousand euros, the Industrial Technology sector for 55,124 thousand euros and the Holding Activities sector for 42,824 thousand euros.
The increase in the item was mainly due to the accrual of the current year's portion of the 2023-2024 multi-year incentive plan, which was settled in early FY 2025, and the payment of incentives for transactions that took place in 2024.
During the two-year period of reference, the number of employees of the Angelini Industries Group was as follows.

EMPLOYEES	12/31/2024	12/31/2023
Managers	360	399
Executives	772	763
Clerks	2,042	2,279
Workers	666	685
TOTAL EMPLOYEES	**3,840**	**4,126**

It should be noted that the number of employees in the Beauty segment of the Consumer Goods sector, which had an average of 178 employees in 2023, was not counted in the number of employees in 2024.

COMPENSATION DUE TO DIRECTORS AND STATUTORY AUDITORS OF ANGELINI HOLDING S.P.A.

Compensation due to directors mounted to 9,589 thousand euros for FY 2024 and 6,036 thousand euros for FY 2023. Compensation due to statutory auditors amounted to 70 thousand euros for both years. Compensation includes emoluments and any other sum of a remunerative, social security and welfare nature due for the performance of the function of director or statutory auditor at Angelini Holding S.p.A., which constituted a cost for the Company, even if not subject to personal income tax.

4.2.4 OTHER OPERATING COSTS

As of December 31, 2024, other operating costs amounted to 66,687 thousand euros (57,497 thousand euros as of December 31, 2023).
The item is broken down into the Health sector for 38,603 thousand euros, the Consumer Goods sector for 7,450 thousand euros, the Industrial Technology sector for 5,583 thousand euros and the Holding Activities sector for 15,051 thousand euros.

The following table highlights the main components and the difference during the period.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Purchases for use of assets owned by others	16,017	14,462	1,555	10.75%
Royalties payable	18,261	16,870	1,391	8.25%
Indirect taxes	7,043	6,986	57	0.82%
Registration and renewal fees	2,838	2,290	548	23.93%
Gifts to third parties	1,159	4,188	(3,029)	(72.33%)
Contribution pursuant to Law 326/2003	929	1,179	(250)	(21.20%)
Capital losses on disposal of fixed assets	985	160	825	> 100%
Sundry charges	14,508	9,381	5,127	54.65%
Amounts provided for risk provisions and other accruals	3,404	544	2,860	> 100%
Writedowns (Reversals)	1,543	1,437	106	7.38%
TOTAL	**66,687**	**57,497**	**9,190**	**15.98%**

In particular, costs for use of assets owned by others mainly refer to lease contracts that do not fall within the scope of IFRS 16 and to software and hardware rental contracts; sundry expenses are mainly represented by costs for prize events, membership contributions, charitable donations, and expenses for subscriptions to specific sector platforms.

Pursuant to Consob Communication of July 28, 2006, it should be noted that no atypical and/or unusual transactions, as defined in the Communication, were carried out in 2023 and 2024.

4.3 DEPRECIATION, AMORTIZATION AND WRITEDOWNS – 130,814 THOUSAND EUROS

As far as depreciation and amortization are concerned, there was an increase for 2024 compared to 2023.
The following table highlights the main components and the difference during the period.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Amortization of intangible assets	97,249	95,450	1,799	1.88%
Depreciation of tangible assets	30,143	29,008	1,135	3.91%
Other writedowns of fixed assets	3,422	4,354	(932)	(21.41%)
TOTAL	**130,814**	**128,812**	**2,002**	**1.55%**

Most of the increase stems from higher amortization of intangible fixed assets, in particular related to new contracts entered into during the year and concerning rights of use on leased assets.

During the year, writedowns were made on the marketing right of a drug in the amount of 3,500 thousand euros as a result of the discontinuation of its development and registration activities.

4.4 FINANCIAL INCOME – 131,036 THOUSAND EUROS

As of December 31, 2024, the net book value of financial income was 131,036 thousand euros (95,736 thousand euros as of December 31, 2023). The following table highlights the main components and the difference during the period.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Financial income from equity investments	33,345	28,642	4,703	16.42%
Financial income from non-current assets	1	23	(22)	(95.65%)
Financial income from current financial assets	19,808	10,873	8,935	82.18%
Other financial income with related parties	16,352	13,405	2,947	21.98%
Other financial income	61,530	42,793	18,737	43.79%
TOTAL FINANCIAL INCOME	**131,036**	**95,736**	**35,300**	**36.87%**

Financial income and charges are mainly the result of the investment of the Group's cash and thus refer to the Holding Activities business, from which income of 33,345 thousand euros is derived on financial assets in the portfolio, divided between the companies Angelini Holding S.p.A. and Angelini Investments S.r.l, income of 19,808 thousand euros from investments in bonds recorded as current assets in Angelini Holding S.p.A. and 61,530 thousand euros from other income such as bank interest income, of which 30,838 thousand euros refers to the positive swap differential on derivatives to hedge the bank loan.

The item for related parties refers to interest income accrued on the centralized treasury current account that Angelini Holding S.p.A. holds with the Parent Company Angelini Finanziaria S.p.A.

Note that other financial income includes the effect of applying IAS 29 "Financial Reporting in Hyperinflationary Economies" to operations in Turkey in the amount of 1,623 thousand euros.

4.5 FINANCIAL CHARGES – 65,055 THOUSAND EUROS

As of December 31, 2024, the net book value of financial charges was 65,055 thousand euros (47,622 thousand euros as of December 31, 2023).
The following table highlights the main components and the difference during the period.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Interest payable to related parties	0	4	(4)	(100.00%)
Interest payable to others	44,310	33,423	10,887	32.57%
Other financial charges	18,580	12,084	6,496	53.76%
Financial charges under IFRS 16	2,165	2,111	54	2.56%
TOTAL FINANCIAL CHARGES	**65,055**	**47,622**	**17,433**	**36.61%**

Financial charges amounted to 65,055 thousand euros, formed of the interest expense accrued on bank liabilities for 44,289 thousand euros, the negative differential swap on the hedging derivatives of the bank loan for 14,947 thousand euros, and the losses realized on trading in shares for 2,638 thousand euros.

The difference in financial charges was particularly affected by higher expenses related to the bank loan held by Angelini Holding S.p.A., both for the interest expense portion and for the effect of the swap differential, since in 2023, interest had been recognized on the second portion of the loan for only three months, as it was disbursed in October 2023.
The difference was also affected by the recognition of the revaluation of non-monetary items in Turkey due to hyperinflation, which resulted in the recognition of financial income for FY 2024, whereas in the previous year a charge of 1,248 thousand euros was recognized.

4.6 SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES – 36,031 THOUSAND EUROS

As of 12/31/2024 the item amounted to 36,031 thousand euros (20,898 thousand euros as of 12/31/2023) and is representative of the economic results produced by the companies consolidated using the Equity method.

4.7 VALUE ADJUSTMENTS TO ASSETS MEASURED AT FAIR VALUE – (28,319) THOUSAND EUROS

As of 12/31/2024 the item amounted to -28,319 thousand euros. As of 12/31/2023, these amounted to -3,184 thousand euros. This item mainly consists of the effect of recognizing the fair value of financial instruments in accordance with IFRS 9; it also includes the valuation of derivatives.
The following table highlights the main components and the difference during the period.

VALUE ADJUSTMENTS TO ASSETS MEASURED AT FAIR VALUE (thousands of euros)	12/31/2024	12/31/2023	DIFFERENCE	DIFFERENCE %
Revaluation of equity investments	3,982	73,210	(69,228)	(94.56%)
Revaluation of non-permanent investments which are not equity investments	5,790	3,958	1,832	46.29%
Revaluation of derivatives	3,835	8,770	(4,935)	(56.27%)
Writedowns of equity investments	(40,377)	(85,891)	45,514	52.99%
Writedowns of other permanent investments which are not equity investments	(126)	(131)	5	3.82%
Writedowns of non-permanent investments which are not equity investments	(161)	(305)	144	47.21%
Writedowns of derivatives	(1,262)	(2,795)	1,533	54.85%
TOTAL	**(28,319)**	**(3,184)**	**(25,135)**	**<(100%)**

4.8 INCOME TAXES – 21,180 THOUSAND EUROS

As of December 31, 2024, the net value of income taxes was 21,180 thousand euros (19,611 thousand euros as of December 31, 2023).
The item is broken down into the Health sector for 20,920 thousand euros, the Industrial Technology sector for 6,553 thousand euros, the Consumer Goods sector for 218 thousand euros and the Holding Activities sector for -6,511 thousand euros.

(thousands of euros)	2024	2023	DIFFERENCE	DIFFERENCE %
Current taxes				
Current taxes	32,745	24,397	8,348	34.22%
Adjustments for current taxes from previous years	(15,058)	2,988	(18,046)	<(100%)
Deferred taxes				
Recognition and reversal of temporary differences	3,493	(7,774)	11,267	>100%
TOTAL INCOME TAX	**21,180**	**19,611**	**1,569**	**8.00%**

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, capital gains on equity investments and revaluations	(10.12%)	
Expenses not deductible for IRAP purposes only	1.14%	
Non-deductible charges	(2.41%)	
Cumulative effect of rates applied by consolidated companies	(1.71%)	
Deferred tax assets not allocated in previous years	(0.02%)	
Unallocated taxes on tax losses	1.03%	
Tax effect on revalued assets	(2.22%)	
Non-deductible writedowns of equity investments	7.36%	
Amortization of assets with an indefinite useful life	(0.33%)	
Taxes related to previous years	(8.00%)	
Effect of hyperinflation Turkey	0.25%	
Tax relief	(1.49%)	
Total differences		**(16.53%)**
Effective consolidated tax rate		**11.97%**

5. DISCLOSURE ON RELATED PARTIES

LIST OF RELATED-PARTY TRANSACTIONS OF A SIGNIFICANT AMOUNT

The percentage accounted for by related-party transactions on the balance sheet, profit and loss and statement of cash flows is shown below.

It should be noted that no transactions with related parties other than parent companies, affiliates, subsidiaries and companies controlled by the latter were entered into during the year.
These transactions mainly refer to exchanges of goods and/or services, financial movements with a view to optimizing the Angelini Industries Group's liquidity and settlements of tax items.
All the transactions described above were concluded at market conditions.

IMPACT ON THE BALANCE SHEET (thousands of euros)	12/31/2024	of which with related parties	Incidence %	12/31/2023	of which with related parties	Incidence %
Tax receivables	39,935	22,153	55.47%	33,913	19,818	58.44%
Trade receivables	412,379	6,727	1.63%	416,730	10,872	2.61%
Other current assets	92,406	13,679	14.80%	93,111	10,018	10.76%
Current financial assets	1,199,547	432,394	36.05%	1,234,004	395,904	32.08%
Trade payables	481,216	129	0.03%	446,155	389	0.09%
Tax payables	58,915	38,556	65.44%	46,973	25,486	54.26%
Other financial liabilities	0	0	0.00%	0	0	0.00%
Other non-financial liabilities	133,923	19,254	14.38%	125,249	1,299	1.04%

The breakdown of the balance sheet balances referring to related-party transactions is detailed below.

- 22,153 thousand euros of tax receivables, arising from the participation in the tax consolidation and tax transparency regime, refer to the counterparties:
  a. AB Parfums S.A. for 998 thousand euros, relating to income tax from the Spanish tax authorities, under the tax consolidation scheme;
  b. Angelini Finanziaria S.p.A. for 21,155 thousand euros, relating to income tax from the Italian tax authorities, under the tax consolidation scheme.

- 6,727 thousand euros of trade receivables refer to the counterparties:
  a. Fater S.p.A. for 6,167 thousand euros;
  b. AB Parfums G.m.b.H. for 52 thousand euros;
  c. AB Parfums S.A. for 84 thousand euros;
  d. AB Parfums S.p.A. for 248 thousand euros;
  e. Angelini Finanziaria S.p.A. for 175 thousand euros.

- 13,875 thousand euros of other current assets refer entirely to the VAT balance transferred to the Parent Company Angelini Finanziaria S.p.A. under the Group's VAT regime.

- 432,394 thousand euros of current financial assets refer entirely to the credit balance of the centralized treasury account held with the Parent Company Angelini Finanziaria S.p.A.

- 129 thousand euros of trade payables refer to the counterparty Fater S.p.A. for 129 thousand euros.

- 38,556 thousand euros of tax payables, arising from the participation in the tax consolidation and tax transparency regime, refer to the counterparties:
  a. Fater S.p.A. for 369 thousand euros relating to income tax payable to the Italian tax authorities, under the tax transparency regime;
  b. Angelini Finanziaria S.p.A. for 38,187 thousand euros, relating to income tax payable to the Italian tax authorities, by virtue of the tax consolidation scheme with the company Angelini Pharma S.p.A.

- 19,254 thousand euros of other non-financial liabilities refer entirely to the VAT balance transferred to the Parent Company Angelini Finanziaria S.p.A. under the Group's VAT regime.

IMPACT ON THE INCOME STATEMENT						
IMPACT ON THE ECONOMIC SITUATION (thousands of euros)	**12/31/2024**	**of which with related parties**	**Incidence %**	**12/31/2023**	**of which with related parties**	**Incidence %**
Consolidated net revenues	1,626,842	5,889	0.36%	1,570,899	13,035	0.83%
Consolidated operating costs	1,388,792	537	0.04%	1,366,906	1,072	0.08%
Total financial income (charges)	65,981	16,352	24.78%	48,114	13,401	27.85%

The breakdown of the income statement balances referring to related-party transactions is detailed below.

- 5,889 thousand euros in revenues, with the following counterparties:
  a. Angelini Finanziaria S.p.A. for 1,676 thousand euros, for services related to the "Casa Angelini" headquarters and IT services;
  b. Fater S.p.A. for 4,207 thousand euros, derived mainly from the sale of equipment for 3,295 thousand euros and services rendered for 640 thousand euros and other revenues 272 thousand euros;
  c. Teqqo S.r.l. for 6 thousand euros.

- 537 thousand euros of operating costs refer to the counterparties:
  a. Fater S.p.A. for 514 thousand euros;
  b. Angelini Finanziaria S.p.A. for 23 thousand euros for cost recharges.

- 16,352 thousand euros of financial income and expenses for interest income accrued on cash pooling accounts refer to the counterparties:
  a. Teqqo S.r.l. for 13 thousand euros;
  b. Angelini Finanziaria S.p.A. for 16,339 thousand euros for cost recharges.

6. MAIN LEGAL DISPUTES

Angelini Pharma S.p.A. and some subsidiaries are involved in litigation and minor disputes, the resolution of which is not expected to result in liabilities. There are no contingent liabilities, currently assessed as possible, of a significant amount.

7. COMMITMENTS AND POTENTIAL RISKS

BONDS, SURETIES AND CORPORATE GUARANTEES

As of December 31, 2024, there were no significant commitments or potential risks for the Parent Company and its subsidiaries.

8. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

8.1 DISCRETIONARY ASSESSMENTS AND ACCOUNTING ESTIMATES

PROVISION FOR EXPECTED LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS

In order to estimate expected losses on trade receivables and contract assets, the Group uses both the simplified approach, using market measures to estimate the probability of default and loss given default, and a matrix of historical loss rates. The provisioning rates in the matrix used are based on the days past due for each class of customers grouped in the various segments with similar historical loss trends (e.g. by geographical area, product type, customer type, rating and guarantees).
The matrix is initially based on the Group's observed historical default rates. The Group will calibrate the matrix to refine the historical data on credit losses with forward-looking elements. For example, if expected economic conditions (e.g. gross domestic product) are expected to deteriorate in the following year, this may lead to an increase in the number of defaults in the manufacturing sector, historical default rates are therefore adjusted. At each reporting date, historical default rates are updated and changes in estimates are analyzed on forward-looking elements.

Assessing the link between historical non-payment rates, forecasts of economic conditions and estimates of credit losses is a highly complex task. The extent of credit losses is influenced by differences in circumstances and expected economic conditions. In addition, the Group's past experience with credit losses and future economic projections may not correspond to the actual insolvency of customers in the future.

FAIR VALUE OF FINANCIAL INSTRUMENTS

When the fair value of a financial asset or financial liability recognized in the statement of financial position cannot be measured through reference to prices in an active market, it is determined using various valuation techniques, including the discounted cash flow model. The inputs into this model are taken from observable markets where possible, but where this is not possible, some degree of estimation is required to define fair value. The estimates include considerations on variables such as liquidity, credit and volatility risk. Changes in assumptions about these items could have an impact on the fair value of the financial instrument recognized.

Contingent considerations related to business combinations are measured at fair value at the acquisition date in the business combination as a whole. If the contingent consideration meets the definition of a derivative and is therefore a financial liability, its value is subsequently remeasured at each reporting date. The determination of fair value is based on discounted cash flows. The key assumptions take into account the probability of achieving each contractually agreed performance target and the discount factor.

FINANCIAL ASSETS AND LIABILITIES

FAIR VALUE MEASUREMENT

The following table shows the fair value measurement hierarchy for the Group's assets and liabilities.

HIERARCHY OF FAIR VALUE MEASUREMENT FOR ASSETS AS OF DECEMBER 31, 2024					
ASSETS (thousands of euros)	**Measurement date**	**Total**	**Prices listed in an active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Non-current derivative financial assets	12/31/2024	**4,963**	-	4,963	-
Current derivative financial assets	12/31/2024	**1,426**	-	1,426	-

During the financial year, there were no transfers between Level 1 and Level 2.

HIERARCHY OF FAIR VALUE MEASUREMENT FOR LIABILITIES AS OF DECEMBER 31, 2024					
LIABILITIES (thousands of euros)	**Measurement date**	**Total**	**Prices listed in an active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Derivative financial liabilities	12/31/2024	**(909)**	-	(909)	-

During the financial year, there were no transfers between Level 1 and Level 2.
In determining fair value, it is essential to consider the potential impact of climate-related issues that could influence the valuation of assets and liabilities in the financial statements, including the effects of laws and regulations. The following table shows the comparison, by individual class, between the book value and the fair value of the financial instruments held by the Group.

COMPONENTS (thousands of euros)	Book value 2023	Fair value 2023	Book value 2024	Fair value 2024
Financial assets				
Non-current derivative financial assets	16,202	16,202	4,963	4,963
Current derivative financial assets	357	357	1,426	1,426
TOTAL	**16,559**	**16,559**	**6,389**	**6,389**
Financial liabilities				
Derivative financial liabilities	(1,345)	(1,345)	(909)	(909)
Loans from banks	(926,581)	(926,581)	(782,338)	(782,338)
TOTAL	**(927,926)**	**(927,926)**	**(783,247)**	**(783,247)**

Management has verified that the fair value of cash and short-term deposits, trade receivables and payables, bank overdrafts and other current liabilities approximates the book value as a result of the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value:
- receivables are assessed by the Group on the basis of parameters such as interest rates, country-specific risk factors, the individual creditworthiness of each customer and the characteristic risk of the financial project. On the basis of this valuation, allocations for estimated losses on these receivables are recognized in the accounts;
- the fair value of listed securities and bonds is based on the quoted price at the reporting date. The fair value of unlisted instruments, such as loans from banks or other non-current financial liabilities, is estimated by discounting future cash flows using current rates available for debt with similar terms, such as credit risk and remaining maturities. In addition to being sensitive to reasonably possible changes in expected cash flows or the discount rate, the fair value of equities is also sensitive to reasonably possible changes in growth rates. The valuation may require management to use unobservable inputs. Management defines a range of reasonably possible alternatives for these significant unobservable inputs and determines their impact on the total fair value;
- the fair value of investments in unlisted companies was estimated using the discounted cash flows model. The valuation requires management to make certain assumptions with respect to model inputs, including expected cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably verified and are used in management's estimates of fair value for these investments in unlisted companies. Where it is not possible or excessively onerous to make such estimates, the fair value of these investments is approximated with their book value. The Group also monitors the indicators, indicated by the standard, in the presence of which the cost may no longer be representative of fair value;

- there is an active market for the Group's investments in listed shares and listed debt instruments;
- the Group enters into derivatives with various counterparties, mainly financial institutions with an assigned credit rating. Derivatives valued using valuation techniques with observable market data consist mainly of interest rate swaps and forward currency contracts. The most frequently applied valuation techniques include forward pricing and swap models, which use present value calculations. The models consider various inputs, including counterparty credit quality, foreign currency spot and forward rates, interest rate curves, yield curves of the respective currencies, and the base spread between the respective currencies;
- embedded derivatives on currencies are valued in the same way as forward currency contracts. Embedded derivatives are forward currency contracts separate from long-term sales contracts when the currency of the transaction is different from the functional currency of the counterparties. However, as these contracts are unsecured, the Group also takes into account the counterparty default risk (for embedded derivative assets) or the Group's default risk (for embedded derivative liabilities) and includes, where appropriate, a credit risk adjustment (CVA and DVA), determining the maximum credit exposure and taking into account observable market inputs with respect to default and loss probabilities;
- the fair value of the Group's loans and borrowings that bear interest is determined using the discounted cash flow method and using a discount rate that reflects the interest rate of the issuer at the end of the financial year.

CREDIT RISK

Credit risk is the risk that a counterparty will not fulfill its obligations under a financial instrument or commercial contract, thus leading to a financial loss. 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.

TRADE RECEIVABLES AND CONTRACT ASSETS

Trade receivables risk is managed by the Company according to a policy that provides for specific procedures and controls. This risk is constantly monitored through the customer creditworthiness assessment procedure, constant monitoring of customer relations, as well as through extensive insurance coverage activated with leading partners. Specific individual credit limits are also in place for all customers that do not allow for unsustainable individual exposures.

As of December 31, 2024, the Company had trade receivables from third parties of 173.5 million euros, gross of the provision for doubtful accounts. At each reporting date, an impairment analysis is performed on the receivables, using both a simplified approach, which involves the use of market indicators to estimate the probability of default and loss given default, and a matrix to calculate expected losses. The writedown percentages in the matrix used are determined on the basis of days past due and by grouping receivables from customers that are characterized by similar causes of impairment (geographical area, product type, customer type, rating, presence of guarantees or other types of insurance). The calculation is based on the probability of credit recovery, the time value of money, and information on past events that is available at the reporting date, current conditions and expected market scenarios. Generally, trade receivables are derecognized if they are past due beyond the time horizon identified by the Company as the default horizon or if there is external or internal information that implies that it is impossible or unlikely to collect the receivable.

Below is the writedowns matrix relative to the credit risk exposure on trade receivables of Angelini Pharma S.p.A. as of December 31, 2024, since for the Parent Company Angelini Holding S.p.A. there are no trade receivables from third parties of a significant amount and the company Fameccanica.Data S.p.A. adopts a simplified approach in its credit impairment analysis.

DECEMBER 31, 2024 (thousands of euros)	Type of customer	DAYS PAST DUE						
		Current	Past due 0 to 130	Past due 130 to 180	Past due 180 to 270	Past due 270 to 360	Past due 360 to 720	Past due > 720
Total expected loss	Private pharmacies	0.01%	0.05%	2.02%	3.70%	9.53%	14.93%	100.00%
	Wholesale Distribution Prescription/OTCs/ Parapharmaceuticals	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Foreign non-EEC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Public pharmacies	0.00%	0.00%	0.09%	0.13%	1.20%	7.53%	100.00%
	Local Health Unit	0.15%	0.57%	4.07%	5.45%	8.20%	11.58%	100.00%
	Private hospitals	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Sundry without credit line	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Other public customers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Sundry Italy with credit line	0.95%	2.37%	49.22%	74.79%	86.31%	86.31%	100.00%
	Foreign EEC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Parapharmacies and healthcare	0.07%	0.27%	6.46%	9.17%	14.62%	25.69%	100.00%
	Transporters	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Professional	0.00%	0.01%	0.65%	1.58%	3.58%	9.13%	100.00%
	Wholesale Distribution OTCs/ Parapharmaceuticals	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Large Retail Companies	0.01%	0.02%	0.92%	2.59%	4.64%	11.81%	100.00%
	Direct Customers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net exposure		**6,048**	**1,551**	**44**	**83**	**10**	**502**	**-**
Expected loss		**1,890**	**78**	**9**	**25**	**4**	**328**	**-**

For the other types of loans held by the Company, a simplified model was applied using default probabilities extracted from info-provider.

LIQUIDITY RISK

The liquidity risk to which the Group may be subject is represented by the failure to obtain adequate financial resources necessary for its operations, as well as for the development of its industrial and commercial activities. The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investing activities and, on the other hand, the maturity and renewal characteristics of debt or the liquidity of financial investments and market conditions. The Group has liquidity that can be used immediately, thanks to the "zero balance" cash pooling relationship with the Parent Company Angelini Holding S.p.A., which can be terminated at any time without any restriction; there were no payables to credit institutions in the two financial years in question.

DECEMBER 31, 2024 (thousands of euros)	**< 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Trade payables	481,216	0	0	**481,216**
Derivative financial liabilities	331	578	0	**909**
Liabilities for leased assets	13,866	31,340	0	**45,206**
Due to banks	150,485	631,853	0	**782,338**

EXCHANGE RISK

Exchange risk is the risk that the fair value or future cash flows of an exposure will change as a result of differences in exchange rates. The Company's exposure to the risk of differences in exchange rates mainly relates to operating activities (when revenues or costs are denominated in a foreign currency).

The Company manages its exchange risk by entering into forward contracts.
Derivatives entered into for hedging purposes (albeit accounted for as trading) are traded on the basis of cash flow forecasts for future purchases and sales of foreign currency assets to third-party and intercompany customers and based on contractual terms of collection and payment.

As of December 31, 2024, the Company held 49 positions in derivatives and hedged exposures to the following currencies: PLN, CZK, RON, USD and JPY.
The following table summarises the fair value measurements (separated between assets and liabilities) of derivatives by currency.

FOREIGN CURRENCY	Notional value FX (/000)	Fair value assets (EUR/000) a	Fair value liabilities (EUR/000) b	Net fair value (EUR/000) c = a+b
USD	30,009	1,260	-	1,260
PLN	142,177	-	(487)	(487)
RON	91,527	58	(17)	41
CZK	320,584	-	(64)	(64)
JPY	134,947	-	(9)	(9)
TOTAL		**1,318**	**(578)**	**740**

SENSITIVITY TO EXCHANGE RATE

I. Derivatives

The following table shows the sensitivity to a reasonably possible change in spot exchange rates as of December 31, 2024 of the following currencies: USD, PLN, RON, CZK and JPY, with all other variables held constant. The effect on the Parent Company's pre-tax profit is due to changes in the fair value of foreign currency derivatives not designated as hedging instruments.

EXCHANGE RATE DERIVATIVES 2024				SENSITIVITY	
Currency	**Side**	**Notional FX/000**	**Notional EUR/000**	**Δ Income Statement exchange rate +5% (EUR/000)**	**Δ Income Statement exchange rate -5% (EUR/000)**
USD	Forward purchases	30,009	27,343	(1,444)	1,444
	Forward sales	-	-	-	-
PLN	Forward purchases	-	-	-	-
	Forward sales	142,177	32,237	1,663	(1,663)
JPY	Forward purchases	134,947	847	(41)	41
	Forward sales	-	-	-	-
CZK	Forward purchases	-	-	-	-
	Forward sales	320,584	12,599	636	(636)
RON	Forward purchases	-	-	-	-
	Forward sales	91,527	18,046	920	(920)
TOTAL			**91,072**	**1,734**	**(1,734)**

II. Trade receivables and payables

The following table shows the sensitivity to a reasonably possible change in spot exchange rates as of December 31, 2024 of the following currencies: USD, PLN, CZK, RON, CHF, DKK, GBP, NOK, RUB, TRY, ZAR, BGN and SEK. The effect on the Company's pre-tax profit is due to changes in the fair value of trade payables and receivables recognized in the balance sheet.

EXPOSURE IN FOREIGN CURRENCY 2024						SENSITIVITY	
		FX/000		EUR/000		EUR/000	
Currency	Exposure	Assets	Liabilities	Assets	Liabilities	Δ Income Statement exchange rate +5% (EUR/000)	Δ Income Statement exchange rate -5% (EUR/000)
USD	Trade receivables	2,862		2,755		(138)	138
	Trade payables		(11,449)		(11,020)	551	(551)
PLN	Trade receivables	119,666		27,992		(1,400)	1,400
	Trade payables		-		-	-	-
CZK	Trade receivables	210,633		8,363		(418)	418
	Trade payables		-		-	-	-
RON	Trade receivables	70,645		14,202		(710)	710
	Trade payables		-		-	-	-
CHF	Trade receivables	870		924		(46)	46
	Trade payables		(1,262)		(1,341)	67	(67)
DKK	Trade receivables	68		9		0	0
	Trade payables		(1,084)		(145)	7	(7)
GBP	Trade receivables	4,513		5,443		(272)	272
	Trade payables		(179)		(216)	11	(11)
NOK	Trade receivables	2,017		171		(9)	9
	Trade payables		-		-	-	-
RUB	Trade receivables	1,375,788		11,699		(585)	585
	Trade payables		-		-	-	-
TRY	Trade receivables	71,892		1,957		(98)	98
	Trade payables		-		-	-	-
ZAR	Trade receivables	-		-		-	-
	Trade payables		(1,602)		(82)	4	(4)
BGN	Trade receivables	3,095		1,582		(79)	79
	Trade payables		-		-	-	-
SEK	Trade receivables	4,465		390		(19)	19
	Trade payables		(23,113)		(2,017)	101	(101)
TOTAL				**75,486**	**(14,821)**	**(3,033)**	**3,033**

9. NAME AND HEADQUARTERS OF THE COMPANY THAT PREPARES THE CONSOLIDATED FINANCIAL STATEMENTS OF THE LARGEST GROUP OF COMPANIES OF WHICH THE COMPANY IS A PART OF AS A SUBSIDIARY

The Company that prepares the consolidated financial statements of the Angelini Industries Group is Angelini Finanziaria S.p.A.; a copy of the consolidated financial statements is available at its headquarters in Viale Amelia no. 70, Rome.

10. NAME AND HEADQUARTERS OF THE COMPANY THAT PREPARES THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SMALLEST GROUP OF COMPANIES OF WHICH THE COMPANY IS A PART OF AS A SUBSIDIARY

The Company that prepares the consolidated financial statements is Angelini Holding S.p.A.; a copy of the consolidated financial statements is available at its headquarters in Viale Amelia no. 70, Rome.

****

There are no further considerations to be made on the contents of the balance sheet items and the measurement criteria followed. The considerations and values contained in these explanatory notes are in accordance with the accounting records and accurately reflect the administrative facts as they occurred.

Rome, May 28, 2025

for THE BOARD OF DIRECTORS

(Vice Chairman and CEO)
Sergio Marullo di Condojanni

Sergio Marullo di Condojanni

11. ANNEXES

11.1 COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

ANNEX "A" - ANGELINI HOLDING S.P.A. SCOPE OF CONSOLIDATION AS OF 12/31/2024						
BUSINESS SEGMENT	COMPANY	SUBSIDIARY OF	% ownership		Consolidation method	
			as of 12/31/2024	as of 12/31/2023	as of 12/31/2024	as of 12/31/2023
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%	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	Line-by-line
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 İlaç San. ve Tic. A.Ş.	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
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 France S.a.s.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma UK-I Limited	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Nordics A.B.	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Netherlands B.V. (formerly Arvelle Therapeutics Netherlands B.V.)	Angelini Pharma S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Pharma Portugal Unipessoal Lda.	Angelini Pharma España S.L.U.	100.00%	100.00%	Line-by-line	Line-by-line

ANNEX "A" - ANGELINI HOLDING S.P.A. SCOPE OF CONSOLIDATION AS OF 12/31/2024						
BUSINESS SEGMENT	**COMPANY**	**SUBSIDIARY OF**	**% ownership**		**Consolidation method**	
			as of 12/31/2024	**as of 12/31/2023**	**as of 12/31/2024**	**as of 12/31/2023**
Health	Angelini Hive USA Corp.	Angelini Ventures S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Angelini Lumira Biosciences	Angelini Ventures S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Health	Argobio S.a.s.	Angelini Ventures S.p.A.	30.40%	30.04%	Equity	Equity
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%	Line-by-line	Line-by-line
Health	Angelini Pharma Magyarország K.f.t.	Angelini Pharma Österreich G.m.b.H.	100.00%	100.00%	Line-by-line	Line-by-line
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%	Sold in 2025	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%	Sold in 2025	Line-by-line
Consumer Goods	Angelini Beauty G.m.b.H.	Angelini Beauty S.p.A.	100.00%	100.00%	Sold in 2025	Line-by-line
Consumer Goods	Greyhound Beauty S.r.l.	Angelini Beauty S.p.A.	99.90%	99.90%	Sold in 2025	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	MyFamilyPlace Shop S.p.A.	Angelini Consumer S.r.l. (formerly MyFamilyPlace S.r.l.)	100.00%	100.00%	Line-by-line	Line-by-line
Consumer Goods	Fater S.p.A.	Angelini Holding S.p.A.	50.00%	50.00%	Equity	Equity
Consumer Goods	Fater Portugal Unipessoal Lda.	Fater S.p.A.	100.00%	100.00%	Equity	Equity
Consumer Goods	Fater Central Europe S.r.l.	Fater S.p.A.	100.00%	100.00%	Equity	Equity
Consumer Goods	Fater Eastern Europe o.o.o.	Fater S.p.A.	100.00%	100.00%	Equity	Equity
Consumer Goods	Fater Temizlik Ürünleri Limited Şirketi	Fater S.p.A.	100.00%	100.00%	Equity	Equity
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.	0.00%	80.00%	Sold	Line-by-line
Industrial Technology	Fameccanica.Data S.p.A.	Angelini Technologies S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Industrial Technology	Angelini Dynamics S.r.l.	Angelini Technologies S.p.A.	0.00%	100.00%	Merged	Line-by-line
Industrial Technology	Fameccanica Machinery (Shanghai) Co. Ltd.	Fameccanica.Data S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Industrial Technology	Fameccanica North America Inc.	Fameccanica.Data S.p.A.	100.00%	100.00%	Line-by-line	Line-by-line
Industrial Technology	Angelini Dynamics North America Corp.	Angelini Dynamics S.r.l.	0.00%	100.00%	Liquidated	Line-by-line

11.2 RECONCILIATION BETWEEN THE EQUITY AND THE NET PROFIT OF ANGELINI HOLDING S.P.A. AND THE CONSOLIDATED FINANCIAL STATEMENTS

(thousands of euros)	12/31/2024 Equity	12/31/2024 Net profit	12/31/2023 Equity	12/31/2023 Net profit
Annual financial statements of Angelini Holding S.p.A.	**2,484,066**	**(3,338)**	**2,495,946**	**(68,463)**
Shareholders' equity and net profit of the consolidated companies	2,405,068	187,712	2,247,901	185,997
Derecognition of the value of consolidated equity investments	(1,310,659)		(1,330,768)	
Effects of consolidation differences	(93,059)	24	(118,542)	(349)
SUB-TOTAL CONSOLIDATION DIFFERENCE	**1,001,350**	**187,736**	**798,591**	**185,648**
Adjustments				
Derecognition of margins	(38,012)	(3,266)	(36,329)	(9,609)
Hyperinflation effects	(6,359)	(1,555)	(7,068)	(3,453)
Derecognition of infragroup transactions				
Dividends	13,159	(10,847)	13,159	(59,122)
Capital gains	(1,032,840)	1,095	(1,033,935)	1,091
Other consolidation entries				
Impairment/Revaluation of equity investments	256,702	(17,865)	305,995	67,074
Other entries	(13,177)	413	(13,971)	(166)
Tax effect	12,355	1,278	11,776	5,959
Amortization/Depreciation	5,918	2,162	614	1,021
Consolidated financial statements of Angelini Holding S.p.A.	**2,683,162**	**155,813**	**2,534,778**	**119,980**

IV. Note on first-time adoption of IAS-IFRS

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1. APPENDIX ON TRANSITION TO INTERNATIONAL ACCOUNTING STANDARDS

In accordance with IFRS 1 – First-time Adoption, specifically IFRS 1.21, the Company presents two statements of financial position as of the date of first-time adoption, January 1, 2023, and December 31, 2023, the Income Statement and the Statement of Other Comprehensive Income as of December 31, 2023, and the statements of differences in Equity as of the date of first-time adoption and December 31, 2023, showing the adjustments made following the adoption of international accounting standards.

The Company has prepared its first IFRS consolidated financial statements as of December 31, 2024.

The transition date to international accounting standards has been set for January 1, 2023.

This said, in order to ensure sufficient comprehensibility of the effects of the transition to the new rules for the financial statements, the information required by IFRS 1 "First-time Adoption of International Financial Reporting Standards" is set out below, with particular reference to the reconciliations required by paragraphs no. 39 and no. 40 of the same standard, accompanied by the relative explanatory notes on the basis of preparation and component items.

To this end, the following have been prepared:

- notes regarding the rules for first-time application of IFRS (IFRS 1) and other selected IFRS, including the Directors' assumptions on IFRS standards and interpretations that came into effect and the accounting policies adopted in preparing the first consolidated financial statements in accordance with IFRS as of December 31, 2024;
- reconciliation of Equity under previous accounting standards and Equity recognized under IFRS at the following dates:
  a. first comparative date of transition to IFRS (January 1, 2023);
  b. reconciliation of the economic result reported in the 2023 financial statements under the previous accounting standards with the economic result resulting from the application of IFRS for the same year;
- the analytical reconciliation statements of the Balance Sheets as of January 1, 2023 and December 31, 2023 and the statement of profit/(loss) for 2023;
- comments on the reconciliation statements.

As explained in more detail below, the IFRS Balance Sheet and IFRS Income Statement were obtained by making the appropriate IFRS reclassifications and adjustments to the final data, prepared in accordance with Italian law, to reflect the changes in presentation, recognition and measurement criteria required by IFRS.
The information in this section is intended to provide a comprehensive overview of the transition process to international accounting standards for the Company.

RECONCILIATION OF THE BALANCE SHEET AS OF JANUARY 1, 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (thousands of euros)	January 1, 2023 OIC	IFRS adjustments/ reclassifications	January 1, 2023 IFRS
ASSETS			
Non-current assets			
Goodwill	53,577	6,679	60,256
Intangible assets	1,372,931	(752,363)	620,568
Right of use assets	0	38,417	38,417
Property, plant and equipment	420,894	(82,842)	338,052
Investments in associates and joint ventures	6,228	57,375	63,603
Non-current financial assets	339,109	186,946	526,055
Deferred tax assets	68,766	(16,583)	52,183
Total non-current assets	**2,261,505**	**(562,371)**	**1,699,134**
Current assets			
Inventories	361,253	(34,093)	327,160
Trade receivables	462,986	(73,092)	389,894
Tax receivables	8,684	14,003	22,687
Other current assets	101,334	(12,896)	88,438
Current financial assets	825,162	151,542	976,704
Cash and cash equivalents	458,609	(138,013)	320,596
Total current assets	**2,218,028**	**(92,549)**	**2,125,479**
TOTAL ASSETS	**4,479,533**	**(654,920)**	**3,824,613**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (thousands of euros)	January 1, 2023 OIC	IFRS adjustments/ reclassifications	January 1, 2023 IFRS
LIABILITIES			
Equity			
Share capital	3,000	0	3,000
Other reserves	3,021,736	(529,505)	2,492,231
Retained earnings	(115,788)	(1,002)	(116,790)
Period profit (loss)	80,046	0	80,046
Total equity attributable to Parent Company shareholders	**2,988,994**	**(530,507)**	**2,458,487**
Third-party capital and reserve	21	1,273	1,294
Total Equity	**2,989,015**	**(529,234)**	**2,459,781**
Non-current liabilities			
Provisions for risks and charges	56,780	(37,854)	18,926
Tax payables	8,431	(8,200)	231
Net liabilities for defined employee benefits	22,951	(4,313)	18,638
Financial lease liabilities	0	38,276	38,276
Other financial liabilities	609,748	0	609,748
Deferred tax liabilities	17,909	(867)	17,042
Other liabilities	0	2,892	2,892
Total non-current liabilities	**715,819**	**(10,066)**	**705,753**
Current liabilities			
Payables to banks and loans	89,120	(45,342)	43,778
Provisions for current risks and charges	0	9,957	9,957
Trade payables	522,567	(94,720)	427,847
Tax payables	15,740	19,684	35,424
Other financial liabilities	947	(947)	0
Other non-financial liabilities	146,325	(4,252)	142,073
Total current liabilities	**774,699**	**(115,620)**	**659,079**
TOTAL LIABILITIES AND EQUITY	**4,479,533**	**(654,920)**	**3,824,613**

RECONCILIATION OF THE BALANCE SHEET AS OF DECEMBER 31, 2023

(thousands of euros)	December 31, 2023 OIC	IFRS adjustments/ reclassifications	December 31, 2023 IFRS
ASSETS			
Non-current assets			
Goodwill	46,284	13,494	59,778
Intangible assets	1,267,309	(706,417)	560,892
Right of use assets	0	40,662	40,662
Property, plant and equipment	461,604	(75,293)	386,311
Investments in associates and joint ventures	9,282	61,483	70,765
Non-current financial assets	315,036	180,277	495,313
Deferred tax assets	80,537	(11,771)	68,766
Total non-current assets	**2,180,052**	**(497,565)**	**1,682,487**
Current assets			
Inventories	373,580	(32,127)	341,453
Trade receivables	454,783	(38,053)	416,730
Tax receivables	14,556	19,357	33,913
Other current assets	127,679	(34,568)	93,111
Current financial assets	920,679	313,325	1,234,004
Cash and cash equivalents	698,160	(326,181)	371,979
Total current assets	**2,589,437**	**(98,247)**	**2,491,190**
TOTAL ASSETS	**4,769,489**	**(595,812)**	**4,173,677**

(thousands of euros)	December 31, 2023 OIC	IFRS adjustments/ reclassifications	December 31, 2023 IFRS
LIABILITIES			
Equity			
Share capital	3,000	0	3,000
Other reserves	2,989,143	(492,986)	2,496,157
Retained earnings	(76,367)	(8,303)	(84,670)
Period profit (loss)	98,316	21,664	119,980
Total equity attributable to Parent Company shareholders	**3,014,092**	**(479,625)**	**2,534,467**
Third-party capital and reserve	21	290	311
Total Equity	**3,014,113**	**(479,335)**	**2,534,778**
Non-current liabilities			
Provisions for risks and charges	58,415	(54,251)	4,164
Tax payables	21	0	21
Net liabilities for defined employee benefits	21,159	2,725	23,884
Financial lease liabilities	0	28,138	28,138
Other financial liabilities	781,839	0	781,839
Deferred tax liabilities	9,958	2,449	12,407
Other liabilities	0	3,219	3,219
Total non-current liabilities	**871,392**	**(17,720)**	**853,672**
Current liabilities			
Payables to banks and loans	164,831	(20,089)	144,742
Provisions for current risks and charges	0	9,026	9,026
Trade payables	509,667	(63,512)	446,155
Tax payables	22,541	24,432	46,973
Financial lease liabilities	0	13,082	13,082
Other financial liabilities	1,043	(1,043)	0
Other non-financial liabilities	185,902	(60,653)	125,249
Total current liabilities	**883,984**	**(98,757)**	**785,227**
TOTAL LIABILITIES AND EQUITY	**4,769,489**	**(595,812)**	**4,173,677**

RECONCILIATION OF THE INCOME STATEMENT FOR THE YEAR BY NATURE AND RECONCILIATION OF THE COMPREHENSIVE INCOME STATEMENT FOR FY 2023

CONSOLIDATED INCOME STATEMENT (thousands of euros)	December 31, 2023 OIC	IFRS adjustments/ reclassifications	December 31, 2023 IFRS
Revenues from contracts with customers	2,149,594	(602,870)	1,546,724
Other revenues and operating income	52,532	(28,357)	24,175
TOTAL REVENUES AND INCOME	**2,202,126**	**(631,227)**	**1,570,899**
Raw material costs	695,667	(187,929)	507,738
Costs for services	668,685	(246,730)	421,955
Staff costs	428,995	(49,279)	379,716
Other operating costs	129,397	(71,900)	57,497
TOTAL OPERATING COSTS	**1,922,744**	**(555,838)**	**1,366,906**
GROSS OPERATING MARGIN (EBITDA)	**279,382**	**(75,389)**	**203,993**
Depreciation, amortization and writedowns	188,219	(59,407)	128,812
OPERATING RESULT (EBIT)	**91,163**	**(15,982)**	**75,181**
Financial income	96,967	(1,231)	95,736
Financial charges	45,947	1,675	47,622
Share of profit of associates and joint ventures	(1,506)	22,404	20,898
Value adjustments to assets measured at fair value	(269)	(2,915)	(3,184)
Exchange rate gains and losses	(4,282)	2,803	(1,479)
EARNINGS BEFORE TAXES	**136,126**	**3,404**	**139,530**
Income taxes	37,810	(18,199)	19,611
PERIOD PROFIT (LOSS)	**98,316**	**21,603**	**119,919**
Share attributable to minority shareholders	0	(61)	(61)
Share attributable to shareholders and Parent Company	98,316	21,664	119,980

STATEMENT OF OTHER COMPREHENSIVE INCOME (thousands of euros)	December 31, 2023 OIC	IFRS adjustments/ reclassifications	December 31, 2023 IFRS
Net profit	98,316	21,603	119,919
Other Comprehensive Income			
Net gain (loss) on cash flow hedges	(23,416)	0	(23,416)
Currency translation differences in foreign balance sheets	(9,177)	(2,461)	(11,638)
Total other Comprehensive Income that may be subsequently reclassified to profit (loss) after tax	**(32,593)**	**(2,461)**	**(35,054)**
Net gain (loss) on equity instruments measured at fair value and recognized in the Comprehensive Income Statement	0	9,273	9,273
Net gain (loss) from revaluation of defined benefit plans	0	(301)	(301)
Total other Comprehensive Income that will not be subsequently reclassified to profit (loss) after tax	**0**	**8,972**	**8,972**
Profit (Loss) in the Statement of other comprehensive income after tax	**65,723**	**28,114**	**93,837**
Share attributable to minority shareholders	0	(61)	(61)
Share attributable to shareholders and Parent Company	65,723	28,175	93,898

2. MAIN IMPACTS OF APPLYING IFRS

Below is a reconciliation of Equity at the date of transition, prepared in accordance with national accounting standards, with Equity resulting after the transition.

(thousands of euros)	Note	Equity as of 01/01/2023
TOTAL EQUITY ACCORDING TO LOCAL ACCOUNTING STANDARDS		**2,989,015**
Adj. 1 – Leases (IFRS 16)	3.1	324
Adj. 2 – Intangible assets (IAS 38)	3.2	(732,624)
Adj. 3 – Tangible assets (IAS 16)	3.3	3,090
Adj. 4 – Financial instruments, derivatives, recalculation of provision for doubtful accounts (IFRS 9)	3.4	206,377
Adj. 5 – Discounting of provision for supplementary customer allowances (IAS 37)	3.5	1,312
Adj. 6 – Discounting of severance indemnity (IAS 19)	3.6	572
Adj. 7 – Revenues from contracts with customers (IFRS 15)	3.7	(2,095)
Adj. 8 – Hyperinflationary economies (IAS 29)	3.8	4,647
Adj. 9 – Difference in the scope of consolidation	3.9	(10,837)
TOTAL EQUITY IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS		**2,459,781**

Below are the effects of the transition on Equity as of December 31, 2023.

(thousands of euros)	Note	Equity as of 12/31/2022	Net profit 2023	Dividend distribution	Currency translation differences	Other movements	Other components of Comprehensive Income Statement	Equity as of 12/31/2023
TOTAL RESTATED EQUITY ACCORDING TO LOCAL ACCOUNTING STANDARDS		**2,989,015**	**98,316**	**(40,000)**	**(9,177)**	**(24,041)**	**-**	**3,014,113**
Adj. 1 – Leases (IFRS 16)	3.1	324	(1,148)				-	(824)
Adj. 2 – Intangible assets (IAS 38)	3.2	(732,624)	51,363				-	(681,261)
Adj. 3 – Tangible assets (IAS 16)	3.3	3,090	222				-	3,312
Adj. 4 – Financial instruments, derivatives, recalculation of provision for doubtful accounts (IFRS 9)	3.4	206,377	(8,337)				9,273	207,313
Adj. 5 – Discounting of provision for supplementary customer allowances (IAS 37)	3.5	1,312	(90)				-	1,222
Adj. 6 – Discounting of severance indemnity and LTI (IAS 19)	3.6	572	(3,601)				(301)	(3,330)
Adj. 7 – Revenues from contracts with customers (IFRS 15)	3.7	(2,095)	277				-	(1,818)
Adj. 8 – Hyperinflationary economies (IAS 29)	3.8	4,647	(17,053)			21,269		8,863
Adj. 9 – Expansion to scope of consolidation (IFRS 10)	3.9	(10,837)	(30)		(2,028)	83		(12,812)
TOTAL EQUITY IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS		**2,459,781**	**119,919**	**(40,000)**	**(11,205)**	**(2,689)**	**8,972**	**2,534,778**

3. EXPLANATORY NOTES TO THE RECONCILIATION BETWEEN ITALIAN AND INTERNATIONAL ACCOUNTING STANDARDS

The individual adjustment items are shown in the table net of taxes.
The main IFRS adjustments made to the values determined under Italian accounting standards are discussed below.

3.1 LEASES

With the issue of the international accounting standard IFRS 16, IAS adopter companies, as lessees, must recognize for all rental and lease agreements (thus also those falling under operating leases) a right of use and as a contra-entry a financial liability equal to the present value of the lease payments to be made. The right of use will thereafter be subject to amortization and/or impairment, while the financial liability will be moved on the basis of payments and recognition of accrued financial charges. At the date of first-time application of the accounting standards, in accordance with IFRS 1. D9 B.ii, the Company has calculated the right of use and the financial liability.

National accounting standards require that rents be accounted for on an accrual basis. This different accounting approach therefore results in the following accounting impacts net of the tax effect.
The adoption of IFRS 16 resulted in the following entries as of January 1, 2023:

- recognition of right of use assets in the amount of 38,417 thousand euros. These assets represent the discounted value in use of the assets subject to the Company's beneficial rights;
- recognition of non-current financial liabilities for 38,276 thousand euros. These liabilities represent the financial obligation related to the present value of the cash flows to be paid to the lease counterparties for contracts outstanding at January 1, 2023.

The adoption of IFRS 16 resulted in the following entries as of December 31, 2023:

- increases in right of use assets in the amount of 14,013 thousand euros;
- recognition of year-end balances of non-current financial liabilities of 28,138 thousand euros and current financial liabilities of 13,082 thousand euros;
- recognition of depreciation and amortization in the amount of 12,119 thousand euros, financial expenses in the amount of 2,111 thousand euros, and reversal of costs for services in the amount of 13,696 thousand euros.

The overall effect on Equity as of December 31, 2023 was negative by 824 thousand euros.

3.2 INTANGIBLE ASSETS (IAS 38)

3.2.1 INCORPORATION, STARTUP AND EXPANSION COSTS

Under Italian accounting standards, startup and expansion costs may be capitalized with the consent of the Board of Statutory Auditors and must be amortized over a period not exceeding five years. These types of costs cannot be accounted for under international accounting standards.

This different accounting approach has therefore resulted in the following accounting impacts net of the tax effect:

- as of January 1, 2023 a decrease in intangible assets of 371 thousand euros, due to the derecognition of startup and expansion expenses, an increase in deferred tax assets of 84 thousand euros and a decrease in Equity of 287 thousand euros;
- as of December 31, 2023 a decrease in deferred tax assets of 15 thousand euros and a decrease in amortization of intangible fixed assets of 86 thousand euros net of the tax effect.

The effect on Equity as of December 31, 2023 was negative by 219 thousand euros.

3.2.2 REVALUATION OF BRANDS AND PATENTS

In 2020, the Companies Angelini Pharma S.p.A. and Fameccanica.Data S.p.A. carried out the revaluation pursuant to Law 126/2020 for the Tachipirina and Moment trademarks and patents, respectively.
International standards do not permit the revaluation of the assets by law. Under IFRS 1.D7, an entity may elect to measure an item of intangible assets at the date of transition to IFRS at fair value and use that value as the deemed cost at that date, provided that: (a) the recognition conditions in IAS 38 (including a reliable measurement of the original cost) are met; and (b) the conditions in IAS 38 for revaluation, including the existence of an active market, are met.
Specifically, an active market is deemed to exist when the following conditions are met:

- the elements traded on the market are homogeneous;
- available buyers and sellers can normally be found at any time;
- prices are available to the public.

Assets with no active market include trademarks, newspapers and patents. Each of these assets is unique and, therefore, any price paid in a similar transaction may not provide sufficient evidence of the fair value of another asset. Moreover, the actual prices at which transactions of these assets are concluded are usually not publicly available.

Angelini Pharma S.p.A. carried out the statutory revaluation of the Moment and Tachipirina trademarks, for a total amount of 820,000 thousand euros, which, at the date of first-time adoption, had a net book value of 728,889 thousand euros.
In accordance with national accounting standards, the revaluation was accounted for by revaluing the historical cost (gross value) in accordance with the applicable regulations and the requirements of OIC

Interpretative Document no. 7. The asset balance resulting from the revaluation is recorded in a special reserve called "Revaluation reserve ex Law 126/2020" net of substitute tax.
Considering that Budget Law 234/2021 established a 50-year period for the tax deductibility of amortization and depreciation of revalued assets, and that the Company chose not to take advantage of the possibility of paying a higher substitute tax, no deferred tax assets were recognized. This is because their recovery time is not reasonably predictable, given the very long duration of the period considered.
Since the Moment and Tachipirina brands do not enjoy an active market, the Company has adjusted their book value.

Therefore, this different accounting approach resulted in the following accounting impacts net of the tax effect:

- as of January 1, 2023, a decrease in intangible assets of 728,889 thousand euros net of accumulated amortization/depreciation of 91,111 thousand euros, due to the derecognition of the revaluations of the Tachipirina and Moment brands, a decrease in the revaluation reserve of 795,400 thousand euros recognized in Equity net of substitute taxes of 24,600 thousand euros. The net effect was an increase in the first-time adoption reserve of 66,511 thousand euros;
- as of December 31, 2023 a decrease in the quota of depreciation and amortization for the period and the corresponding accumulated amortization/depreciation in the amount of 45,556 thousand euros.

The effect on Equity as of December 31, 2023 was 683,333 thousand euros, of which lower revaluation reserves in the amount of 795,400 thousand euros and an increase in the first-time adoption reserve and adjustment of the net profit in the amount of 112,067 thousand euros.
The Company Fameccanica.Data S.p.A. opted for the revaluation of patents in the amount of 14,497 thousand euros in FY 2020. Since there is no active market for this category, revaluation is not permissible under international accounting standards.

This accounting approach therefore resulted in the following accounting impacts:

- as of January 1, 2023, reversal of patents for 11,390 thousand euros (historical cost of 14,497 thousand euros and accumulated amortization/depreciation of 3,106 thousand euros) and reclassification to the FTA reserve of the revaluation reserve recorded in respect of this revaluation for 14,062 thousand euros; recognition of a deferred tax asset of 3,283 thousand euros;
- as of December 31, 2023 reversal of the accumulated depreciation/amortization in 2023 related to the aforementioned patents for 2,071 thousand euros and reversal of deferred tax assets for 597 thousand euros.

The overall effect, net of the tax effect, on Equity as of December 31, 2023 was a decrease of 6,633 thousand euros.

3.2.3 DISTRIBUTION SERVICE AGREEMENTS (DSA)

The Company Angelini Pharma S.p.A. recognizes intangible assets related to price adjustment mechanisms on certain licence agreements acquired for the marketing of pharmaceutical products, the payments of which are conditional upon the occurrence of specific events that are clearly defined, identified and measurable and whose amount is also determined. According to national accounting standards, they are recognized when: (a) they are individually identifiable and (b) the related cost can be estimated with sufficient reliability. Price adjustment mechanisms are recognized in the Income Statement through a specific provision for future charges, on a straight-line basis, starting from the year in which the event is deemed likely 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 fixed 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 the absence of specific guidance in IAS 38, where an entity acquires an intangible asset for a consideration that includes a combination of upfront payments and installment payments over a number of years that may vary depending on the future activity (revenues, profits or units produced), at the time the goods/services are transferred, it must frame a financial liability under IFRS 9 (a contingent obligation to transfer money). Therefore:

- if the contingent payment is based on the sales or production volumes of the period, it is generally expensed;
- if the reason for the payment is directly related to the initial value of the asset, rather than its use over time, the entity may adopt a specific policy to:
  a. recognize the fair value of all contingent payments in the initial valuation of the asset; or
  b. recognize a liability when the contingent payment crystallises.

In either case, subsequent differences in the liability for the consideration or subsequent payments are capitalized or expensed when incurred (IAS 38.27).
Angelini Pharma S.p.A. chose to recognize the liability at the fair value of all contingent payments, capitalising the earn-out under intangible assets. Differences in consideration and subsequent payments are capitalized as they are incurred and amortized over the remaining life of the licence agreement. This approach is adopted because earn-outs are considered to represent payments distributed over time for the purchase of the licence.

Therefore, this different accounting approach resulted in the following accounting impacts net of the tax effect:

- as of January 1, 2023, reclassification of the provision for risks and charges for 568 thousand euros to increase the accumulated depreciation/amortization of intangible assets for the same amount, and recognition of a liability, under trade payables, corresponding to the third commercial milestone for the Tachifene licence for an amount of 1,000 thousand euros with a contra-entry for intangible assets. In addition, due to the effect of the payment in installments under the distribution agreement with Helsinn, there was a reduction in intangible assets of 566 thousand euros with a corresponding reduction in trade payables. There were no impacts on Equity;
- as of December 31, 2023 an increase in the provision for risks and charges of 308 thousand euros with a corresponding decrease in other operating revenues for the utilization portion of the provision of 142 thousand euros and lower other operating expenses for provisions of 450 thousand euros. In addition, considering that the third commercial milestone described above was recognized in the statutory financial statements, the value of the asset recognized in 2023 was adjusted by 1,000 thousand euros and increased depreciation and amortization by 236 thousand euros with a corresponding increase in the accumulated depreciation/amortization. The contingent liability related to the fourth commercial milestone of the Tachifene licence is recognized at its fair value of 908 thousand euros and classified in trade payables, with a corresponding increase in intangible assets. Interest expense of 31 thousand euros was recognized, increasing the value of

the liability in application of the amortized cost mechanism. The contingent liability, classified in trade payables, for the second commercial milestone related to the DSA contract with the supplier Latuda, was recognized at its fair value of 1,816 thousand euros, increasing the intangible assets by the same amount and financial charges on the trade payable by 63 thousand euros in application of the amortized cost mechanism. Lastly, with reference to the installments of the distribution contract signed with Helsinn, there was lower amortization of 81 thousand euros and higher financial expenses on trade payables of 145 thousand euros, due to the amortized cost mechanism.

The effect on Equity as of December 31, 2023 was negative by 80 thousand euros, net of taxes for 7 thousand euros.

3.2.4 CLOUD COMPUTING AND WEBSITE ARRANGEMENTS

CLOUD COMPUTING ARRANGEMENTS

Technological advancement in recent years has led to an increase in cloud computing arrangements. In particular, these are agreements in which there is no physical possession of the hardware underlying an agreement to use a software platform, but there is a possibility of accessing it through an Internet connection, in the cloud. Examples of cloud computing arrangements are Software as a Service (SaaS), Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and hosting services.
The international accounting standards (and in particular IAS 38 – Intangible Assets) currently do not contain dedicated guidance on this type of contract.
In this regard, the IFRS Interpretation Committee finalized two Agenda Decisions, in 2019 and 2021:

- Customer's Right to Receive Access to the Supplier's Application Software Hosted on the Cloud (IAS 38), published on March 15, 2019;
- Configuration or Customization Costs in a Cloud Computing Arrangement (IAS 38), published on April 27, 2021.

For the recognition of software as an intangible asset, the manner and purpose of its use is decisive. With regard to customization and configuration services (and related costs), it must first be considered whether they can be accounted for separately from access to the software. If so, they may be capitalized if the object of the customization can be said to be controlled by the entity (for example, if they are lines of code specifically written and created behind the Company's firewall and create economic benefits independently of that software, i.e. they can be used with other software), otherwise they must be expensed in the Income Statement (over the life of the contract only if they are lent by the same Company that supplies the software and are not distinct from access to the same software, in all other cases, they must be recognized at the time the configuration is rendered).

WEBSITE EXPENSES

An internally developed web site shall be recognized as an intangible asset if, and only if, in addition to complying with the generic requirements described in IAS 38.21 for initial recognition and measurement, an entity can satisfy the requirements of IAS 38.57. In particular, an entity may be able to satisfy the requirement to demonstrate how its website will generate probable future economic benefits in accordance with IAS 38.57(d) when, for example, the website is able to generate revenues, including direct revenues from allowing orders to be placed. An entity is unable to demonstrate how a website developed solely or primarily to promote or advertise its products and services will generate probable future economic benefits, and therefore all expenditure incurred in the development of such a website must be recognized by it as an expense when incurred.

Under Italian accounting standards, the Group capitalizes costs related to:

i) initial set up of internal corporate websites as it sees the same functionality and direct and indirect benefits of using them as any other management software in use;
ii) showcase sites, as the site is used for dissemination purposes only;
iii) showcase sites, in that the site is used exclusively with access restricted to traders (as a sales tool).

In light of the guidance in IAS 38, the Group may capitalize the cases referred to in points i) and ii). Showcase sites used exclusively for disclosure purposes do not meet the capitalization requirements under IAS 38.57.

These accounting approaches resulted in the following accounting impacts:

- as of January 1, 2023 a decrease in intangible assets of 1,630 thousand euros, due to the derecognition of services that cannot be capitalized according to the above interpretation;
- as of December 31, 2023 a decrease in new investments of 1,494 thousand euros and depreciation and amortization of 1,032 thousand euros, a reclassification to prepaid expenses of 1,834 thousand euros and deferred tax assets of 6 thousand euros.

The effect on Equity as of December 31, 2023 was negative by 330 thousand euros.

Internationally, the application of IAS 38 in relation to advertising costs that had been capitalized and were expensed in the reporting year had the following impacts:

- as of January 1, 2023 a decrease in intangible assets of 337 thousand euros, net of a provision of 163 thousand euros, due to the derecognition of advertising expenses that cannot be capitalized. The effect was reflected in the FTA reserve by reducing it by 339 thousand euros, the difference being generated by an exchange rate effect;
- as of December 31, 2023 a decrease in new investments of 71 thousand euros and depreciation and amortization of 225 thousand euros.

With regard to costs for image rights that had been capitalized and were expensed, the application of IAS 38 generated the following accounting impacts:

- as of January 1, 2023 a decrease in intangible assets of 6,707 thousand euros, net of a provision of 4,878 thousand euros, due to the derecognition of image rights that cannot be capitalized. The effect was reflected in the FTA reserve by reducing it by 1,829 thousand euros;
- as of December 31, 2023 a decrease in new investments of 1,883 thousand euros and depreciation, amortization and writedowns of 1,999 thousand euros.

THERMACARE GOODWILL

As required by IAS 38, assets with an indefinite useful life are not subject to amortization but must be subject to impairment testing at least once a year. As a result of this approach, as of December 31, 2023, the Group recorded a decrease in depreciation and amortization of 1,904 thousand euros.

GOODWILL FROM CONSOLIDATION

As required by IAS 38, assets with an indefinite useful life are not subject to amortization but must be subject to impairment testing at least once a year. As a result of this approach, as of December 31, 2023, the Group recorded a decrease in amortization related to goodwill arising from the consolidation of subsidiaries in the amount of 4,952 thousand euros.

Therefore, the overall effect of IAS 38 impacts on Equity as of December 31, 2023 was negative for 681,261 thousand euros, of which 809,462 thousand euros as a decrease due to the elimination of the revaluation reserve, and 128,201 thousand euros as an increase due to the other effects reported above.

3.3 TANGIBLE ASSETS (IAS 16)

3.3.1 SEPARATION OF LAND FROM BUILDINGS

Land and buildings are separable assets and are accounted for separately, even when acquired together, as required by IAS 16.58. The Company recognizes within the item “Industrial buildings” a cost share relating to “Industrial land”. Therefore, in accordance with the international standard, it was necessary to reclassify the portion of the building attributable to land for the two buildings located in Aprilia and Ancona.

From a tax perspective, the separation has already been accounted for, so no adjustment was made during the transition.

These accounting approaches therefore resulted in the following accounting impacts net of the tax effect:

- as of January 1, 2023, a reduction in the accumulated depreciation of buildings due to the separation of the value of land, classified under the sub-item "Land" within the balance sheet item "Tangible assets", for an amount of 3,090 thousand euros;
- as of December 31, 2023, a reduction of 186 thousand euros in depreciation for the period related to the separated land.

The effect on Equity as of December 31, 2023 was positive by 3,276 thousand euros.

3.3.2 LEASEHOLD IMPROVEMENTS

Leasehold improvements made must be recognized and measured in accordance with the provisions of IAS 16, where they constitute expenditure with independent functionality and usability (upon expiry of the lease, they remain the property of the user, based on IAS 16.7).

Having assessed that the above conditions are met, the Company adjusts leasehold improvements recognized under "Other intangible fixed assets" with the following effects:

- as of January 1, 2023, a decrease in intangible assets of 629 thousand euros and an increase in tangible assets of the same amount;
- as of December 31, 2023, an increase in intangible assets for 80 thousand euros and a decrease in tangible assets for the same amount. In addition, the improvements on the industrial building at the Ancona site underwent an alignment of the accumulated depreciation with a reduction of 36 thousand euros.

The effect on Equity as of December 31, 2023 was positive by 36 thousand euros.
Therefore, the overall effect of the impact of IAS 16 on Equity as of December 31, 2023 was positive by 3,312 thousand euros.

3.4 FINANCIAL INSTRUMENTS (IFRS 9)

Following the application of IFRS 9 on financial instruments, it became necessary to revise certain accounting treatments for expected credit losses, amortized cost, hedging derivatives and equity investments.

In particular, the new provisions of IFRS 9:

- provide for the application of the classification and valuation model for financial assets based on the characteristics of the financial instrument and the business model adopted by the company;

- introduce a new method of writedowns on financial assets, which takes into account expected losses over the life of a financial asset ("expected credit loss"); and
- amend the hedge accounting provisions.

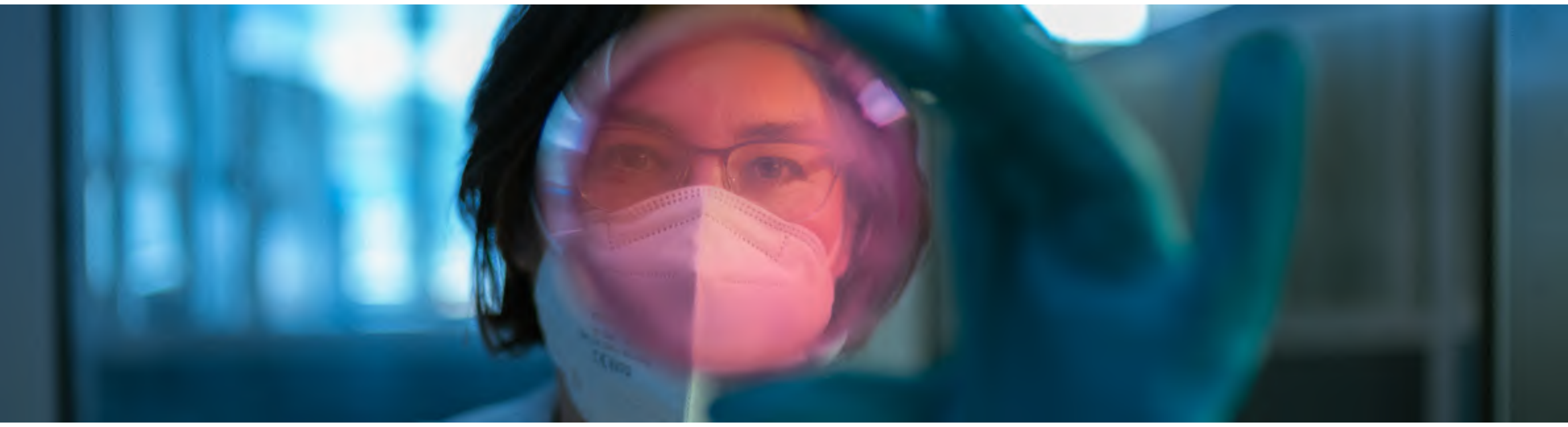
The adoption of IFRS 9 affects primarily trade receivables and cash and cash equivalents: these items must be shown net of the prospective loss.

Below are the accounting effects net of the tax effect:

- as of January 1, 2023 an increase in Equity of 206,597 thousand euros. The effect is generated by:
  a. writedown of non-current derivative financial assets of -567 thousand euros;
  b. revaluation of equity investments in other businesses for 198,205 thousand euros;
  c. revaluation of other short-term securities in the amount of 12,005 thousand euros;
  d. writedown of medium- and long-term receivables from other entities in the amount of -169 thousand euros;
  e. writedown of trade and other receivables for -103 thousand euros;
  f. adjustment of provisions for future charges for penalties to customers in the amount of 21 thousand euros;
  g. writedown of contracts in progress in the amount of -49 thousand euros;
  h. recognition of deferred taxes of -2,746 thousand euros;

- as of December 31, 2023, the increase in Equity of 936 thousand euros was composed as follows:
  a. writedown of equity investments in other businesses for -81,904 thousand euros;
  b. revaluation of equity investments in other businesses for 70,306 thousand euros;
  c. adjustment of capital losses and gains on investments in other companies for 618 thousand euros;
  d. revaluation of securities included in current assets in the amount of 3,544 thousand euros;
  e. writedown of securities included in current assets in the amount of -10 thousand euros;
  f. writedown of medium- and long-term receivables from other entities in the amount of -131 thousand euros;
  g. adjustment of capital losses and gains on short-term securities for -143 thousand euros;
  h. writedown of trade and other receivables for -74 thousand euros;
  i. writedown of contracts in progress in the amount of 49 thousand euros;
  j. recognition of deferred and prepaid taxes of -592 thousand euros;
  k. recognition of the effect in the OC reserve for 9,273 thousand euros.

The effect on Equity as of December 31, 2023 was positive by 207,313 thousand euros.



3.5 PROVISION FOR SUPPLEMENTARY CUSTOMER ALLOWANCES AND OTHER CONTINGENT LIABILITIES (IAS 37)

IAS 37.14 provides that a provision must be recognized if, and only if:

- a company has a present obligation (legal or constructive) as a result of a past event;
- it is probable (i.e. more likely than not) that the performance of the obligation will require the use of resources capable of producing economic benefits;
- a reliable estimate of the amount resulting from the performance of the obligation can be made.

In addition, when the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, provisions are to be determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market valuation of the time value of money and, if applicable, the specific risk applicable to the obligation. In this case, the increase in the provision due to the passage of time is recognized as a financial expense in the Income Statement.

In the Angelini Industries Group Companies, the provision for supplementary customer allowances, as required by IAS 37, was subject to an actuarial valuation at the date of first application and in subsequent periods.

This different accounting approach therefore resulted in the following accounting impacts net of the tax effect:

- as of January 1, 2023 an increase in Equity of 1,222 thousand euros, net of the tax effect of 312 thousand euros and representing the discounting of other non-current liabilities;
- as of December 31, 2023 a decrease in Equity of 25 thousand euros including the tax effect and related to the adjustment of liabilities at the reporting date.

The application of IAS 37 generated adjustments in respect of the valuation of provisions made for penalties applied to customers and the recognition of onerous contracts.

This different accounting approach therefore resulted in the following accounting impacts net of the tax effect:

- as of January 1, 2023, an increase in Equity of 90 thousand euros due to the adjustment of customer penalty provisions recorded in the balance sheet and a reclassification of the balance related to onerous contracts, which resulted in a decrease in contracts in progress of 4,342 thousand euros and a corresponding increase in provisions for charges, 353 thousand euros for non-current provisions and 3,989 thousand euros for current provisions;
- as of December 31, 2023 a decrease in Equity of 65 thousand euros related to contractual penalties and a reclassification that generated a decrease in contracts in progress of 1,375 thousand euros and a corresponding increase in provisions for current charges.

The effect on Equity as of December 31, 2023 was positive by 1,222 thousand euros.

3.6 EMPLOYEE SEVERANCE INDEMNITY AND OTHER LONG-TERM BENEFITS (IAS 19)

SEVERANCE INDEMNITY AND PENSION FUNDS

According to international accounting standards, severance indemnity accrued up to December 31, 2006 falls into the category of defined benefit plans subject to actuarial valuations (mortality, foreseeable salary differences, etc.) to express the present value of the benefit, payable at the end of employment, that employees have accrued as of the reporting date.

In addition, the Company, through its subsidiary in Switzerland, manages its employee pension plans through a plan administered by a private foundation, in accordance with the regulations in force in Switzerland. Contributions, calculated as a percentage of the insured salary, are paid by both employees and the Company. At the date of retirement, the pension benefit is determined by multiplying the accumulated savings capital by a conversion rate specified in the regulations. Employees may choose to receive the benefit in the form of a lump sum. The foundation may adjust contributions and benefits and, in the event of underfunding, special payments may be required by the Company. The plan is treated for accounting purposes as a defined benefit plan, in accordance with IAS 19.

LTI PLAN

As of December 31, 2023, the Company has a 2023-2024 multi-year incentive plan in place involving a number of employees with roles crucial to the achievement of strategic objectives. The incentive is paid upon reaching specific thresholds of the Company's future performance at the end of the program.
In the Company's financial statements, given that the plan depends on the service provided by the beneficiary employees, it is accounted for as an accrual to provisions over its duration.
For the purposes of IAS 19, the plan is classified as a long-term employee benefit and is measured taking into account the financial effect associated with the long-term payments.

This accounting approach, compared to Italian accounting standards, resulted in the following impacts net of the tax effect:

- as of January 1, 2023, the recognition of lower liabilities for employee benefits due to the discounting of employee severance and any pension funds recorded in foreign companies for -539 thousand euros, net of deferred tax assets of 33 thousand euros. The effect was reflected in the FTA reserve by increasing it by 572 thousand euros;
- as of December 31, 2023, greater liabilities for employee benefits due to the discounting of employee severance and pension funds for 177 thousand euros net of the tax effect of 31 thousand euros. In addition, the actuarial valuation of the severance indemnity provision and pension funds resulted in the recognition of a total actuarial loss of 301 thousand euros net of taxes, which was recognized in a special Equity reserve, the overall effect on the net profit for the year was 89 thousand euros and includes the effect included in the valuation of equity investments in Equity. Finally, with reference to the long-term incentive (LTI) program, there was a decrease in the liability

for employee benefits due to the discounting effect of the payable of 167 thousand euros, net of the tax effect of 53 thousand euros and, as a contra-entry, an increase in Equity for the same amount. Again with reference to the LTI program, incentive costs of 3,732 thousand euros were recognized net of deferred tax assets of 1,109 thousand euros.

The effect on Equity as of December 31, 2023 was a negative 3,330 thousand euros, of which 301 thousand euros recognized in the reserve for actuarial gains and losses.

3.7 REVENUES FROM CONTRACTS WITH CUSTOMERS (IFRS 15)

According to the international accounting standards, the recognition of revenues follows a "five-step" method starting with the identification of the contract and continuing with the identification of the supplies and services stipulated therein, with the determination of the price and its allocation among the contractually agreed goods and services, and finally arriving at the recognition of revenues on the basis of the obligations fulfilled.

Specific accounting provisions apply: (a) potential adjustments to manage variable amounts recognized in the consideration, such as rebates, discounts, premiums and penalties; (b) potential consideration payable to customers, such as listing fees and slotting fees, as well as pay-back mechanisms that could directly reduce the revenues; (c) sales with right of return, by updating the valuation of liabilities for future refunds at the end of each financial year to reflect changes in expectations on the amount of refunds and recognizing the corresponding adjustments as revenues or reduction in revenues.

This accounting approach, compared to Italian accounting standards, resulted in some economic and equity reclassifications that did not impact the Company's Equity.

In particular, the following reclassifications are noted:

- as of January 1, 2023, reclassification to trade payables of (i) trade receivables related to consideration payable to customers for 1,784 thousand euros, (ii) provisions for risks and charges for 10,951 thousand euros corresponding to payables for pharmaceutical cost recovery, discount coupons and returns provision, (iii) deferred income for plant and equipment installation expenses for 14,698 thousand euros corresponding to provisions for charges and inventories for contracts in progress with a negative effect on the first-time application reserve of -2,095 thousand euros;
- as of December 31, 2023, reclassification to trade payables of (i) trade receivables related to consideration payable to customers for 1,262 thousand euros and (ii) provisions for risks and charges for 25,001 thousand euros corresponding to payables for pharmaceutical cost recovery and provision for discount coupons and returns and for 2,247 thousand euros for equipment installation provisions. In addition, operating costs of 83,164 thousand euros were reclassified as a reduction of revenues from customer contracts, corresponding mainly to listing fees and pay-backs accrued in the period.

The effect on Equity as of December 31, 2023 was negative by 1,818 thousand euros.

3.8 HYPERINFLATIONARY ECONOMIES (IAS 29)

As of April 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29 – Financial Reporting in Hyperinflationary Economies". For the purpose of preparing these consolidated financial statements, in accordance with IAS 29, certain non-monetary items included in the balance sheet of the Turkish investee company and items in the Consolidated Income Statement have been remeasured by applying the general consumer price index to historical data, in order to reflect the changes in the purchasing power of the Turkish lira at the date of that company's financial statements. In order to take into account the impact of hyperinflation also on the local currency exchange rate, the balances of the Income Statements expressed in hyperinflationary currencies were converted into Euro (the Group's presentation currency), applying the final exchange rate instead of the average exchange rate for the period, in line with the requirements of IAS 21, in order to bring these amounts back to current values.

This accounting approach had the following impacts on the Group's Equity:

- as of January 1, 2023, the application of IAS 29 resulted in an overall net revaluation of Equity of 4,647 thousand euros, of which an amount of -15,610 thousand euros was recognized in the FTA reserve;
- as of December 31, 2023, the same principle resulted in a negative impact on the net income of -17,053 thousand euros, and a revaluation of Equity of 21,269 thousand euros.

The effect on Equity as of December 31, 2023 was positive by 8,863 thousand euros.

3.9 EXPANSION TO SCOPE OF CONSOLIDATION (IFRS 10)

The consolidated financial statements include the financial statements of Angelini Holding S.p.A. and its subsidiaries as of December 31, 2024.
Specifically, the Group controls an investee if, and only if, the Group has:

- power over the entity being invested in (i.e. holds valid rights that give it the current ability to direct the relevant activities of the entity being invested in);
- exposure or rights to variable returns arising from the relationship with the entity being invested in;
- the ability to exert its power over the entity being invested in to affect the amount of its returns.

The Group reconsiders whether or not it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control.

Generally, there is an assumption that a majority of the voting rights implies control. In support of this assumption, when the Group holds less than a majority of the voting or similar rights, the Group considers all relevant facts and circumstances to determine whether it controls the entity being invested in, including:

- contractual agreements with other holders of voting rights;
- rights arising from contractual agreements;
- voting rights of the Group;
- potential voting rights of the Group;
- a combination of the above facts and circumstances.

The Group reconsiders whether or not it has control of an investee if facts and circumstances indicate that there may have been changes in one or more of the three elements relevant to the definition of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the Company. Subsidiaries, included in the aforementioned scope of consolidation, are consolidated on a line-by-line basis, in accordance with the following methods:

- the assets and liabilities, expenses and income of wholly consolidated entities are recognized on a line-by-line basis in the consolidated financial statements;
- the book value of equity investments is eliminated against the corresponding fraction of Equity of the investee companies by attributing to the individual assets and liabilities their current value at the date control was acquired;
- profits and losses not yet realized for the Group, as they arise from transactions between Group Companies, are eliminated, as are reciprocal debit and credit and cost and revenue relationships;
- consolidation adjustments take into account their deferred tax effect.

Based on the above, the Group changed the method of consolidation of certain subsidiaries in favor of the line-by-line method. This accounting approach had the following impacts on the Group's Equity:

- as of January 1, 2023, there was a decrease in Equity of -10,837 related to the retained earnings (losses) of companies for which the consolidation method was changed by applying the line-by-line method; this amount is recorded in the FTA reserve for a value of -7,409 thousand euros; the remainder refers to translation effects;
- as of December 31, 2023, the overall effect on Equity was -12,812, of which translation effects amounted to -2,028 thousand euros.

V. Independent Auditor's Report

EY
Shape the future with confidence

Angelini Holding S.p.A.

Consolidated financial statements as at December 31, 2024

Independent auditor's report 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 statement of financial position as at 31 December 2024, the income statement, the statement of other comprehensive income, the statement of changes in shareholder's equity and the statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union.

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 the Group 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.

Other matters

The consolidated financial statements presents, for comparative purposes, the corresponding data from the previous financial year prepared in accordance with international accounting standards derived from the financial statements as of December 31, 2023, prepared in accordance with the Italian regulations governing the criteria for its preparation. The explanatory note "First-time adoption of IAS-IFRS" illustrates the effects of the transition to the International Financial Reporting Standards adopted by the European Union and includes information related to the reconciliation statements required by the international accounting standard IFRS 1.

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 IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements

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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 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 and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) 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 31 December 2024, 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;
- express an opinion on the compliance of the Report on Operations with the applicable laws and regulations;
- issue a statement on any material misstatements in the Report on Operations.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of Angelini Holding Group as at 31 December 2024.

Furthermore, in our opinion, the Report on Operations complies with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), 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 12, 2025

EY S.p.A.
Signed by: Jair Castellani, 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

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Annual Report 2024
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