

# CONSOLIDATED FINANCIAL STATEMENTS

# 2021

*By people for people.  
the value of a smile*

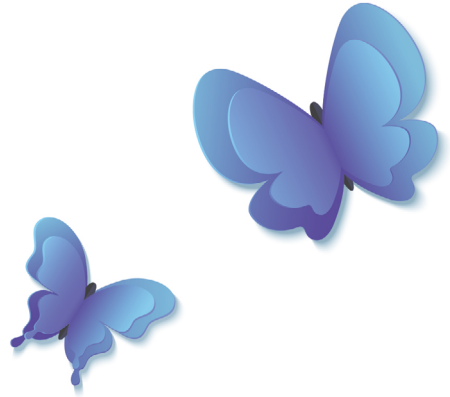
IN AN INCREASINGLY SUSTAINABLE ENVIRONMENT



**SAMMONTANA  
ITALIA**







## | INSPIRATION |

THIS IS WHAT WE ARE MADE OF.  
OF HEART AND REASON.  
OF HISTORY AND PROJECTS.  
OF TRADITION AND DEVELOPMENT.  
THIS IS HOW WE INTEND TO PURSUE  
OUR EVERYDAY BUSINESS  
UNDERTAKINGS.

*Bagnoli Family*





## | OUR VISION |

**We bring a smile  
into the lives of all the people  
of the world by offering  
them satisfying and good products  
that are created with authentic Italian care  
and passion whilst respecting our origins.**

We are intimately Italian and  
worthy representatives of the culture,  
style and products of our territory.

We started out as craftsmen, only to become  
industrialists without ever denying our roots and origins.

We are a big family and a big business:

Our way of doing business is centred  
on mutual respect and correct behaviour towards  
employees, stakeholders and competitors.

The goal we have set ourselves  
is to become a point of reference  
at international level for indulgent  
Italian food, all whilst respecting  
our origins.





## | OUR MISSION |

**To navigate towards and achieve our Vision, we have promised to create high quality food products and recipes designed to offer everyone an enjoyable experience by embracing new ways of eating.**

We do business while respecting our Italian roots, our identity, our people, our communities and our territories as we seek to continuously improve our actions and efficiency without compromise.

We are bearers of Italian culture and Authentic Italian Products, including abroad. We are protagonists of the evolution of styles, shapes and ways of enjoying food across the globe, both today and in the future.

# | OUR HISTORY |



## THE 40S

### **Sammontana's story begins.**

*Romeo Bagnoli*, father of six, bought the Sammontana dairy in Via del Giglio in Empoli to provide for his large family.

The dairy was named after the farm from which he got his milk.



## 1946

### **Sammontana ice cream is born.**

*Renzo*, Romeo's eldest son, turned the dairy into a Café - ice cream shop.

He learnt the basics of ice cream and became a true artist of the palate.

This is how the production of Sammontana ice cream began.

## 1955

### **From café - ice cream shop to artisan workshop.**

Ice cream sales were increasing.

*Renzo* and his brother *Sergio* began selling it outside Empoli and created a 6-litre tin can to transport it more easily.

The manufacture of single-serve ice creams had begun.

## 1960

### **From laboratory to company.**

Demands continued to increase beyond the Tuscan borders.

These were the years of the great entrepreneurial leap; *Renzo*, and his brothers *Sergio* and *Loriano*, inaugurated the company's production plant in Empoli, which is still the headquarters of the Sammontana company.

## 1980

### **The "slurp" cone.**

*Milton Glaser*, creator of cult imagery recognised throughout the world - for example, **I LOVE NY** -, created Sammontana's new logo: the slurping cone, which is still to this day a recognizable emblem of the company.

## 1988

### **Il Pasticcere is born. Start of the breakfast café tradition.**

The purchase of a bakery for the manufacture of frozen baked goods was the first step in the creation of *Il Pasticcere*, whose products are made from "mother dough".

This new beginning was also an innovative period in the history of baked goods: the croissant has already risen and the café worker simply has to bake it.



**MORE THAN 70 YEARS OF ITALIAN QUALITY  
FROM A FAMILY BUSINESS COMMITTED  
TO PASSION AND INNOVATION.**



**1957**

**Renzo chooses the brilliant claim “Gelati all’Italiana”,** to distinguish his ice cream from the ice cream introduced to Italy by American soldiers during and after the Second World War.

**1959**

**Sammontana introduces the iconic Barattolino to the market**  
Still one of Sammontana’s most popular products, the pre-packaged Barattolino range offers the perfect quantity of ice cream for family consumption.



**2008**

**The acquisition of GranMilano** (and its brands Sanson, Tre Marie and Mongelo) propelled Sammontana to become one of the top one hundred Italian agri-food companies and placed it at the top of the Italian market for industrial ice cream, alongside large multinationals in the cold sector.

**2009**

**The strategic importance of Tre Marie.**  
The Tre Marie brand allowed Sammontana to establish itself as a leader in the frozen confectionery sector in terms of share, with its first and second brands: **Tre Marie** and **Il Pasticcere**.

**2013**

**Sammontana establishes its leading position in the cold chain sector.**  
Sammontana divests Tre Marie’s festive product line, retaining ownership of the frozen pastry division.

This marked the beginning of a new path for the company that allowed it to solidify its leading position in the cold chain.

**2016**

**A new milestone in the company’s environmental commitment.**  
Sammontana strengthened its commitment to environmental sustainability by signing a Voluntary Agreement with the Ministry of the Environment in order to be aware of, measure and offset the carbon footprint of its Barattolino products. Sammontana was the first company in the ice cream sector to make this commitment.

**2018**

**A family business. From Italy to the world.**  
The drive towards internationalisation began to increase, with full respect for the company’s Italian roots. The Bagnoli family maintained the same level of passion, pride and determination as ever as it continued to produce the best quality and flavour of “Italian-style products”, which are now and increasingly being sold from the company’s factories all over the world.



## | OUR VALUES |

### The Bagnoli Family and Sammontana

share the same principles  
and values.

Above all, they practice them  
with the same  
codes of conduct.

**For us, there is no  
other way to  
be a business.**

## | PASSION |

**We are determined to do  
it, and to do it right.**

We have always taken  
care of our products,  
motivated by the greatest  
of technologies:  
love for our trade.  
Curiosity and  
experimentation stimulate  
our creativity and drive us  
to do better and better  
in an ongoing effort that  
shuns any compromise  
on quality thanks to  
our passion for superior  
quality products.

## | PRIDE |

We are proud to **be  
ambassadors of the  
identity, culture and values  
of a great Italian company**  
made up of real people, skills,  
passions and intelligence.  
People who speak and  
act with the strength  
of Noi Sammontana.

## | EVALUATING |

Evaluating, for us, is to  
do with the **relationship  
between sustainability and  
sustainable growth**. It is the  
dimension of decision-making  
focused on people, their work  
and the environment in which  
they operate.

## | RESPECT |

**We have great respect for  
work and people.** We are  
aware of the responsibility  
of our business activity, as  
reflected in our social and  
environmental efforts.  
We believe in our talents  
and in the continuous  
improvement they are able to  
bring to the organisation every  
day with their unique skills and  
responsibilities.  
We win the trust of our  
customers and consumers  
with respect and integrity, and  
we enter into agreements with  
our suppliers and partners  
with fairness  
and transparency.

## | LISTENING |

For us listening means **reducing  
distances** between people.  
It means **learning** every day  
by Doing.  
It means **understanding**  
the demands of the Market.  
It means making **progress** whilst  
respecting our origins and having  
a clear vision of tomorrow.





## | SUSTAINABILITY AND INNOVATION |

Sammontana Italia has long been committed to continually improving its products, business processes and sustainability. To achieve its continuous improvement goals, the Group creates increasingly innovative products that meet **high quality and nutritional standards**, while at the same time striving to **reduce waste and environmental impacts**.





## | OUR COMMITMENT TO PEOPLE AND THE TERRITORY |

The Sammontana Group has always paid attention to key issues. Above all, the focus on employees and all those who come into contact with the “Sammontana world” is a cornerstone of the Group's commitment. In addition to this aspect, the environment and the territory in which the Sammontana Group was established and in which it currently operates is a key area of concern for the company and one to which it will always be committed.



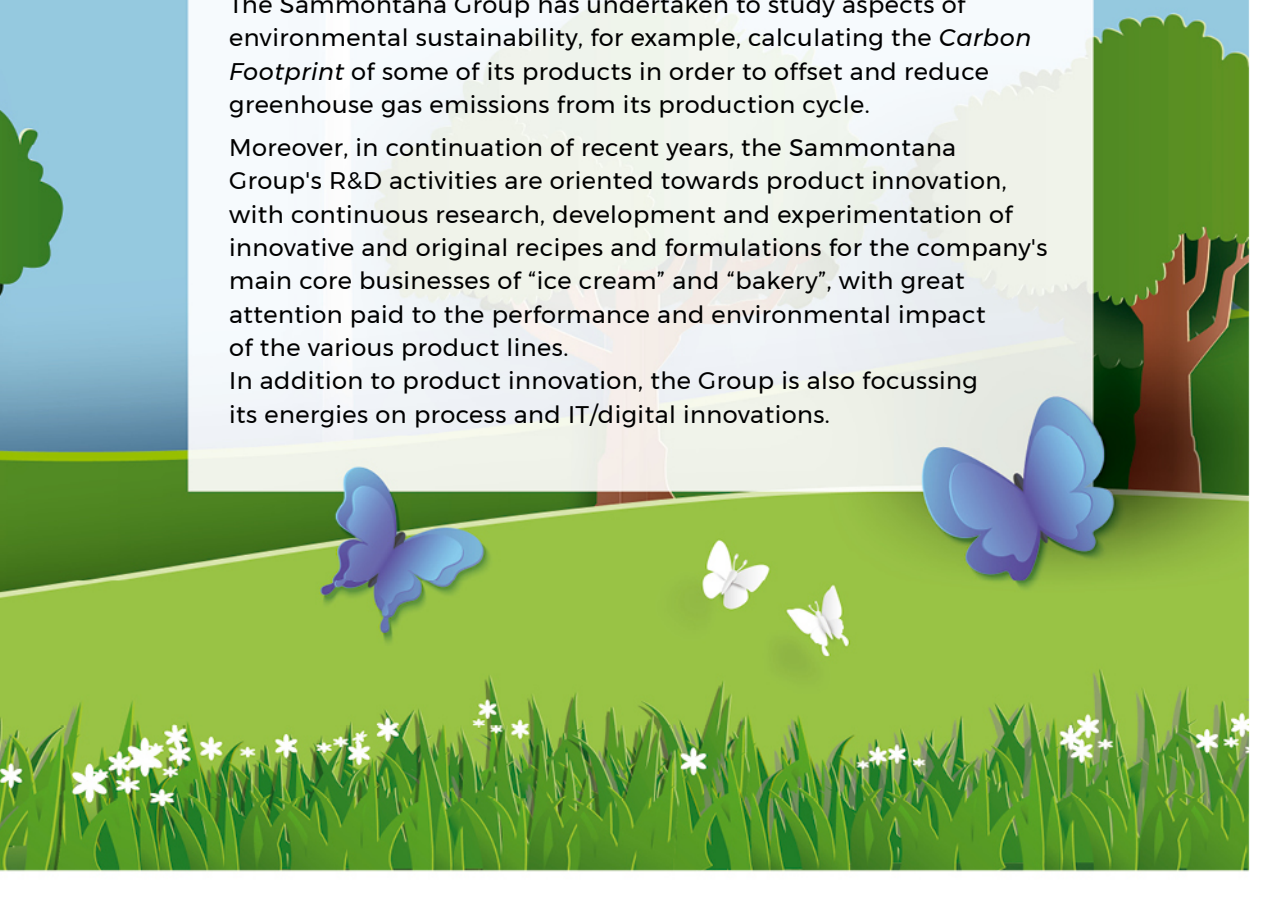
## | SAMMONTANA: QUALITY AND A SUSTAINABLE FUTURE |

The aim is to achieve a certified and transparent approach to sustainability in all its forms.

The Sammontana Group has undertaken to study aspects of environmental sustainability, for example, calculating the *Carbon Footprint* of some of its products in order to offset and reduce greenhouse gas emissions from its production cycle.

Moreover, in continuation of recent years, the Sammontana Group's R&D activities are oriented towards product innovation, with continuous research, development and experimentation of innovative and original recipes and formulations for the company's main core businesses of "ice cream" and "bakery", with great attention paid to the performance and environmental impact of the various product lines.

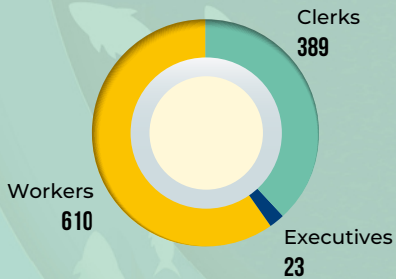
In addition to product innovation, the Group is also focussing its energies on process and IT/digital innovations.



# | HIGHLIGHTS 2021 |

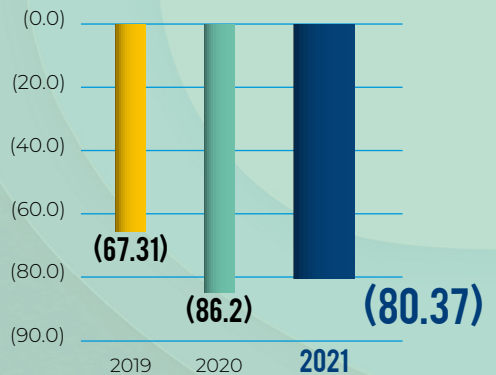


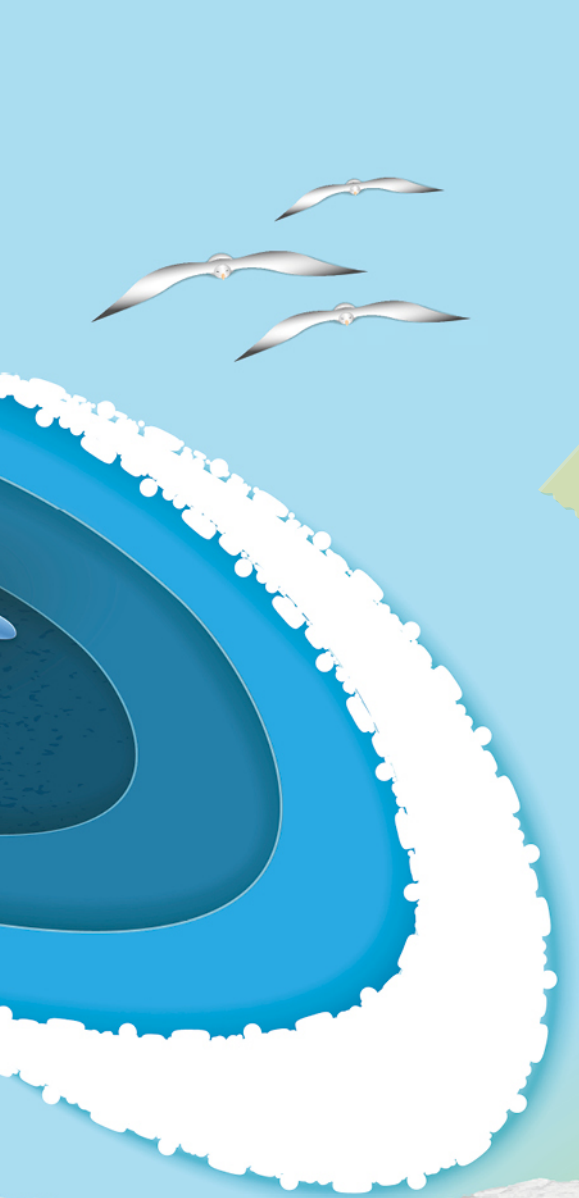
## NUMBER OF EMPLOYEES BY CATEGORY



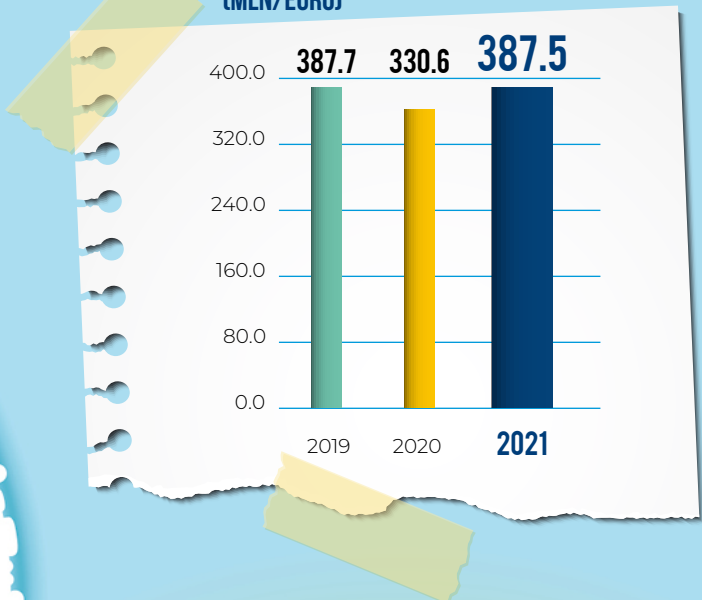
**TOTAL 2021: 1,022**

## NET FINANCIAL POSITION PERFORMANCE (MLN/EURO)

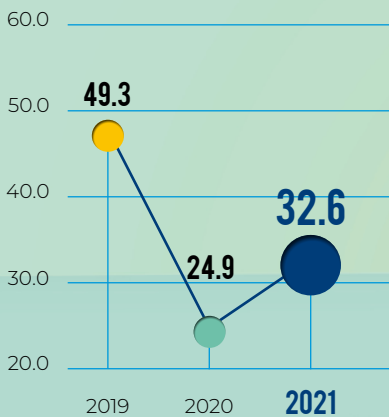




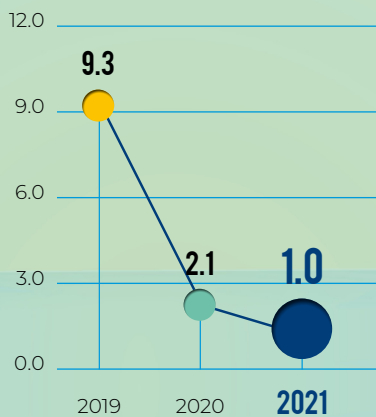
### NET TURNOVER (MLN/EURO)



### E.B.I.T.D.A. (MLN/EURO)



### ROI PERFORMANCE (%)





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The background features a vibrant, stylized scene. At the top left, a large yellow sun with radiating rays in shades of orange and red. Below the sun are soft, pinkish-white clouds. The bottom half of the image is filled with a pattern of overlapping teal and light blue scalloped shapes, resembling waves. A white, torn-edge paper strip is positioned horizontally across the middle, with a blue shadow underneath it. On the right side, there are vertical stripes in green, blue, and yellow. A small white decorative element is visible in the bottom right corner.

**1**

**REPORT ON  
OPERATIONS**



**THE SAMMONTANA  
GROUP**

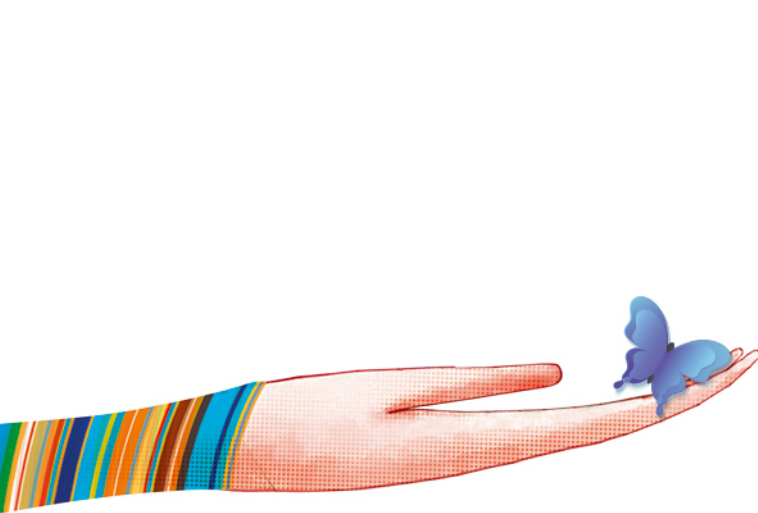




## Shareholders,

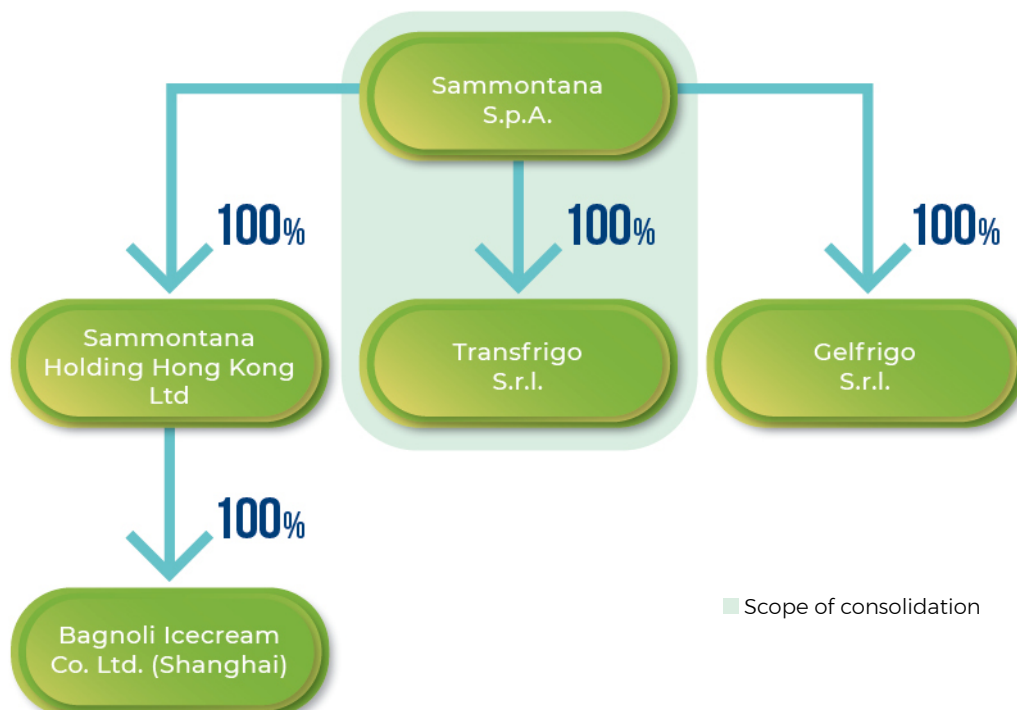
The Board of Directors of the Parent Company, which met on 30 March 2022, approved the draft financial statements for the financial year 2021 and decided to call the Annual Shareholders' Meeting, in compliance with the deadline set out in article 2364, second paragraph of the Civil Code, for 26 May 2022. The Financial Statements for approval (Balance Sheet, Income Statement, Cash Flow Statement and Notes) have been drafted and prepared in strict compliance with the regulations in force, with particular reference to their content and valuation criteria; moreover, as required by article 2423-ter, fifth paragraph of the Civil Code, the reading of the results, both balance sheet and income statement, is supported by comparing them with the results at the end of the previous financial year.

We therefore provide you with an overview of the Group's situation and performance, including with reference to key events after year-end, and the outlook.



## GROUP STRUCTURE

The consolidated financial statements of the Sammontana Group for the year 2021 have been prepared as follows:



Compared to 2020, there were no changes to the scope of consolidation.

Gelfrigo S.r.l., a wholly-owned subsidiary of the Parent Company Sammontana S.p.A., has not yet started its operations and, in accordance with the provisions of article 28 of Legislative Decree 127/1991, was excluded from the scope of consolidation because its inclusion would have been irrelevant for the purposes of clarity and giving a true and fair picture of the Group's economic, equity and financial position.

Sammontana Holding Hong Kong Ltd, incorporated in 2019 and holding a 100% stake in Bagnoli Icecream (Shanghai) Co. Ltd., (also incorporated at the end of 2019), was excluded from the scope of consolidation in accordance with the provisions of article 28 of Legislative Decree 127/1991 because their inclusion would have been irrelevant for the purposes of clarity and giving a true and fair picture of the Group's economic, equity and financial position.

## OVERVIEW OF COMPANY ACTIVITIES, TERRITORIAL PRESENCE AND DISTRIBUTION NETWORK

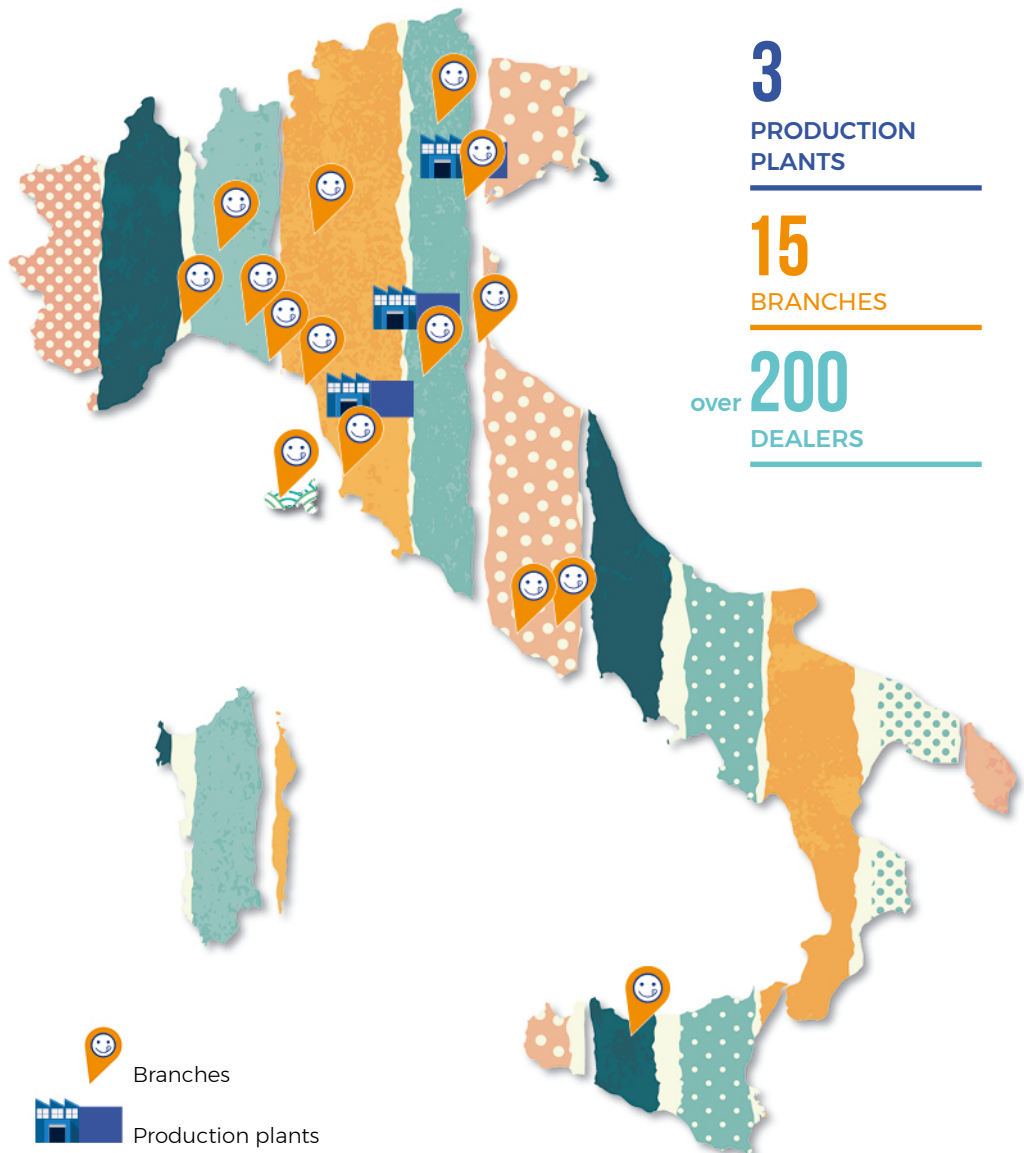
The Sammontana Group is the **second largest national operator** in the ice cream production and distribution sector.

It is also the **national leader** in the production and sale of frozen pastries. Its range of frozen goods is completed by the sale of “savoury” products (bread, buns, ready meals).

In the ice cream sector, the Group operates with its own Sammontana brand and with licensed brands (Ringo, Pan di Stelle, etc.), and also makes products under the brands of large-scale distribution chains (private labels). In the frozen pastry sector it trades under the Tre Marie and Il Pasticcere brands, and in the lunch-snack sector under the Bonchef brand.



The Group manufactures directly in **three plants located in Empoli, Vinci and Colognola ai Colli** and distributes its products through a network of more than **200 dealers** and **13 branches** located throughout Italy and at **3 "service centres"**.



## OUR BRANDS

The Brands under which the Company operates and through which it is traditionally recognised at national and international level, are essentially:

**Sammontana, Tre Marie, Il Pasticcere, Bonchef and Mongelo.**



**Bonchef** is a brand through which the Group sells first and second course ready meals that are ready to heat and eat, while Mongelo and Il Pasticcere are brands that are also owned by the Group but through which a proportion of the frozen pastries it manufactures are sold. Together, they offer a range of quality and refined products both in terms of the leavening of the mother dough and with regard to the selection of raw materials.

The **Tre Marie** and **Sammontana** brands deserve a special mention.



In particular, **Tre Marie** is a historic brand and symbol of the Milanese confectionery tradition which, at the same time, cultivates a strong link with the contemporary. Tre Marie has a fascinating history of authenticity and flavour, values and emotions. This brand has a very special history that links the first modern pastry shops of nineteenth century Milan, which were the meeting places of intellectuals at the

time, to the very recent production of high quality frozen pastry, passing through more than two centuries of improvements and product innovations with particular attention to the selection of raw materials.

The **Sammontana** brand is the historical brand of the Group under which ice cream is sold.

The Brand has a fascinating history that blends with the origins of the Sammontana Company, which was founded in 1946 by Renzo Bagnoli when the family dairy was transformed into a café-ice cream shop in Empoli.

In **1952**, the first logo was created which consisted of a red logotype with the typical calligraphic style of the time, with a long underline starting from the final letter of the text.



In **1959**, the Empoli born painter Sineo Geminiani was entrusted with creating a character for visual communication. This was how the friendly corsair licking an ice cream while winking was born; this icon coexisted with the yellow calligraphic logo.



In **1961** a new logotype was created, this time with an elongated underline and inscribed in a red oval. At that time, ice cream was delivered to cafés and dairies in a metal container designed by Sammontana which could hold six litres of ice cream; in those years of economic growth, refrigerators, which were becoming increasingly common in homes throughout Italy, and the creation of the Barattolino container meant that ice cream could be eaten at home at any time of day.



In **1981**, the company branding was redesigned by the American graphic designer Milton Glaser, the creator of images recognised across the world; he gave the cone a makeover by stylizing it and placing it in the centre of a horizontal crescent. Sammontana has always placed great importance on communicating in a cheerful, direct, sunny and Italian-style way; for this reason, the slogan “gelati all’italiana” (Italian-style ice cream) was retained.



From **1964** onwards, the icon of the corsair was used in advertising but portrayed in full length showing the slogan “**un tesoro di gelato**” (an ice cream treasure).



In **2015**, the company embarked upon a new phase of renewal by unveiling the redesigned branding: the “conetto” (small cone) symbol became more central and contemporary while maintaining the brand’s values. In line with Milton Glaser’s vision, the branding was modernized and made lighter, leaving only “Sammontana” and “Gelati all’italiana” (Italian-style ice cream) to form the shape of the brand’s distinctive semicircle.



Then in **1968** came the humanized cone with eyes, mouth, red tongue and the slogan “**gelati all’italiana**” (Italian-style ice cream); this logo was accompanied by the logotype in capital letters.

# BUSINESS AND NEWS 2021

## ICE CREAM LINE

With regard to the packaged ice cream segment, the activities planned for 2021 were affected both by the partial and intermittent closure of the horeca channel in the early months of the year, and - at the time of reopening and the actual start of the summer season - by a significant slowdown caused by the implementation and enforcement of pandemic-related restrictive measures.



With regard to products, one of the most significant new developments was the consolidation and expansion of the **Gruvi** range, which saw two new additions.

Sammontana's line of ice cream sticks with a rough character and a soft heart has been expanded with the addition of **Stracciatella Maivista** and **Caffè Sorprendente**, offering a whirlwind of different flavours and textures that will surprise you bite after bite.

The cones segment saw a major restyling of the **Cinque Stelle** brand, characterised by a redesigned logo and packaging, with a new layout that celebrates the mouth-watering goodness of the **Cinque Stelle** cones and the *100% Italian origin of its signature ingredients*. **Cinque Stelle** also expanded its range with a new product containing **100% Cioccolato di Modica IGP** chocolate granules.

Another innovation in 2021 that attests to Sammontana's commitment to sustainability was the work on the **Barattolino Classici** line, which saw the packaging switched from plastic to paper: the entire Barattolino line is now packaged in FSC-certified paper, thus achieving a significant reduction in greenhouse gas emissions. In addition, the Barattolino range was also expanded with the new **Speciality - Amore Mio** line, available in

**Cioccolato e Spagnola** (Spanish-style and chocolate), **Tiramisu Zabaione Caffè** (Tiramisu Zabaione Coffee), and **Cremino, Crema e Nocciola** (Cream and hazelnut cremino) flavours, an irresistible taste experience enhanced by a crunchy cocoa layer that reveals itself one spoonful at a time. Strengthened by its partnership with **Coppa Oro, Barattolino** was finally the protagonist of the extended co-branding activity with **Amarena Fabbri**, culminating in the birth of **Barattolino Le Delizie L'Amarena di Coppa Oro**.

Sammontana's journey to discover the flavours and aromas of Italian

excellence continued in 2021, launching on the large-scale distribution (and impulse) channels the **Aria di Toscana** limited edition, consisting of **Barattolino, Cono Cinque Stelle** and **Trancio gelato** (ice cream cakes), with the aim of paying homage to the beauty of its native region.

Added to these novelties were the new launches of the **Fruttiamo** line, which expanded the **Benessere** (Wellness) assortment with the **Alternativo** (sorbet with apple, red fruits, red grapes, beetroot, elderberries, with currant and blueberry pieces) and **Vivace stick lollies** (sorbet with apple, kiwi, lime, avocado, spirulina, with kiwi pieces).



The Company's product offering in the impulse channel was strengthened with the extension of the **Cruvi** line, with the **Stracciatella Maivista** flavour and the limited edition **Cono Cinque Stelle** and with **Trancio Aria di Toscana**, *ice cream flavoured with Vin Santo del Chianti DOC with pieces of Cantucci Toscani IGP and almond notes*, and with the implementation of the new **Coppa Oro Caffè Segafredo** co-branding activity, which helped make Sammontana's iconic cup even better.

At the same time, also in the impulse channel, we witnessed the growth of the **Fruttiamo** range, which, as in the large-scale distribution channel, expanded its line with the two new products **Alternativo** and **Vivace**.

The kids' sector saw the expansion of the **Coppa Sorpresa Gormiti** range, *the cocoa and vanilla-flavoured ice cream with a free collectible cartoon character gift*, and the new **44 Cats peach and vanilla- flavour ice cream stick** in the shape of a cat's paw, based on the cartoon of the same name and including a gift of a tattoo depicting the most popular characters from the TV series.

Sammontana's commitment to environmental sustainability therefore continued, a commitment based on the agreement made by the company with the Ministry for the Ecological Transition (formerly the Ministry for the Environment and Protection of Land and Sea) involving the measurement, reduction and offsetting of CO<sub>2</sub> equivalent emissions produced during the life cycle of Barattolino, Fruttiamo and Amando products as

well as activities promoting the circular economy.

During the summer season, **GreenGo** was the star product in the popsicle segment. This popsicle with spirulina and lime helped protect glaciers by contributing to an important project in collaboration with **Legambiente**. Thanks to this, Sammontana was able to contribute to the planting of about 3 hectares of the **Panevoggio Pale - San Martino Park**, which were destroyed following storm Vaia in 2018. Sales of this popsicle also allowed Sammontana to support the Carovana dei Ghiacciai (Glacier Caravan) project, which plays an important role in monitoring and protecting Alpine glaciers, and it had its usual appointment with "**Ci piaci un sacco**" (We love you heaps) to help clean beaches and seabeds, again in collaboration with **Legambiente**.



In addition, in collaboration with the international **Carlo Ratti Associati** design firm, Sammontana developed LidoBAM, an oasis of open-air relaxation in the heart of **BAM - Biblioteca degli Alberi** (Library of Trees) in Milan, with the first prototypes of umbrellas capable of converting sunlight into electricity thanks to the installation of photovoltaic panels on their surface. With a view to promoting and telling the stories of small villages, which are often lesser-known treasures, **Sammontana** embarked upon a new touring format and travelled around Italy visiting Sammontana beach clubs, some of which can be

found in villages ranked as the “*Most Beautiful Villages in Italy*”. In addition to this, Sammontana sponsored the **Water World Music Festival**, a boat party in the heart of the Costa Smeralda headlined by internationally renowned artists such as Bob Sinclar. Finally, Sammontana was the main partner of the **Giffoni Film Festival**, a film festival dedicated entirely to children’s films.

Confirming its desire to maintain a strong advertising presence at national level, the company continued to allocate a considerable amount of resources to the communication sector, continuing the **TV campaign on the Barattolino** and **Cinque Stelle** brands, and launching a significant Out Of Home campaign to promote the **Gruvi** ice cream sticks and the **Amando** Wellness line.

Finally, collaborations with some of the most prominent influencers on the Italian scene are worth mentioning: from **Chiara Ferragni**, who sponsored Gruvi with a number of Instagram posts and the **#GruviPow3r contest**, promoted by Pow3r, Italy’s most famous e-sports influencer, to Cristina Fogazzi aka **Estetista Cinica** (Cynical Aesthetician), who invited visitors to the Veralab Store in Milan to enjoy a Sammontana ice cream from the Amando and Fruttiamo lines throughout the summer season, not forgetting **#AmandoSI** the challenge that collected the testimonies of followers and influencers on “*gestures of love dedicated to oneself*” and finally arriving at Benedetta Rossi - **Fatto in casa da Benedetta** (Homemade by Benedetta), who, through a number of recipes, demonstrated the quality and versatility of the ice cream flavours in the Barattolino range.



## FROZEN PASTRY LINE



After the first three months of lockdown, thanks to the Vaccination Campaign, the Out-of-Home Market started to recover strongly, enabling the pastry business to close 2021 with a very positive result: **Horeca Channel +31.5% vs 2020.**

There was also an upward trend in the **large-scale distribution sector** (+16.4% vs. 2020), thanks above all to the consolidation of the "Breakfast at Home" segment, in which Tre Marie's Retail Line once again played a leading role.

**Pastry line total:** +28.5% vs 2020.  
**Tre Marie:** +30.5% vs 2020.  
**Il Pasticcere:** +29.9% vs 2020.

Although the **2021 Launch Plan** also underwent changes due to the Pandemic, the changes introduced were positively received by the market:

- Relaunch of **Grancroissant Tre Marie** (January);
- **Vegan Hazelnut and Cocoa Tre Marie** and **Il Pasticcere** (May);
- Seasonal **Strawberry-Mint Tre Marie** and **Il Pasticcere** (May);
- **3Chic** and **Joli** with 5 Cereals and Mora filling (October);
- Seasonal **Orange-Bergamot Tre Marie** and **Il Pasticcere** (November).

As an initiative to support the Horeca Channel, the **Special Breakfast - playing to win** campaign dedicated to all owners of Tre Marie and Il Pasticcere establishments registered with **Sammontana's B2B Marketing Database**, offered fantastic prizes, including vouchers for free boxes.





# RESEARCH AND DEVELOPMENT ACTIVITIES

## GENERAL INTRODUCTION

In line with previous financial years, Sammontana S.p.A.'s R&D activities continue to be oriented towards product and packaging innovation, the overall improvement of product flavour and quality (both existing and new products) and validating the experimentation of new production technologies, to be understood as an investment in process innovation.

Of no less importance are the activities of studying, researching and sampling new raw materials and materials for flexible packaging, in order to increase its aesthetic appeal and functional standards, including in terms of its environmental impact.

The operational and integrated model of the internal Research & Development division remains unchanged as it continues to work in harmony with the General Strategy and in close collaboration with the Sales and Marketing department and the heads of the production and Quality Assurance departments of all plants throughout the country.

The continuous application of specific methodologies, from market research to product concepts, from product tests to panel tests on consumer samples, allows the company to tap into new consumer trends and related opportunities to develop new products and appropriate line extensions.

This introduction applies to both of the company's main core businesses: ice cream and frozen pastry products.

The research activities will continue throughout the 2022 financial year, and the management of the parent company Sammontana SpA is confident that the positive outcome of these innovations will generate good results in terms of turnover with a favourable impact on the company's economy.





## R&D ACTIVITY CARRIED OUT IN 2021

During the 2021 financial year, the Parent Company Sammontana S.p.A. carried out activities of an innovative nature, predominantly focussing its efforts on projects that will, for the most part, be developed over the next few years. This factor also suggested capitalizing part of the development costs incurred and spreading them over several years. Below are the main activities carried out by Sammontana in 2021:

### Research and Development:

continuation of R&D activities aimed at the continuous experimentation of innovative and original recipes and formulations for the company's main core businesses, "ice cream" and "pastries", with a major focus on performance wellness and new smart and responsive consumption trends;

**Digital innovation:** continuation of the study and critical analysis of production, distribution and logistics processes, aimed at their transformation, optimisation and automation, through interconnections, integration and digitalization of specific process steps;

**Ecological Transition:** continuation of CO<sub>2</sub>eq emissions analysis activities, LCA studies, and critical surveys on circularity indices and process optimisation, aimed at technological innovation with ecological transition objectives and improving the environmental performance of products related to the company's main core businesses, "ice cream" and "pastries";

### Technological Innovation:

continuation of technological product innovation activities for the company's main core businesses, "ice cream" and "pastries", by means of different recipes, product benefits, nutritional components and production process phases, as well as technological innovation for the introduction of new or significantly improved processes, in the production and logistics departments, with rationalization of supply management and less waste creation;

### Design and Aesthetic Innovation:

symbol design, layout and graphic development of components associated with digital tools; analysis prior to the development of promotional videos; design of new graphic symbols and layouts associated with new lines or the promotion of existing lines; design and aesthetic conception of new catalogues/style books; design and aesthetic conception of new folders.

To carry out the Research & Development projects, the Parent Company Sammontana SpA incurred costs for a total value of Euro 1,819,424 in relation to which it intends to access the benefits provided by the Tax Credit for research, development, technological innovation, design and aesthetic conception activities pursuant to article 1, paragraphs 198 - 209 of the Law of 27 December 2019, no. 160.

## COMMUNICATION AND KEY EVENTS OF 2021

The communication activities in the territory were of an “institutional” nature, touching on topics related to sustainability, now the key focus of Sammontana Italia, as well as cultural topics and aimed at supporting and promoting the Sammontana Gelati and Tre Marie brands, conveying and supporting the brand values and setting targeted communication objectives, linked to the established strategic design.

The activities were designed to **add value to the major project to which the company has been committed for the past few years, *Sammontana Green*, which touches on the group's dedication to environmental and social sustainability**, including through activities to support new product launches, enhancing them in an original and memorable way, as well as by building consumer loyalty and consolidating consumer relations by communicating the intrinsic values of the different brands.



## SAMMONTANA - THE SUSTAINABLE LIDO WITH "PARELIO" (THE SUSTAINABLE BEACH UMBRELLA), AT LIDO BAM

In continuation of the journey started in 2019 with designer Fabio Novembre, a partnership was formed with the well-known international architecture firm **Carlo Ratti Associati**, which was commissioned to create umbrellas capable of producing solar energy to power beach clubs.

This is how the Parelio umbrella was created, 12 examples of which - linked together - have breathed new life into an area of the urban beach at LidoBAM - Biblioteca degli Alberi in Milan. During the summer season (from 12 June to 8 August) these umbrellas create "**The energy of the Sammontana smile**": an oasis of relaxation in the open air capable of harnessing the sun's rays to create electricity and a refreshing environment.

They are also used to power a misting system located between the umbrellas as well as a Sammontana ice cream counter. LidoBAM also opened a Sammontana BAR for use by all guests who visited the park during the summer, so as to accurately replicate a real beach club. The project was launched at a press conference at the **Riccardo Catella Foundation** on 25 May, at which Sammontana's management summarised its sustainability programme, its commitment to beach lidos and unveiled the new project through the voice of the designers.



## ● SUMMER FESTIVAL 2021

On 30 June, the traditional Sammontana summer party was held in **Milan**, at Ratanà, next to **LidoBAM** and the Sammontana beach.

The party hosted around sixty guests, including media and Italian influencers, who had the chance to sample the season's new products and hear from Sammontana management about the Parelio umbrella project and the partnership with BAM Milano.

At the event, guests enjoyed drinks and dinner and had a fun evening with good ice cream and music.



## ● CLEAN BEACHES AND SEABEDS IN PARTNERSHIP WITH LEGAMBIENTE

In 2021, Sammontana was once again one of **Legambiente's** main partners in the Spiagge e Fondali Puliti (Clean Beaches and Seabeds) campaign which aims to clear beaches and seabeds of waste. More than 60 initiatives in 15 Italian regions, all organised in full compliance with anti-covid regulations, brought

together volunteers of all ages. Families, schoolchildren, municipal administrations and companies all got involved and, together with the environmental association, cleaned up the beaches as well as the banks of rivers and lakes. Many Sammontana employees also volunteered at the event in Tuscany.

## ● FLORENCE FOLKS FESTIVAL

Sammontana also decided to support the 2021 Florence Folks Festival. A popular initiative that, through the language of musical culture and food, educates people to love the city and its surroundings. The commitment and activities of the Festival perfectly embody the actions

and values of Sammontana, whose mission is precisely that of creating high quality food products whilst seeking to improve the territory in which it operates. Sammontana was present at the Festival with its **historic ice cream cart** to offer attendees a moment of pleasure and a smile.



## ● WATER WORLD MUSIC FESTIVAL

Sammontana, which has always championed Italian music, also decided to support the Water World Music Festival in Sardinia: the star of the show was **Salmo**, a rapper from Olbia who has conquered the whole of Italy.

This show on the water got thousands of people dancing and starred the Sammontana branded Catamaran and its guests who were able to enjoy the show whilst sampling the new Sammontana products for 2021.



## ● PARTNERSHIP WITH GIOVANNI CACCAMO FOR THE LAUNCH OF “PAROLA”

The new album “Parola” by **Giovanni Caccamo**, one of the most accomplished and sophisticated young singer-songwriters in Italy, was presented on 17 September. This unique project focused on the importance of *words*, an intergenerational dialogue between souls and voices, acoustic sounds and electronics.

To better illustrate this synaesthetic project, the artist organised three special events in three extraordinarily beautiful museums: Gallerie d'Italia - Piazza Scala in Milan (16 September), the Palazzo Vecchio Museum in Florence (6 October) and the Maxxi Museum in Rome (11 October).

The main partner of these events was Sammontana Italia, which welcomed the project from a social commitment perspective, finding synergy with this project that speaks of the *future for younger generations*, a concept at the heart of Sammontana's actions.

Young people are an important reference point for the company as they are the generations that will shape the future of the country. It is therefore important to actively involve them in the quest for improvement and growth. On each occasion, it supported a charity linked to one of the project's key protagonists: “Pane quotidiano Onlus”, “Andrea Bocelli Foundation” and “Pathway to Paris”.



## ● THE COLLABORATION WITH ANT

Patty Pravo's voice, Scervino's magnificent clothes, and a commitment to ANT ( the National Tumour Association), joined forces in Piazza del Carmine on the evening of 7 July to create an event of beauty and harmony in the name of solidarity in Florence. "A night for Ant", organised to raise funds for the free home-

based specialist medical assistance service, Bimbi in ANT, for ill children was attended by four hundred guests dressed in white, who attended the fashion show by Maison Ermano Scervino. Among the sponsors was Sammontana, the event's **main donor**, who has always held the youngest children close to its heart.





## ● VERA LAB PRODUCT PLACEMENT

To support the Amando and Fruttiamo line, an ambitious partnership was forged with Vera Lab, the brand of Cristina Fogazzi, the famous **Estetista Cinica** (Cynical Aesthetician) who has almost 1 million Instagram followers

In her shop, customers were gifted with an Amando or Fruttiamo ice cream with every purchase. The customised Sammontana and Vera Lab freezer was in the shop for about a month and almost 4,000 ice creams were handed out.



## ● TUSCANY TOUR FOR THE ARIA DI TOSCANA LAUNCH

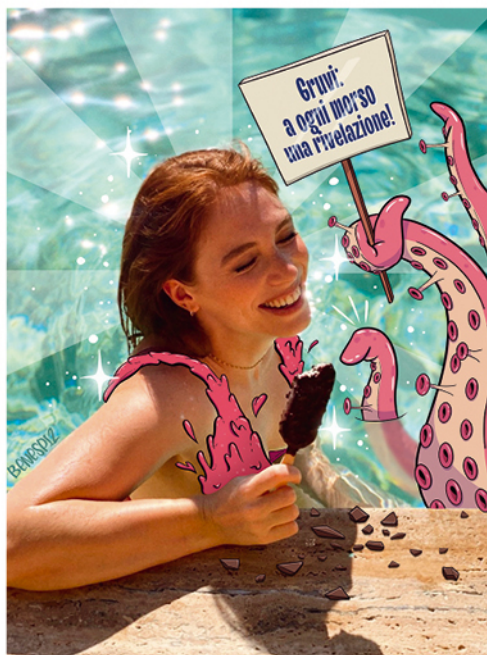
To support the new Aria di Toscana limited edition ice cream, a **media tour** was organised in Tuscany with five influencers who were able to discover the beauty of this region and learn more about the company and its products. A journey that transported the participants into the heart of this

magnificent land, its history and its flavours. In addition to discovering the Sammontana factory and tasting the Aria di Toscana novelties, they were also able to visit the production site of the Cantucci Masini, a typical local product, which made the Aria di Toscana line even more special.

## ● GRUVI - A NEW DISCOVERY WITH EVERY BITE

To support Gruvi's new products for 2021 and the entire line, two separate activities were carried out during the summer featuring various influencers. The first involved a competition with streamer **Pow3r**, who has over 900,000 Instagram followers. As part of the competition, he entertained his fanbase with challenges on Twitch and tailored content on Instagram. The prize for the 10 lucky winners was a supply of Gruvi ice cream and some customised Gruvi getags.

The second activity featured four famous influencers, the lovely **Giulia Valentina**, the actress **Ludovica Martino**, the charming **Ludovica Bizzaglia** and the inimitable **Guglielmo Scilla**. Each of the four influencers told their fanbase about their 2021 revelations and asked their followers to do the same. The best comments received a personalised Gruvi-style graphic of one of their photos created by **Benedetta Spizzichino** as a prize.





## ● BARATTOLINO IN THE KITCHEN

With the Sammontana Barattolino you can enjoy delicious ice cream from the comfort of your own home. And to make the products even more mouth-watering, the **Friends of Benedetta Rossi**, the famous food influencer much-loved by Italians, got involved. With a pinch of creativity, they came up with four mouth-watering recipes that are easy to replicate. Throughout the summer, on @55WINSTON55

and @LIFE&CHIARA's social media accounts, original recipes using the different Barattolino flavours were shared and then reshared on the @FattoinCasadaBenedetta social media account. These consisted of four video-recipes that delighted many a follower's palates and introduced them to Barattolino as the star ingredient in some traditional Italian and world recipes, making them even more special.

## ● SUMMER HOROSCOPE

**Barattolino** was also the star of a quirky activity: the summer horoscope. The famous **Luigi Torres Cerciello** humorously and light-heartedly matched the different flavours of Barattolino with the signs of the zodiac to create the most mouth-watering horoscope of the summer. These three interactive activities between June and August captivated and entertained users.



## ● AMANDOSI

Acts of love were the main feature of the AmandoSI activity, which starred ice creams from the Amando line. Four influencers told their stories through Instagram posts and asked their followers to do the same, revealing the daily acts of love that each person makes to themselves.

The best stories became a narrative storyline written by **Daniela Farnese** and completed with illustrations by **Lucia De Marco**, which was then published on the Sammontana website.

*Sammontana event  
Christmas Spirit*

A Christmas aperitif featuring the limited edition Spirito Natalizio (Christmas Spirit) line. A toast was made at the Milan location Fioraio Bianchi to celebrate the arrival of the holidays together with Sammontana.

To make the event extra special, **Father Christmas** attended, who welcomed guests and made the atmosphere even more Christmassy. There was also a wreath-making workshop for guests. Around 20 influencers were in attendance who spoke about the product and the company through live stories.





# OUR COMMITMENT TO SUSTAINABILITY





## OUR COMMITMENT TO SUSTAINABILITY

For several years now, the Bagnoli family and the Sammontana SpA Group have been aware of the need to address sustainable development issues along their supply chain. With this in mind, the company has accepted Europe's challenge to contribute as a non-party stakeholder to a conscious and fair ecological transition. The commitments made to date have taken on new meanings thanks to an increasing focus on environmental, social and economic issues. Aware that the future cannot be limited to taking from the environment but also requires giving back, the Group's activities have been fuelled by ever-increasing synergies, resources and passion, with the desire to create value and to be able to share it with the aim of evolving in a virtuous and cross-sectoral way.

### FOUNDING DOCUMENTS OF SAMMONTANA SUSTAINABILITY

The founding documents by which the Sammontana SpA Group has outlined its commitment to sustainable development are described below:

#### A) The Vision, Mission and Values of Sammontana

The desire to bring smiles to the faces of others, through quality products that celebrate the company's roots and sense of belonging while respecting its founding values:

- **love** expressed as passion;
- **pride** in Sammontana's origins;
- **respect** for work and people;
- **listening**, understood as closeness;
- **measurement** as the relationship between sustainability and long-term growth.

#### B) 17 Sustainable Development Goals (SDGs) - UN Agenda 2030

With the aim of building a sustainable future for our planet, in 2015, the UN member countries agreed to commit to the 17 Sustainable Development Goals (SDGs) that make up the 2030 Agenda.

The SDGs have a universal character and are founded on the integration of the three dimensions of sustainable development: environmental, social and economic, as a prerequisite for eradicating poverty in all its forms.

It recognises the close link between human well-being and the health of natural systems and the common challenges that all countries face.

With this in mind, it touches on several interconnected areas that are fundamental to ensuring the well-being of humanity and the planet: from the fight against hunger to the elimination of inequalities, from the protection of natural resources to establishing sustainable production and consumption models.





Of the 17 Sustainable Development Goals, Sammontana has identified 9 of them to which it can directly contribute and has incorporated them into its own strategy:



**GOAL 2**

End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



**GOAL 8**

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



**GOAL 6**

Ensure availability and sustainable management of water and sanitation.



**GOAL 12**

Ensure sustainable consumption and production patterns.



**GOAL 7**

Ensure access to affordable, reliable, sustainable and modern energy.



**GOAL 13**

Take urgent action to combat climate change and its impacts.



#### GOAL 14

Conserve and sustainably use the oceans, seas and marine resources.



#### GOAL 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



#### GOAL 17

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

#### C) European Green Deal.

Climate change and environmental degradation pose a huge threat to Europe and the world. To overcome these challenges, Europe is developing a strategy for growth that will transform the

European Union into a modern and efficient economy including in terms of resource management, among other things. There are essentially three main aspects of this strategy:

- a. No greenhouse gas emissions by 2050;
- b. Economic growth shall not be associated with resource use;
- c. No person or place shall be left behind.

To follow up on this strategy, the **European Green Deal** was drawn up as a roadmap for making the economy sustainable.



#### Green Deal

The objectives will be pursued by:

- Working with supply chain partners especially from the agricultural sector to reduce the carbon footprint;
- Increasing efforts to reduce food waste and litter through increased consumer awareness;
- Reducing the use of pesticides, fertilizers and antibiotics;
- Adopting the Farm to Fork Strategy<sup>1</sup>.

<sup>1</sup> Literally: "from farm to fork". Its main feature is that it is founded on the close connections between all operators in the supply chain and on the crucial importance of the relationship between farmer and consumer, albeit mediated by intermediary steps.

**D) Farm to Fork.**

In pursuing the objectives of the EUROPEAN GREEN DEAL Sammontana has adopted the Farm to Fork strategy for a fair, healthy and environmentally friendly food system:

- to ensure sustainable food production;
- to ensure access to food by promoting equity in the supply chain;
- to encourage sustainable food processing and distribution;
- to promote healthier and sustainable nutrition, reduce food waste and litter, combat fraud along the food chain.



Although Europe agreed on the need to pursue this strategy, the Paris Agreement itself makes it clear that the involvement of EU member states alone is not enough to achieve the Sustainable Development Goals, nor to achieve the ambitious targets of zero emissions by 2050, as required by the European Green Deal. This explains the importance of the involvement of *non-Party stakeholders*, highlighting the crucial role of industry in the fight against climate change.

This is why, in order to interweave the Sustainable Development Goals, decarbonisation and the principles of the Green Deal, the Farm to Fork strategy, as well as the founding principles of its “vision, mission and values”, Sammontana has responsibly chosen to embark upon its sustainability journey.



## CONTEXT AND PARTNERSHIP ANALYSIS

### The Agreement with MITE as part of the National Environmental Footprint Assessment Programme.

Sammontana places great importance on partnership. In line with Sustainable Development Goal 17, it signed a voluntary agreement with the then Ministry of the Environment in 2016 as part of the National Environmental Footprint Assessment Programme. In 2021, this agreement was renewed with the new Ministry for the Ecological Transition. This agreement was expanded, in particular, by the corporate approach it took following the

inclusion of the pastry business. The agreement therefore now consists of three important chapters:

- 1) **Continuing activities to analyse the environmental footprint** of ice cream products by including products related to the frozen pastry sector and promoting initiatives dedicated to improving the sustainability of Sammontana products;
- 2) **Drawing up a proposal for Product Category Rules** for the ice cream and pastry sector;
- 3) **Developing eco-design projects in the ice cream and pastry sector.**



## SAMMONTANA'S THREE PILLARS OF SUSTAINABILITY

The analysis of the context and the founding documents resulted in the main work guidelines that have taken the form of **Sammontana's three Pillars of Sustainability**, made public during 2021 on the revamped Sammontana Sustainability website<sup>2</sup>.

In this context, the company's activities aimed at pursuing sustainability goals find their place within the three pillars, which are directed towards three areas of attention that interweave economic, social and environmental aspects.

The first pillar is aimed at human health and well-being, in the context of the production of indulgent products, through recipes and formulations that are increasingly attentive to a demanding but also vulnerable consumer audience. The second pillar is aimed at ensuring economic, social and environmental sustainability throughout the supply chain, with a particular priority given to the basic raw materials: milk, wheat and almonds.

Finally, the third pillar: the purely environmental "Green" one, which sets "decarbonisation" as its ultimate goal.



1. Nutrition, diet and attention to well-being / satisfaction
2. Animal Welfare
3. The Fight Against Food Waste



1. Financial (Profit)
2. Environmental (Planet)
3. Ethical and social (People)

The supply chain is said to be sustainable when the main activities are pursued by means of a close connection between the environmental impact and the economic and social implications throughout the production chain.



1. Reducing greenhouse gases (decarbonization)
2. Reducing water use
3. Renewable energy and energy supply
4. Reducing the impact of waste and packaging

<sup>2</sup> <https://sostenibilita.sammontana.it>

Through these three pillars, Sammontana is taking an organisational approach in order to measure itself. In this way, the group will take useful initiatives not only to adopt a strategy to reduce its climate-changing emissions but also to pursue the Sustainable Development Goals that it is able to commit to. Sammontana, as it has always done, manufactures products that are very popular among the younger generations: with this path it seizes the opportunity and the challenge to consider the well-being of future generations.



## PILLAR 1 / HEALTH AND WELL-BEING

Sammontana has chosen to take on new challenges in the area of its products, turning its attention to the most demanding and sensitive consumer categories, focusing not only on the various aspects required by the founding documents recommended by the European Community, but also on the intrinsic nature of the products themselves.

This pillar includes the commitment to food safety, which is increasingly

linked to the food chain and animal welfare.

Finally, in synergy with the Farm to Fork Strategy, the Company wants to facilitate access to food by promoting equity in the supply chain.

The main topics on which the activities relating to this Pillar are focused are summarized below:

- 1. Nutrition, diet and attention to well-being / satisfaction**
- 2. Animal Welfare**
- 3. The Fight against Food Waste**

The first pillar interprets the SDGs through initiatives aimed at:

- **Reducing** waste, optimising production processes and making the most of by-products, thus contributing to the second objective of sustainable development;
- **Developing** increasingly “easy label” formulations, reducing and where possible eliminating the use of preservatives, additives, artificial flavourings and colourings, thus helping to promote Sustainable Development Goal 12;
- **Promoting** biodiversity, which, with regard to crops, creates a natural protection system for them, making it possible to reduce chemical substances that are excessively used for pest control purposes and harmful to human health as well as the ecosystem.



formulations, Sammontana is therefore committed to promoting and encouraging biodiversity and animal welfare.

Goals **12** and **15** also reiterate the **importance of animal welfare** as a necessary and indispensable condition for safeguarding life on earth and ensuring sustainable production and consumption patterns. In fact, the safety of the food chain is directly linked to animal welfare, particularly in the case of animals bred for food production, given the close links between animal welfare, animal health and food-borne diseases affecting humans.

The objectives pursued by Sammontana are in line with the indications reiterated by the Green Deal regarding the need to reduce pesticides, fertilisers and antibiotics as well as the Farm to Fork strategy which, in addition to aiming for sustainable food production, ensuring access to food and promoting fairness in the supply chain, encourages more sustainable food processing and distribution, promotes healthier diets and supports work to reduce food waste and food refuse, while combating fraud along the supply chain.

Through its choice of raw materials of animal origin in its product



## 1. Nutrition, diet and attention to well-being / satisfaction

### Ice Cream Division

Sammontana's objective is to pursue a qualitative and nutritional improvement of new products and a progressive improvement of existing ones without compromising the pleasure associated with the consumption of ice cream.

The actions carried out to date have made it possible to create and consolidate product lines that fall within the wellness range and to adopt guidelines for all products that pursue the objectives of clean labelling and nutritional improvement by reducing sugar and fat.

Transversal guidelines for the Sammontana product range to be adopted for new developments and for the possible improvement of existing products were developed both for new ingredient formulations and for the gradual improvement of existing formulations.

In 2021, work began to reduce fat (0.4%) and sugar (0.3%) in a group of recipes that make up 20% of the total volumes produced and affecting 46 permanent Sammontana products, as well as to gradually replace colouring agents with ingredients with a colouring effect.





The products in the wellness range are:

**Amando milk-free and gluten-free product line certified “Vegetal OK”**

In 2021, the Amando Almond Milk Line consisted of 10 products in the categories of sticks, cones, sandwiches and trays for take-away and bulk. The line, originally created to cater for people with particular nutritional choices or needs, those with milk and gluten intolerances or vegans, now meets the approval of a wider public.

**Fruttiamo line**

This is a 100% plant-based line with products containing fruit or fruit and vegetables.

The line currently consists of 16 products, 8 of which are drops for drinks and slushies; 100% plant-based ingredients, no colouring agents, no added sugar, no flavourings.

In 2021, with respect to 2020 no recipe changes were made to the products in the Fruttiamo range.

**Levia**

Levia is a line of sugar-free popsicles containing plant-based Stevia sweetener. The product is rich in fibre, fat-free and gluten-free. This line is now sold by large retailers. The range has potential for expansion.

**Product line designed for children**

At the end of 2020, Unione Italiana Food, in agreement with the member ice cream companies, established the nutritional requirements to be respected in order for a product to be marketed at children: values per portion lower than 110 kcal and 12 g of sugar.

In 2021, Sammontana had 6 products in the café channel that meet the new requirements and intends to create more in the near future.

**Uau line**

A high-protein ice cream product line: in 2021, 2 ice cream tubs and a protein bar were available on the market.



## Frozen Pastry Division

**The Group's main objective is to improve the nutritional and ingredient profile** of pastry products in comparison to the category standard, while maintaining the same level of indulgence in an inseparable combination of the first two areas of focus.

The efforts made and expressed last year to significantly reduce the sugar quotas in recipes, including both sucrose and glucose syrup, are being continued.

In addition, the Research & Development division continues to take further action to reduce additives, working on recipes but also on the selection of new raw materials and semi-finished products, as well as on the revision of existing ones.



## 2. Animal Welfare

**The safety of the food chain is directly linked to animal welfare,** especially in the case of animals bred for food production.

Indeed, sources of **stress and poor welfare conditions can result in animals being more susceptible to transmissible diseases,** which can pose a risk to consumers.

With this in mind, in 2020 the Company switched all egg products in its recipes and semi-finished products purchased to eggs from free-range hens and negotiations are underway with 50% of the direct egg suppliers in order to stop using eggs from “combined systems”<sup>3</sup>.

Finally, at the specific request of some customers, Sammontana purchases and uses Kat-certified eggs. With regard to milk and dairy products, Sammontana, in collaboration with ERGO (a Spinoff of the Scuola Superiore Sant’Anna in Pisa) and in the context of the second pillar on sustainable supply chains, has reviewed its suppliers in order to identify the most ethical practices and create an animal welfare specification to be shared along the value chain. This project will be continued over the next few years.

## 3. The Fight against Food Waste

In synergy with the Farm to Fork Strategy, in order to ensure access to food by promoting fairness in the supply chain, and in pursuit of Food Security, the **Company is looking for ways to use products obtained from processing waste from other supply chains as raw materials in its recipes.** Other activities to promote the fight against food waste concern technical-technological improvements on production lines and more efficient management of finished products.

In addition, **Sammontana promotes initiatives such as donating its products to Banco Alimentare (food banks).**



<sup>3</sup> So-called “combined systems” refer to particular types of multi-storey farms in which, in addition to the floor, hens can also move between one or more floors placed at different heights and in which, if necessary, they can be confined in cages. In this regard, combined systems are actually very similar to cage systems.



## PIILLAR 2 / SUSTAINABLE SUPPLY CHAINS

In synergy with the requirements of Farm to Fork, **Sammontana considers it important to source its supplies from certified sustainable supply chains.**

The supply chain is said to be sustainable when the main activities are pursued by means of a close connection between the environmental impact and the economic and social implications throughout the production chain.

In this sense, the main activities, technologies, resources and organisations involved in the creation, **processing, distribution, marketing and supply of a finished product** must be pursued through sustainable development, connecting environmental impact and economic and social implications throughout the supply chain.

The integration of the three dimensions of sustainability in the

context of choosing suppliers and promoting socially and economically equitable agricultural and production policies contributes to the pursuit of Goal 2 and Goal 8 (Zero Hunger, Decent Work and Economic Growth).

Alongside this, the pursuit of the Sustainable Development Goals set out in the second pillar help to meet Europe's call to commit to creating supply chain partnerships with the aim of reducing the carbon footprint throughout the life cycle and pursuing social and economic equity throughout the supply chain by means of the Farm to Fork strategy.

The supply chains that received the most attention are those underlying the products, as well as the characterizing ingredients and packaging materials, such as:

- Cow and almond milk for the ice cream sector;
- Soft wheat flour for pastries;
- Packaging entering and leaving our plants.

**In this context, the Sustainability Group has forged close relations with certification bodies and universities** in order to scientifically validate and promote with greater visibility the projects that fall under this pillar.

In 2021, the plants in Colognola ai Colli and Vinci obtained ISCC Plus certification for the pastry products made in the factories. All wheat flour used for products made for the Tre Marie, Il Pasticcere



and Mongelo ranges will therefore be ISCC Plus certified from 2022 according to the mass balance chain of custody. Through this initiative, Sammontana commits to promoting sustainable agriculture for the soft wheat chain.

At the same time, in 2021, the Empoli plant was awarded ISCC Plus certification as brand owner, which is valid for the use of a particular container, the “sorbettiera” (sorbet maker) produced with bio circular plastic. The sourcing of bio-based raw materials in the production of plastics, as a replacement to fossil-based plastics, helps reduce the environmental impact.

Sammontana SpA also pays attention to “complementary” supply chains.

For example, since 2016, all Sammontana ice cream products have not contained palm oil, a raw material that was removed from all semi-finished products that contained it. For those Pastry products for which substitution was not possible, Sammontana responsibly chose RSPO certification, which covers the purchase of all palm oil contained in the vegetable margarines of its products.

Since 2020, only UTZ-certified cocoa in UTZ-certified cocoa powder has been used, and in 2021 the parent company Sammontana SpA started the process of aligning with the new Rainforest Alliance standard.





## PILLAR 3 / ENVIRONMENTAL IMPACT

The third pillar addresses eco-sustainability and brings together all objectives where decarbonization is the main driver of environmental impact. This concept fully adheres to the 13<sup>th</sup> Goal but also embraces other goals in a cross-cutting way.

For example,

- those related to life on land and in the sea;
- the need to increasingly promote renewable energy sources, while reducing their wastefulness;
- the need to prioritize eco-friendly production systems, drastically reducing the use of chemicals that are harmful to both humans and

the environment and reducing the production of food waste, based on the principles of circularity;

- the pursuit of reducing water consumption, as water is a primary and essential source of sustenance for life on earth.

This is all part of the ambitious Green Deal goal of making Europe the first zero-emission continent by 2050 through the Farm to Fork strategy.

In 2021, Sammontana further developed initiatives to reduce the overall environmental impact of its activities.

The company implemented new activities and projects focused on the following areas:

- 1 Reducing greenhouse gases<sup>4</sup>,**
- 2 Renewable energy and energy supply,**
- 3 Reducing water use,**
- 4 Reducing the impact of waste and packaging.**

These areas of focus have been outlined with the aim of meeting the one fundamental numerical target set by the Green Deal's "climate pact": zero emissions by 2050 and a reduction of up to 55% by 2030.

<sup>4</sup> Ongoing climate change is transforming our planet. In the last two decades we have experienced 18 of the hottest years ever recorded and extreme weather events such as forest fires, heat waves and floods are becoming increasingly frequent in Europe and around the world. Scientists warn that, unless urgent action is taken, by 2060 global warming is likely to exceed pre-industrial levels by more than 2°C and could even reach 5°C by the end of the century. This rise in global temperatures will have a devastating impact on nature, causing irreversible changes in many ecosystems with consequent loss of biodiversity. Higher temperatures and more intense weather events will also result in huge costs for the EU economy and will hamper countries' food production capacity. Source: <https://www.consilium.europa.eu/it/policies/climate-change/#>.

## 1. Reducing greenhouse gases

### DECARBONIZATION WITH THE ATLANTE PROJECT

In order to pursue its decarbonization goals, in 2021 Sammontana launched an ambitious project with Ergo, the spin-off of the Scuola Superiore Sant'Anna in Pisa: the project, called Atlante, made it possible to define an emission base line which was determined by measuring its own activities. Based on this starting point, a series of initiatives were identified to eliminate avoidable CO<sub>2</sub> emissions throughout the life cycle. Sammontana then measured its environmental impact expressed in tonnes of CO<sub>2</sub> eq/year from 2016 to 2021.

### METHODOLOGICAL APPROACHES AND SCIENTIFIC COMMUNICATION

Sammontana SpA has recognised that in order to pursue sustainable development, it must also adopt models for the circular economy according to a rigorous and scientific approach.

In addition, aware of the importance of communication as a tool to raise awareness and consciousness, it proudly initiated a project making it possible to affix a mark to some of its products bearing the **MADE GREEN IN ITALY** logo that would clarify, through a rigorous labelling system, the environmental impact of a product within its category.

### CIRCULAR ECONOMY APPLIED

Back in 2018 Sammontana embarked on its journey to learn more about its circularity index starting with the ice cream division and adopting the model developed by the Ellen MacArthur Foundation for the technological cycle (circularity of packaging) and the model studied by Spinlife<sup>5</sup> for the biological cycle (circularity of raw materials used in production). The results achieved, in particular for its technology cycle, are very high: around 80% as circularity index, as already assessed at the beginning of 2019. In the course of 2021, it updated its studies, confirming excellent results in terms of circularity.

In line with its path to achieving a corporate strategy, in 2021 Sammontana joined a select group of companies that used a sophisticated tool, structured by Sum, a spinoff of the Scuola Superiore Sant'Anna in Pisa, to measure its circular economy as an organisation.

### MADE GREEN IN ITALY

The rationale behind such a label is the creation of a "labelling system" that, as in the case of energy classes for household appliances, qualifies as a class "A" those products that have reduced environmental impacts compared to those of an average market product taken as a reference and, consequently, defined as a benchmark. Since 2019, through its

<sup>5</sup> Spin Life is a spin-off of the University of Padua.

participation in the European *Life Magis* call for tenders, Sammontana SpA has contributed to the drafting of specifications and regulations for the Italian ice cream market in collaboration with the company ERGO, a spin-off of the Scuola Superiore Sant'Anna of Pisa, and other market players.

Sammontana SpA submitted the technical specification to the Ministry for the Ecological Transition, which was approved in December 2021; since 2022, Sammontana has therefore been able to aspire to obtain the **Made Green in Italy** label for those products that are in line with the defined targets.

The Made Green in Italy scheme, which is based on the PEF-Product Environmental Footprint methodology, envisages an initial phase of elaboration of specific PCRs containing the methodological indications defining the mandatory and optional requirements necessary to conduct environmental footprint studies for specific product categories. In fact, only in the presence of valid PCRs was the company able to take part in the scheme with one or more of its products.

These general rules are aimed not only at the Italian market, but are also valid for products that are exported to foreign markets.

Thanks to these methodological indications, consumers have a greater awareness of the environmental sustainability of the products they buy.





## CERTIFIED LCA STUDIES OF PRODUCT LINES

The 2021 Barattolino line has an average greenhouse gas impact of 3.424 kg CO<sub>2</sub>eq. per kilogram of ice cream, an average water scarcity impact of 3.54 m<sup>3</sup> world eq. per kilogram of ice cream and an average land use impact of 453.01 Pt per kilogram of ice cream.

### Barattolino Line Performance

Given Sammontana's desire to reduce its environmental impact and, specifically, to reduce the CO<sub>2</sub> equivalent emissions generated throughout the life cycle of its products, it must plan actions to improve and monitor environmental performance on an annual basis. The company has worked hard in recent years to reduce the CO<sub>2</sub> eq. emissions generated throughout the life cycle of the Barattolino Line; the main actions taken include the adoption of polythene paper packaging to replace the plastic packaging and, thanks to an Eco Design approach, it has also been possible to reduce emissions of CO<sub>2</sub> eq. through targeted interventions on product recipes.

**Overall, the actions taken by Sammontana in the period 2020 - 2021 on the Barattolino Line have generated a percentage reduction in CO<sub>2</sub> eq. emissions of -10.6% compared to the previous year and -13% compared to the initial level, which corresponds to 4,782,596 kg CO<sub>2</sub> eq. of prevented emissions<sup>6</sup>.**

Having completed the LCA (Life Cycle Assessment) study of the Barattolino Amando and Fruttiamo ice cream product lines, for which it was possible to quantify the total CO<sub>2</sub> eq. emissions, Sammontana can easily offset the residual emissions that cannot be avoided, thereby adding value to its products. To offset residual emissions, Sammontana has already taken part in two major projects including the construction of a wind farm in Rajasthan (India) and reforestation in Uruguay.

In 2021, the first LCA study for the frozen pastry sector was carried out and subjected to third-party verification by CSQA Certifications. The study concerned products from the Tre Marie line distributed in the large-scale distribution channel, and was adopted as an eco-design tool with the aim of achieving continuous improvement in environmental performance. The Tre Marie line, distributed in the large-scale distribution channel, has an average impact in terms of greenhouse gas emissions equal to about 5.090 Kg CO<sub>2</sub>eq. per kilogram of product, in terms of total water scarcity equal to about 7.962 m<sup>3</sup> world eq. per kilogram of product and in terms of land use equal to 321.919 Pt per kilogram of product.

<sup>6</sup> The calculation was subject to third-party verification conducted by CSQA Certifications.



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## LCA STUDIES IN COMPARISON WITH THE FOCUS ON CO<sub>2</sub> EQ.

Sammontana has long understood that in order to improve, it must measure itself and understand which phases of the life cycle of its products generate relatively high CO<sub>2</sub> eq. emissions.

By analysing the results obtained for the Barattolino Line and the Tre Marie Line sold in the mass distribution channel, we can understand how the two product types of Ice Cream and Croissants generate CO<sub>2</sub> eq. emissions at different stages of the life cycle.

The studies carried out on the Barattolino Line and the Tre Marie Line show that the raw material phase is the phase with the greatest impact in terms of CO<sub>2</sub> eq. for both product categories; given the low amount of packaging used for the Tre Marie Line, this phase has lower CO<sub>2</sub> eq. emissions than the Barattolino Line.

The two product types, Ice Creams and Croissants, are consumed in different ways. The use phase of the products' life cycle includes the impacts related to the actions performed by the consumer from the moment the product is purchased until the packaging is deposited in the appropriate waste collection points. The CO<sub>2</sub> eq. emissions associated with baking the croissant using a domestic oven are taken into account in this step. This process proves to be very energy-intensive, which is why the use phase for the Tre Marie Line is more impactful than that of the Barattolino Line with regard to CO<sub>2</sub> eq. emissions.

Based on the above, the results of the impacts in terms of CO<sub>2</sub> eq. for the Barattolino Line and the Tre Marie Line are not comparable as they represent very different product types.

For the Barattolino Line, the average KPI of the impact in terms of emissions is 3.424 kg CO<sub>2</sub> eq./kg<sup>7</sup>.

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<sup>7</sup> The calculation was subject to third-party verification conducted by CSQA Certifications.

## PROJECT GREENGO AND THE CLEAN BEACHES PROJECT

Concern for the environment undeniably intersects with the economic and social impact of territories.

In 2018, storm Vaia severely impacted the Paneveggio - Pale di San Martino Nature Park in Trentino Alto Adige. The need to restore these forests through operations to remove the trunks and stumps and restore the natural environment by planting trees is inextricably linked to the territory, which is home to indigenous populations and tourists who have been deprived of an invaluable natural resource with environmental, social and economic impacts.

Climate change causes glaciers to melt, leading to disasters such as the storm that destroyed the Paneveggio forest area. Mindful of these impacts, Sammontana chose to partner with Legambiente to create, as part of the **Trentino Tree Agreement**, the GreenGo project: a project aimed at recovering the forest, with the dual goal of repairing the damage of the storm and offsetting the excess CO<sub>2</sub> present in the atmosphere. After all, only trees can offset the excess CO<sub>2</sub> caused by human activities through chlorophyll photosynthesis.

Thanks to this initiative, which began in the summer of 2020 and continued into 2021, the proceeds from GreenGo sales were donated to the replanting, restoration and preservation of approximately 3 hectares of forest.

At the same time, the collaboration with Legambiente for the *Clean Beaches/ Clean Shores project* is underway: the event brings together volunteers of all ages to clear Italy's coastlines of all waste.





## PACKAGING

The synergies and investments within the company aimed at optimising and reducing the environmental impact of the various types of packaging are ongoing.

A number of indicators give proof of the company's commitment to sustainability issues including, for example, the **KPI<sup>8</sup> for the reduction of plastic-based packaging, which for the year 2021 stands at an index of 0.185, exceeding the projected target and significantly lower than in previous years.**

This result is also the fruit of the company's expansion of paper-based packaging, whose product portfolio has increased to include not only flagship products such as Barattolino, but also other ranges.

Speaking of the Barattolino line in particular, 2021 was the year that saw the adoption of poly-coated paper across the Line, with lids and bases designed and made from FSC-certified poly-coated paper<sup>9</sup>.

Throughout 2021, and in continuation of the activities completed in 2020, further tests were conducted in the Company's various business segments for the reduction of flexible wrapping

films in a bid to standardise the results across the various plants by adapting and improving the technological process.

The actions implemented to date have saved an equivalent of more than 20 tonnes of plastic per year; these quantities, which have therefore not been placed on the market, have had a positive impact on several indicators, one of which is end-of-life management. These results are a great success for the company, the credit for which can be attributed to the work of cross-functional teams.

Plastic was not the only material involved in this process of reduction; in fact, the company has worked and is developing solutions to optimise the marketing of tertiary packaging by streamlining the number of formats used, both in terms of compositional quality and shape.

Increasing attention is also being paid to communication and clarity towards the end consumer, with the aim of not only developing a greater awareness of waste disposal but also sharing improvements in the environmental impact of innovative solutions adopted for new packaging. In addition to the above strategies, the company has dedicated itself to

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<sup>8</sup> This indicator is calculated as the sum of the weights of primary and secondary packaging purchased from 01/01/21 to 31/12/21, which enter the direct production cycle, subject to CO.NA.I. contribution for the plastic material band / Sum of the weights of primary and secondary packaging purchased from 01/01/21 to 31/12/21, which enter the direct production cycle, subject to CO.NA.I. contribution for all material bands used (Plastic + Paper + Wood + Aluminium).

<sup>9</sup> FSC is an international, independent, non-profit, non-governmental organisation established to promote the responsible management of forests and plantations, whose forest certification system is internationally recognised. The FSC logo guarantees that the product has been manufactured with raw materials from forests that are properly managed according to the principles of forest management standards and the chain of custody.

developing new innovative materials through a diversified partnership system.

One such example is the Sorbetteria Lobata packaging, manufactured with more than 50% bio-based plastic and ISCC Plus certified.

Other exciting projects are at an advanced stage of development, including the freshness-saving film structures of products such as the Sorbettiere, with a higher degree of recyclability than current standards.

## 2. RENEWABLE ENERGY AND ENERGY SUPPLY

### ENERGY SUPPLY AND REDUCTION OF CONSUMPTION

In order to improve its products and production processes to increase its competitiveness in the markets, Sammontana has always made considerable efforts in terms of technical and technological investments. In recent years, it has been increasingly focused on developing an internal energy production system to optimise the efficiency of the energy system. Furthermore, year after year, it tries to find innovative solutions to reduce energy consumption both by optimising production lines and by implementing energy efficiency projects.

The photovoltaic park installed by Sammontana in 2021 made it possible to produce electricity from solar energy, increasing the energy produced by 86,000kWh compared to 2020.

In order to optimise the efficiency of the internal energy system, the company built two Tri-Generation plants with a capacity of 2 MW, one at the Empoli plant in 2016 plant and the

other at the Colognola ai Colli plant in 2020. This made it possible to reduce purchases of electricity from the supplier and of methane for the direct use of the boilers, in order to meet thermal energy needs.

For Sammontana, 2021 was the first full year of operation of the two tri-generators, which allowed us to test the current internal energy system.

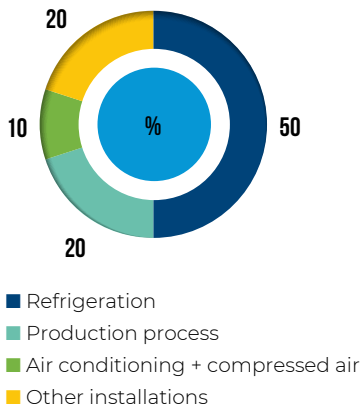
By carefully managing the tri-generation systems throughout 2021, Sammontana significantly increased the percentage of self-generated electrical energy compared to the previous year and also increased the amount of thermal energy produced by the tri-generators compared to that produced through the use of boilers. Sammontana's tri-generator plants are concrete examples of targeted actions to meet climate targets.

### REDUCING ENERGY DEMAND

Above and beyond the overall figures, Sammontana SpA, in both its ice cream and frozen pastry divisions, made targeted investments and management measures to reduce energy requirements again this

year. According to the breakdown of requirements, the energy required for the operation of the refrigeration plant is most significant, accounting for approximately 50% of the total energy used (as shown in the graph below).

## ENERGY DISTRIBUTION OF PLANTS



The refrigeration processes were also the subject of major technological investments in 2021. In particular, at the Empoli plant, two high-efficiency motors were installed to replace the previous ones, which, together with dedicated drives, allow maximum refrigeration yield conditions to be obtained, permitting an estimated reduction in electricity consumption of about 200,000kwh in 2021.

At the Vinci plant, in the production room, the installation of the latest generation of LED lamps was completed in 2021, with an estimated reduction of about 110,000kWh of energy used for lighting.

In addition to this, Sammontana improved the overall efficiencies of some specific lines (Barattolino line, Gruvi and fast pastry lines), which resulted in further reductions in energy requirements.



### 3. REDUCING WATER USE

Fresh water and its use is a topic on which the company focuses much of its attention, given that it is such a vital and exhaustible resource of our planet.

Since 2019, any surplus hot water used for the pasteurisation stages at the Empoli plant has been collected in a special tank to be reused for rinsing during the washing stages of the

production lines, thus avoiding the use of fresh water.

As of 2021, a major plant modification was carried out to recycle water from the pasteurisation phase at the Cognola ai Colli plant.

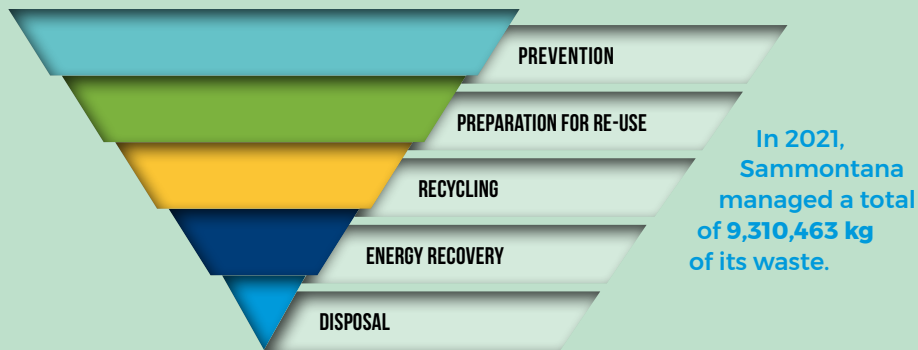
Further projects to reduce consumption are planned for the coming years.



## 4. REDUCING THE IMPACT OF WASTE AND PACKAGING

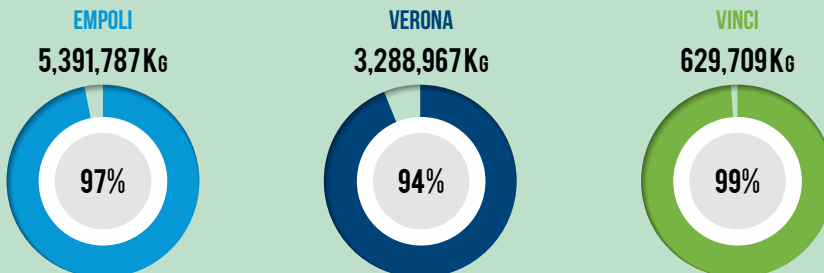
Sammontana is increasingly presenting itself to the market by stressing its commitment to the values of environmental protection. When it comes to waste management, the company focuses its energies on substantially reducing waste production through prevention, reduction, recycling and reuse.

### PRIORITY CRITERIA FOR WASTE MANAGEMENT



Approximately 91% of the total waste produced was sent for recycling and energy recovery, broken down for the three production sites as detailed below.

### WASTE MANAGED AND PERCENTAGE RECOVERED



The general breakdown of waste managed can be seen in the attached table:

**NON-HAZARDOUS WASTE 8,996,446 KG**

**HAZARDOUS WASTE 314,017 KG**



The company has focused its energies on three main areas:

**1. Sustainable practices and projects for the management of waste deriving from production processes**

In this regard, and in continuity with previous years, the commitment to reduce waste and preserve the value of natural resources has increased.

For each type of waste, Sammontana has managed to find a type of recovery that is in line with its characteristics, minimises environmental impact and maximises recovery.

Sludge deriving from the purification of food waste produced in our plants is sent to plants for the production of energy, biofuels and natural fertilisers<sup>10</sup>.

**2. Reducing the impact of waste and packaging**

The ever-increasing daily focus and training on waste sorting has prompted the search for new opportunities to give waste a new life.

The best system to adopt is the one conveyed through the "4 Rs" strategy:

/Reduction    /Reuse  
/Recycling    /Recovery

This is why Sammontana plans to move steadily upwards in the waste management pyramid. The goal is to reduce waste destined for landfill to zero.

The recoverability rate of the company's waste is 91%.

**3. Recovery of raw material from the processing of wood, paper and cardboard waste.**

Among the various waste management processes, the one concerning the management of wooden pallets is interesting to say the least.

For this type of waste, Sammontana was able to achieve full circularity. After the pallets have been used to optimise storage in the automated warehouses of the plants and depots, they are sent back to the supplier, who refurbishes them. In doing so, Sammontana implements a true Circular Economy as far as wood is concerned. This is made possible by the supplier's regenerative cycle which allows the same recycled pallets to be fed back into new production processes. This kind of virtuous behaviour saves money and is environmentally friendly, avoiding the destruction of thousands of trees.

With regard to paper and cardboard waste, the recovery concept is focused on the use of packaging as a secondary raw material in the paper mill chain for the production of 100% recycled cardboard.

Where possible, the company is also increasing the deployment of this circular economy approach for other types of waste.

<sup>10</sup> The addition of around 3,000 tonnes of sludge produces biogas, which is transformed into biomethane for use by vehicles, equivalent to the amount needed to fuel 210 cars for a year.



**OUR COMMITMENT  
TO PEOPLE AND  
THE TERRITORY**



## OUR COMMITMENT TO PEOPLE AND THE TERRITORY

The Sammontana Group has always paid attention to key issues. Above all, **a focus on employees and all those who come into contact with the “Sammontana world” is a cornerstone of the Group’s commitment.**

In addition to this aspect, the environment and the territory in which the Sammontana Group was established and in which it currently operates is a key area of concern for the company and one to which it will always be committed.

### TURNING THE FOCUS ON PEOPLE

Here at the **Sammontana Group, we have always believed that focussing on both external working partners and employees is a crucial factor for success.**

More specifically, **for several years and at various levels**, the Group has been implementing a number of measures aimed at its employees.



First and foremost, with regard to honing personal skills, **staff are given various professional training courses that are aimed at improving/ updating their technical skills.**

The courses are developed for both production and office staff and are scheduled into the company's daily operations as and when needed.

The importance of welfare aspects should not be underestimated either.

**In fact, employees benefit from health insurance provided by the professional fund which covers them for a number of preventive and remedial examinations. The Sammontana Group contributes to this insurance with an additional payment.**

Additional insurance coverage has been taken out to compensate all those who contracted the Coronavirus Covid-19 and had to be hospitalised because of it. The policy also provides for family assistance such as baby sitting and family helpers, if so required during the period of illness. Last but by no means least, the effort made to put in place and monitor a whole range of anti-infection measures that "prevent" the spread of Covid-19 to the greatest extent possible is worth highlighting. A section in the Health and Safety at Work section discusses these measures in further detail.

## SAMMONTANA AND THE TERRITORY

We are committed to pursuing a certified and transparent approach to sustainability in all its forms.

In particular, our focus on the territory in which the Group operates is a priority and an important part of our philosophy. In view of the benefits the Group receives, "giving" something back to the Territory creates a positive cycle that benefits everyone.

More specifically, in addition to all the events and initiatives with a "green" purpose already described in the "events" section, in recent years the Group has supported the local area by making significant donations to charitable associations, especially for welfare purposes.

For example, in March 2020 Sammontana SpA donated Euro 100 thousand to **Misericordia** di Empoli, a local nursing services charity, to improve resuscitation services in hospitals, as well as to the **#aiutiAMOVerona Foundation**, to supply equipment to hospitals in the city of Verona.





# OUR PEOPLE

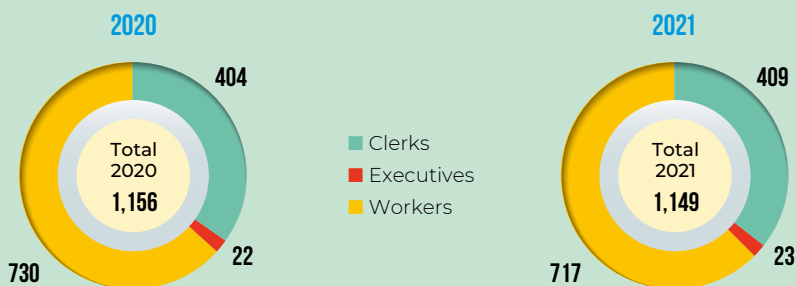


# PERSONNEL COMPOSITION AND CHARACTERISTICS

## NUMBER OF STAFF PER RANKING



## AVERAGE NUMBER OF EMPLOYEES



## PERSONNEL BREAKDOWN

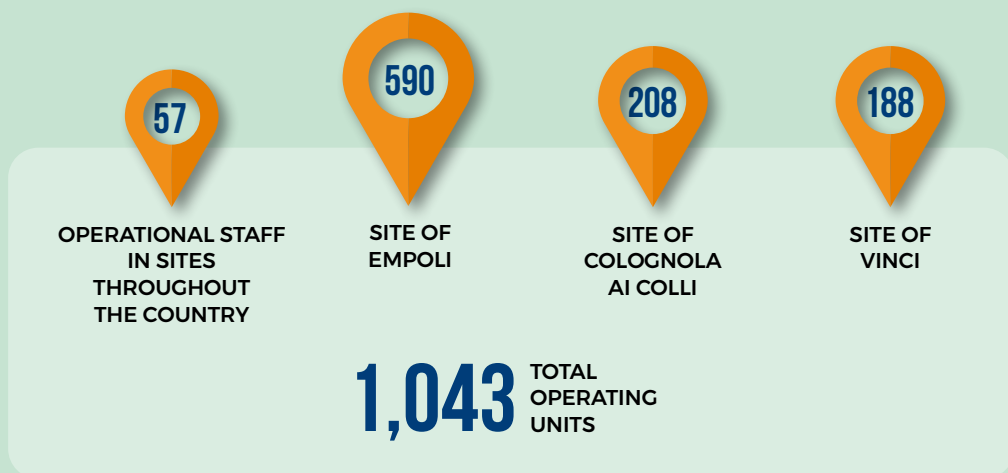
	Executives	Managers	Clerks	Workers
Men	24	34	218	420
Women	1	1	147	158
Average age	54	52	44	48
Seniority < 2 years	1	1	74	52
Seniority 2 < 5 years	4	1	66	54
Seniority 6 < 12 years	7	1	71	99
Seniority > 12 years	13	32	154	373





## DISTRIBUTION OF OPERATING UNITS

The workforce as at 31 December 2021 consisted of:



The seasonal nature of sales and, therefore, of production activity required, during the year, the hiring of 347 personnel with seasonal fixed-term contracts, mainly with worker qualification. The workforce was supplemented by five interns. Seventeen workers relate to the subsidiary Transfrigo.

For the parent company Sammontana, the national employment contract applied is that of the food industry sector and that of industry executives; while for the subsidiary Transfrigo, the national employment contract applied is that of the CCNL 151 Freight Forwarding Sector.

## HEALTH AND SAFETY AT WORK

For some time now, the Group has been devoting significant attention to the health and safety policies of its workers, both in terms of human and financial resources.

In fact, in order to improve this area of focus, several activities were carried out in 2021 to achieve high standards at both organisational and operational levels. Many of these activities were also carried out to protect the health of workers against the Covid-19 health emergency.



### GENERAL SITUATION

The general situation of the Sammontana plants certainly remains positive. At the Empoli plant, the main area of focus in terms of health and safety is the management of the complexity of the plant, especially in the March-August period (season), with a large number of production lines operating simultaneously, the presence of many workers on the lines, and problems related to the road network that must be managed (areas for mixed use: pedestrians, forklifts, pallet trucks) and the many external companies present.

Then there are new installations: new machines, new lines with the need to train personnel.

At the Vinci plant, the main focus is on manual processing, i.e. the management of the manual

handling of loads and repetitive movements. The cultural and educational development of workers continues, both in terms of safety aspects and aspects related to knowledge of the activities occurring at the various workstations.

This will make it easier to rotate personnel on the production lines.

The Verona plant started with a poor safety record compared to other plants. Over the past few years, many activities have been carried out in terms of documentation, training, structure, risk assessment and procedures.

In recent years, the plant has experienced a major increase in production volumes, leading to an increase in the complexity of the site: more employees on the lines, more active lines, etc...

## ACTIVITIES CARRIED OUT AT SAMMONTANA SITES

The main activities completed for each plant are listed below.

### EMPOLI PLANT

**The interventions carried out in 2021 were mainly for the following purposes:**

- further protecting workers on production lines from risks associated with the use of equipment and machinery (crushing, entanglements, impacts, etc.).  
This activity was carried out at all plants;
- improving aspects related to the road network on production premises, particularly in relation to the installation of new production lines;
- improving aspects of ergonomics and the manual handling of loads in certain operational departments where there are more critical issues.

**More specifically, the main activities carried out were as follows:**

- Installation of safeguards on some production lines (platforms, ladders, guard rails, etc.);
- Creation of floor and road markings (indoor and outdoor areas);
- Certification of all 3 production lines (Q72, Q36 and R48);
- Drafting of the Repetitive Motion Risk Assessment Document for production lines;

- Chemical risk mapping;
- Construction of a bag lifting system for the micro-components department.

**The following important activities are also in progress:**

- Implementation of a wheel locking system for vehicles at loading bay 4 of Logistics;
- Installation of a recovery system in the mezzanine of tunnel 8;
- Noise reduction on the Hoyer Sandwich line.



## VINCI PLANT

The main objective of the interventions carried out in 2021 was to reduce the indices related to the manual handling of loads for production workers by introducing equipment, various machines and specific work procedures. In addition, important risk assessment activities were carried out.

### **More specifically, the main activities carried out were as follows:**

- Installation of safeguards on some production lines (platforms, ladders, guard rails, etc.) to protect workers from the risk of accidents;
- Creation of floor and road markings (internal and external areas of the plant);
- Overall certification of B2 and D lines;
- Manual load handling activities (installation of belts for recovering offcuts, material lifting equipment, introduction of electric pallet truck for lifting margarine);
- Noise risk assessment document;
- Creation of a new bag packaging workstation on the B2 line.

### **The following important activities are also in progress:**

- Pastry offcut recovery project live for the C-line with the use of specific dedicated equipment;
- Review of the plant's general risk assessment document;
- Review of the Repetitive Motion Risk Assessment Document;

- Design of modifications to be made in the dose room in order to improve load handling and ergonomics.

## VERONA PLANT

In Verona, too, work was carried out first and foremost to further reduce the risks present on production lines and those related to the road network. Activities were also carried out in connection with the recent installation of a tri-generation plant.

More specifically, the main activities carried out were as follows:

- Installation of safeguards on the lines (platforms, ladders, guard rails, etc.) to protect workers from the risk of accidents;
- Overall certification of Gram bar and Rollo lines;
- Drafting of the General and Electromagnetic Field Risk Assessment Document for the tri-generation plant;
- Risk Assessment Document for confined environments and drafting of specific operational procedures;
- Creation of floor and road markings in the internal and external areas of the plant and installation of speed bumps for vehicles (in the external yards).

### **The following important activities are also in progress:**

- Review of the plant's general risk assessment document;
- Creation of a new platform for the storage of wooden pallets;

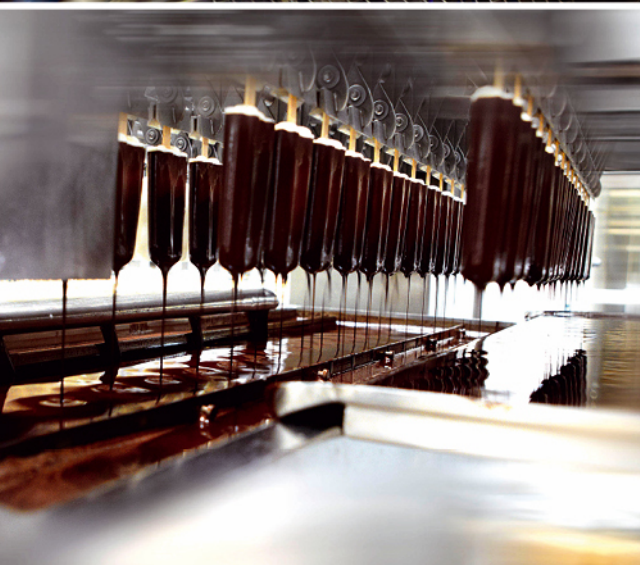


- Revision of the fire protection certificate according to the increased fire load of the plant;
- Implementation of the new barattolino production line using ergonomic principles.

### BRANCHES AND DEPOTS

Numerous activities were also carried out at the branches and depots to improve health and safety:

- Revision of the Risk Assessment Document and emergency plan for the Lecce, Castrolibero and Guidonia branches;
- Specific training for emergency team members (firefighting and first aid) in many branches;
- Improvement of shelving in the finished product storage cell of the Baranzate branch;
- Creation of floor markings in the Visco, Lecce, Castrolibero and Guidonia branches;
- Restoration of outdoor areas at the Scandicci branch (in particular, filling potholes in the ground);
- Extraordinary maintenance of the fire-fighting system at the Livorno branch (water part);
- Complete maintenance of the sprinkler system at the Castrolibero branch;
- Definition of specific operating procedures for Sammontana's contractors at the Genoa branch.



## INTEGRATED ENVIRONMENT AND SAFETY MANAGEMENT SYSTEM

The Integrated Environment and Safety Management System portal is currently being revised.

## HEALTH AND SAFETY DATA

The table below shows the main health and safety data for employees:

Days	2021		
	Illness	Accident	Maternity
Permanent employees	10,048	937	2,782
Fixed-term employees	893	131	80



## THE FIGHT AGAINST COVID-19 : OUR RESPONSE

In order to deal with the Covid emergency, the measures defined in 2020 were subsequently confirmed and reapplied in 2021.

These included:

- **Smart working on rotation for office staff;**
- **Spacing of workstations;**
- **Wearing of FFP2 masks by all personnel;**
- **Rules on the use of common areas (in particular the canteen and break room);**
- **Use of outdoor changing rooms for production department personnel;**
- **Daily sanitisation of offices and common areas (in addition to what is carried out in the production departments);**
- **Systematic checks regarding the application of the measures to stop the spread of Covid (both Sammontana employees and external companies);**
- **Precautionary isolation and swabbing of personnel.**

In particular, the last point has taken on considerable importance in 2021, as the Safety Department has decided to maintain more cautious measures than those set at national level.

Swabs were carried out on all staff in the production area at the peak of the pandemic, especially when workers returned after their end-of-year holidays. In addition, the precautionary isolation measures in the event of workers coming into contact with people who tested positive- isolation, swabbing and return to work in the event of a negative test result - were also continued. This made it possible to manage, albeit with some difficulty, the most critical phases of the pandemic, particularly in the period late 2021/early 2022, when the increase in positive cases was substantial, in line with the trend at national level.

With regard to the above, all decisions were always shared with the company's HSRs: it was important to collect their feedback and to give workers peace of mind that the Group would do everything possible to make their workplaces safe.







# OPERATING PERFORMANCE



## ECONOMIC PERFORMANCE

Once again this year, the financial statements we submit for your review are heavily influenced by the effects of the restrictions adopted by the Italian government in the first five months of the year to contain the pandemic caused by the COVID-19 virus.

Closures of retail outlets, which varied by region, from January to May and the other more or less stringent restrictions (depending on the incidence of the spread of the coronavirus), meant that sales in the Café-Horeca channel could only partially recover what was lost in 2020.

As we know, our Group derives about 70% of its profitability from this channel.

Certainly, if we read the numbers in relation to 2020, there is strong growth, but not enough to meet the budgeted targets, let alone achieve the results recorded in 2019.

In the traditional channel, the recovery in quantities sold was: Ice Cream (+22.2%), Frozen Pastries (+32.9%), Snack Lunches (+62.1%).

The modern channel in the Ice cream sector consolidated its 2020 growth figures with both branded products, which had increased by +17% compared to 2019 and saw a very slight decrease in 2021 (-1.1%), and private label products, which increased by +15% in 2020, but declined in 2021 (-4.9%).

Pastry results were excellent for both branded (+27.5%) and private label products (+13.5%).

While sales were below expectations, the pressure on energy and raw material costs in the second half of the year further squeezed margins and the resulting recovery in profitability. The Production Value grew by about Euro 57 million (+17%) to close to Euro 390 million.

EBITDA rose by about Euro 7.7 million (+31%) while remaining far from 2019 levels.

The application of normal depreciation rates led to an increase of almost Euro 11 million, resulting in a negative pre-tax result of about Euro 1.6 million.

In spite of this, net profit was positive by about Euro 5.2 million thanks to the tax loss carry-over for IRES purposes, which is transferred to the parent company Sammontana Finanziaria Srl under the “National Tax Consolidation” agreement, and the effect of the release of deferred taxes in the income statement in the amount of Euro 4.3 million. Pursuant to article 110 of the so-called August Decree, in fact, the Parent Company availed itself of the option of tax realignment of the higher statutory values associated with the Tre Marie brand and goodwill by paying (in three annual instalments) the 3% substitute tax.

This report will illustrate, in addition to the provisions of article 2428 of the Italian Civil Code, the context in

which your Group has operated and the main strategic choices that have steered its management.

## KEY INCOME STATEMENT FIGURES

### VALUE ADDED INCOME STATEMENT (Figures in thousands of Euro)

	2021	2020	Change
<b>PRODUCTION VALUE<sup>(1)</sup></b>	<b>398,026</b>	<b>337,490</b>	<b>60,537</b>
Total external costs <sup>(2)</sup>	293,973	246,972	47,001
<b>ADDED VALUE</b>	<b>104,054</b>	<b>90,518</b>	<b>13,536</b>
Total personnel	71,418	65,594	5,825
<b>M.O.L. (Gross operating margin) / E.B.I.T.D.A.</b>	<b>32,636</b>	<b>24,924</b>	<b>7,711</b>
Total amortization, depreciation and allocations <sup>(3)</sup>	30,649	19,810	10,839
<b>M.O.N. (Net operating margin)</b>	<b>1,987</b>	<b>5,115</b>	<b>(3,128)</b>
Total financial income	595	271	323
<b>E.B.I.T.</b>	<b>2,581</b>	<b>5,386</b>	<b>(2,804)</b>
Total financial expenses	1,596	1,178	418
<b>ORDINARY RESULT</b>	<b>985</b>	<b>4,208</b>	<b>(3,223)</b>
Total non-recurring income and expenses <sup>(4)</sup>	(2,637)	(2,991)	355
<b>PRE-TAX RESULT</b>	<b>(1,652)</b>	<b>1,216</b>	<b>(2,868)</b>
Total income taxes	(6,926)	(811)	(6,115)
<b>RESULT FOR THE YEAR</b>	<b>5,274</b>	<b>2,027</b>	<b>3,247</b>

Note 1: The "Production Value" in this statement differs from the "Production Value" in the Statutory Financial Statements due to the reclassification (of approximately Euro 0.87 million) of the non-recurring assets under the item "Total non-recurring income and expenses". For further details on the latter aggregate, see section 3.1 of this Report on Operations.

Note 2: This item includes B 6) - Costs for raw and ancillary materials, consumables and goods, B 7) - Costs for services, B 8) - Costs for rents and leases, B 11) - Change in inventories of raw materials, ancillary materials and goods, B 14) - Other operating expenses.

Note 3: This item includes B 10) Amortization, depreciation and write-downs, B 12) Provisions for risks, B 13) Other provisions.

Note 4: For further details on the items included in this aggregate, please refer to Section 3.1 of this Report on Operations.

## VALUE ADDED INCOME STATEMENT WITH PRODUCTION VALUE "NET NET"

(Figures in thousands of Euro)

	2021	2020	Change
<b>Revenues from typical sales "NET NET" <sup>(1)</sup></b>	<b>338,996</b>	<b>287,004</b>	<b>51,992</b>
Change in inventories of products in progress, semi-finished and finished products	4,803	2,955	1,848
Other revenues and income <sup>(2)</sup>	8,122	5,448	2,674
<b>PRODUCTION VALUE</b>	<b>351,921</b>	<b>295,407</b>	<b>56,514</b>
Raw materials and goods (B6)	152,248	129,940	22,307
Services (B7)	84,685	65,395	19,290
Rents and leases (B8)	9,336	9,029	307
Change in stocks of raw materials (B11)	(1,778)	(2,417)	639
Other Operating Expenses (B14)	3,376	2,941	434
Total external costs <sup>(3)</sup>	247,867	204,889	42,978
<b>ADDED VALUE</b>	<b>104,054</b>	<b>90,518</b>	<b>13,536</b>
Total personnel	71,418	65,594	5,825
<b>M.O.L. (Gross operating margin) / E.B.I.T.D.A.</b>	<b>32,636</b>	<b>24,924</b>	<b>7,711</b>
Total amortization, depreciation and allocations <sup>(4)</sup>	30,649	19,810	10,839
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Total financial income	595	271	323
<b>E.B.I.T.</b>	<b>2,581</b>	<b>5,386</b>	<b>(2,804)</b>
Total financial expenses	1,596	1,178	418
<b>ORDINARY RESULT</b>	<b>985</b>	<b>4,208</b>	<b>(3,223)</b>
Total non-recurring income and expenses <sup>(5)</sup>	(2,637)	(2,991)	355
<b>PRE-TAX RESULT</b>	<b>(1,652)</b>	<b>1,216</b>	<b>(2,868)</b>
Total income taxes	(6,926)	(811)	(6,115)
<b>RESULT FOR THE YEAR</b>	<b>5,274</b>	<b>2,027</b>	<b>3,247</b>

Note 1: This item includes only Revenues from the sale of products, net of discounts and commercial contributions, the latter being classified in a statutory income statement under B7) as costs for services.

Note 2: Also included under this item are revenues from sales of advertising material and revenues from "goods" for resale totalling Euro 2.2 million, which in the statutory financial statements are included under A1 "Revenues from sales and services". In addition, this aggregate has been cleared of approximately Euro 1.6 million in the non-recurring assets area. This value has been included in the aggregate "Total non-recurring income and expenses". For further details on the latter aggregate, see section 3.1 of this Report on Operations.

Note 3: This item includes B 6) - Costs for raw and ancillary materials, consumables and goods, B 7) - Costs for services, except for commercial costs reclassified net of Sales Revenues in A1) as per Note 1, B 8) - Costs for rents and leases (except for finance leases), B 11) - Change in inventories of raw materials, ancillary materials and goods, B 14) - Other operating expenses.

Note 4: This item includes B 10) Amortization, depreciation and write-downs, B 12) Provisions for Risks, B 13) Other provisions together with finance lease instalments accrued during the year and accounted for using the equity method.

Note 5: For further details on the items included in this aggregate, please refer to Section 3.1 of this Report on Operations.

## KEY BALANCE SHEET FIGURES

Below is a balance sheet reclassified using the “financial” criterion. The Net Working Capital is shown in detail below.

### BALANCE SHEET RECLASSIFIED “FINANCIAL” (Figures in thousands of Euro)

<b>Commitments</b>	<b>2021</b>	<b>2020</b>	<b>Change</b>
Non-current assets	194,030	205,983	(11,953)
Net Operating Working Capital	38,113	31,076	7,037
Non-current liabilities	(9,592)	(14,754)	5,162
<b>NET INVESTED CAPITAL</b>	<b>222,551</b>	<b>222,305</b>	<b>246</b>
<b>Sources</b>			
Shareholders' Equity	142,178	139,938	2,241
Net Financial Debt	80,373	82,367	(1,994)
<b>SOURCES OF FUNDING</b>	<b>222,551</b>	<b>222,305</b>	<b>246</b>

### NET WORKING CAPITAL (Figures in thousands of Euro)

	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>Inventories</b>	51,888	45,307	6,581
<b>Trade receivables <sup>(1)</sup></b>	56,559	48,371	8,189
<b>Other current assets</b>	18,996	22,383	(3,387)
Tax Receivables	17,858	20,365	(2,507)
Other receivables (non-trade part)	1,138	2,018	(880)
<b>Trade payables <sup>(2)</sup></b>	<b>(68,781)</b>	<b>(64,155)</b>	<b>(4,627)</b>
<b>Other current liabilities</b>	(20,549)	(20,831)	281
Tax Payables	(6,890)	(8,407)	1,517
Other payables (non-trade part)	(13,659)	(12,424)	(1,235)
<b>NET OPERATING WORKING CAPITAL</b>	<b>38,113</b>	<b>31,076</b>	<b>7,037</b>

Note 1: The item includes receivables from customers as per the statutory financial statements, plus receivables from the factor and inter-company trade receivables.

Note 2: The item includes payables to suppliers as per the statutory financial statements, plus payables to customers and inter-company trade payables.

# KEY PRODUCTIVITY, PROFITABILITY AND FINANCIAL INDICATORS

Pursuant to the amended article 2428 of the Italian Civil Code, the main productivity, profitability and financial indicators of the Group as at 31 December 2021 are provided below, compared with those of the previous year, in order to give a better understanding of the Group's situation and performance.

<b>Profitability indicators</b>	<b>2021</b>	<b>2020</b>
ROE	3.71%	1.45%
ROI	1.00%	2.10%
ROS	0.51%	1.55%
ROD	1.38%	1.01%
<b>Duration indices</b>	<b>2021</b>	<b>2020</b>
Average supplier extension	65.53	66.68
Average customer extension	48.92	51.17
<b>Ability to Repay the Financial Debt</b>	<b>2021</b>	<b>2020</b>
NFP (net P.O.)/EBITDA	2.46	3.16
NFP (gross P.O.)/EBITDA	2.46	3.46
<b>Liquidity indices</b>	<b>2021</b>	<b>2020</b>
Availability index	1.45	1.18
Treasury index	1.00	0.83



## INVESTMENTS

During the financial year 2021, investments of about Euro 21.9 million were made, a sharp decrease from the previous year when, net of the brand revaluation of Euro 23.5 million, they amounted to about Euro 34 million.

The parent company Sammontana SpA has continued to invest in state-of-the-art plant and technical machinery both to stay ahead of the game and to take advantage of the tax benefits of "Industry 4.0" investments.

CATEGORY DESCRIPTIONS	Figures in millions of Euro
Industrial buildings and land	0.6
Plants and machinery (*)	6.9
Industrial and commercial equipment (**)	10.7
Other investments	1.1
Software and other intangible assets (***)	2.7
<b>Total investments</b>	<b>21.9</b>

(\*) of which approximately Euro 2.6 million relates to the Empoli Production facility and Euro 1.6 million to the lines of the Colognola ai Colli plant.

(\*\*) of which Euro 9.5 million of commercial equipment consisting mainly of food preservation equipment and ovens related to Industry 4.0 investments and the new Fruit Machines.

(\*\*\*) of which Euro 1.3 million relates to increases in licences and software for the ERP Dynamics Ax.

The intangible component of investments concerns, for the most part, the continuous updating of software necessary to keep the company's development on track and abreast of the ongoing technological evolution. Investments continued to be made in the new Microsoft Dynamics AX information system, which went live on 1 January 2019 for all Group companies.

Technical investments under Industry 4.0 consist of capital goods the operation of which is controlled by computerised systems or managed through appropriate sensors and drives. Specifically, the asset must be characterised by certain technical-functional specifications, including:

- It is controlled by means of a programmable logic controller (PLC);
- It is designed to be interconnected to factory computer systems;
- It is designed to be automatically integrated with the logistics system or supply network and/or with other machines in the production cycle;
- It has a simple and intuitive human-machine interface;
- It meets the latest occupational safety, health and hygiene standards;
- It is equipped with remote maintenance and/or remote diagnostics and/or remote control systems;

- It is able to monitor working conditions and process parameters by means of suitable sets of sensors.

In general, Industry 4.0 investments were made with the aim of achieving a technical improvement of the machine or line in terms of its design, operation and subsequent operational diagnostics.

Under "Other investments" Euro 0.2 million relates to the purchase of trucks for the activities of the subsidiary Transfrigo Srl.

It should also be noted that in 2021, Sammontana SpA capitalised development costs of approximately Euro 500 thousand. These capitalisations relate to specific products that will generate future economic benefits.

New purchases of tangible assets mainly relate to production machinery/equipment (some of which will come into operation in 2022).

Investments in equipment, including the purchase of refrigerated food preservation equipment and ovens allocated to customers, also remained consistent with 2020. Some of these investments in equipment are related to development projects implemented in the 2020 financial year (Fruit & Vegetables, etc.).

"Divestments of technical assets" amounted to Euro 7.2 million valued at historical cost. This amount consists of Euro 5.9 million (also at historical cost) from the disposal of obsolete refrigeration equipment, most of which has been fully depreciated. The Plants and Machinery category recorded disposals of Euro 0.7 million at historical cost; these disposals of Plants and Machinery, replaced by investments for the year, were depreciated at 100%.

From the disposal of technical assets, a positive balance between capital gains and losses of about Euro 150 thousand was recorded.

<b>CATEGORY DESCRIPTIONS</b>	<b>Figures in millions of Euro</b>
Industrial buildings and land	0.1
Plants and machinery	0.7
Industrial and commercial equipment	5.9
Other assets	0.6
<b>Total divestments</b>	<b>7.2</b>



## PORTIONS SOLD AND REVENUES

In terms of portions, the year 2021 saw an increase in the quantity of products sold compared to the previous year (10%).

In Italy, the continuation of the Coronavirus epidemic and the related containment measures compromised ice cream sales, although the warm season allowed for a slight recovery, resulting in an overall -0.6%.

Sales abroad recorded a more pronounced decrease (-4.9%) than in the previous year.

In terms of portion sales, **frozen pastries** recovered by about 32%.

Sales in the **snack lunch** category recorded a significant increase of +62.1%.

### SALES 2021 (Figures in millions of portions)

Products	2021	2020	Diff.%
<b>Total Ice cream Italy</b>	<b>704.7</b>	<b>709.3</b>	<b>-0.6%</b>
OF WHICH CAFÉ HORECA BRAND	79.8	65.3	22.2%
OF WHICH LARGE-SCALE RETAIL TRADE BRAND	327.5	331.2	-1.1%
of which private labels (large-scale retail trade)	297.4	312.8	-4.9%
<b>Total Ice cream abroad</b>	<b>75.9</b>	<b>79.8</b>	<b>-4.9%</b>
<b>Total Ice cream</b>	<b>780.6</b>	<b>789.1</b>	<b>-1.1%</b>
<b>Total frozen pastries Italy</b>	<b>451.5</b>	<b>343.1</b>	<b>31.6%</b>
OF WHICH CAFÉ HORECA BRAND	366.3	275.7	32.9%
OF WHICH LARGE-SCALE RETAIL TRADE BRAND	79.3	62.2	27.5%
of which private labels (large-scale retail trade)	5.9	5.2	13.5%
<b>Total frozen pastries abroad</b>	<b>5.0</b>	<b>3.5</b>	<b>42.9%</b>
<b>Total frozen pastries</b>	<b>456.5</b>	<b>346.6</b>	<b>31.7%</b>
<b>Total snack lunch</b>	<b>35.5</b>	<b>21.9</b>	<b>62.1%</b>
<b>Total</b>	<b>1,272.6</b>	<b>1,157.6</b>	<b>9.9%</b>

## GROSS SALES 2021 (Figures in millions of Euro)

Products	2021	2020	Diff.%
<b>Total Ice cream Italy</b>	<b>353.6</b>	<b>324.8</b>	<b>8.9%</b>
OF WHICH CAFÉ HORECA BRAND	78.0	63.8 (*)	22.3%
OF WHICH LARGE-SCALE RETAIL TRADE BRAND	225.5	210.3 (*)	7.2%
of which private labels (large-scale retail trade)	50.1	50.7	-1.2%
<b>Total Ice cream abroad</b>	<b>12.4</b>	<b>12.3</b>	<b>0.8%</b>
<b>Total Ice cream</b>	<b>366.0</b>	<b>337.1</b>	<b>8.6%</b>
<b>Total frozen pastries Italy</b>	<b>223.5</b>	<b>169.1</b>	<b>32.2%</b>
OF WHICH CAFÉ HORECA BRAND	185.2	138.7	33.5%
OF WHICH LARGE-SCALE RETAIL TRADE BRAND	37.2	29.5	26.1%
OF WHICH PRIVATE LABELS (LARGE-SCALE RETAIL TRADE)	1.1	0.9	22.2%
<b>Total frozen pastries abroad</b>	<b>1.7</b>	<b>1.4</b>	<b>21.4%</b>
<b>Total frozen pastries</b>	<b>225.2</b>	<b>170.5</b>	<b>32.1%</b>
<b>Total snack lunch</b>	<b>21.1</b>	<b>11.9</b>	<b>77.3%</b>
<b>Total</b>	<b>612.3</b>	<b>519.50</b>	<b>17.9%</b>

(\*) The 2020 financial statements had a value of Euro 310 million. In 2021, for the sake of comparison, this figure was brought into line with the different discounting system put into practice, which involves the remodelling of the price and the invoice discount.

Gross turnover, although affected by the slowdown in the economy due to the Coronavirus containment measures, showed a positive trend, especially in sales of **frozen pastries** (both Café Horeca and large-scale retail distribution channels) and sales of **snack lunches**.

Gross turnover (which differs from the “Revenues from sales and services” item in the Income Statement in that it includes discounts applied to invoices and credit notes issued by us)

amounted to Euro 612.3 million, an increase of Euro 92.8 million (+17.9%) compared to the previous year.

From gross turnover, represented in detail in the table above, after deducting invoice discounts and credit notes, we arrive at Revenues from sales and services, which reached approximately Euro 388 million in the financial year, an increase of Euro 57 million compared to 2020 (+17%).

## COSTS

The table below shows the main items of operating expenses in millions of Euro.

Description	2021	2020	Change
Cost for raw materials and goods	152	130	22
Cost for services	133	110	23
Rents and leases	9	10	0
Personnel costs	73	69	4
Amortization, depreciation and write-downs	31	19	11
Changes in raw materials	(2)	(3)	1
Allocations	0	0	0
Other operating expenses	3	3	0
<b>Total</b>	<b>400</b>	<b>337</b>	<b>61</b>

The performance of some expense items is directly related to the operating performance of sales revenues (in particular, costs for Raw Materials and Services).

For comments on changes in depreciation and amortization, please refer to the previous section on investments in this Report and the section "Amortization/ Depreciation of fixed assets" in the Notes.

Allocations, other operating expenses and other cost items were

substantially in line with the previous year.

Further considerations regarding the dynamics of the main corporate costs are contained in the Notes for more specific details.

The following tables show the main non-recurring assets and liabilities.

The classification in the financial statements of the items below is indicated in the section next to the numerical amounts, reported in millions of Euro.

## NON-RECURRING EXPENSES 2021

Description	Amount	Classification in the financial statements
Costs for documents not pertaining to the year / Closure of Accruals Previous Years	1.60	CE B7) - Costs for services
Costs for settlement deeds	0.31	CE B14) - Other operating expenses
Extraordinary personnel costs	1.54	CE B9e) - Other personnel costs
	<b>3.65</b>	

The most significant amount consists of costs for items pertaining to previous years but not disclosed in previous financial statements. There are also "Extraordinary Personnel Costs" in the amount of about Euro 1.54 million: these costs relate for the most part to

severance packages paid to employees during the year. Lastly, there were passive transactions amounting to approximately Euro 310 thousand. The expenses listed above are almost entirely attributable to the parent company Sammontana SpA.

## NON-RECURRING INCOME 2021

Description	Amount	Classification in the financial statements
Contingencies for items not pertaining to the year / Closure of Accruals Previous years	0.86	CE A5) - Other revenues
Other extraordinary income	0.01	CE A5) - Other revenues
	<b>0.87</b>	

In non-recurring income, the most significant amount is represented by the contingencies from the registration of documents from previous years and the closure of allocations from previous

years for an amount of approximately Euro 0.86 million. Almost all of the income listed above is attributable to the parent company Sammontana SpA.

## TAXES

The tax burden for 2021 is broken down as follows:

Description	Amount in millions of Euro
IRES	(0.17)
IRAP	(0.42)
Income from Consolidation	3.23
Deferred / prepaid taxes	4.30
IMU	(0.60)
Advertising tax	(0.31)
<b>Total</b>	<b>6.03</b>

With regard to taxes, there was a “negative” tax burden (positive tax base) of IRAP in the financial year 2021 of about Euro 0.4 million.

On the other hand, with regard to IRES, which is shown in the table with a balance of Euro -0.17 million relating to taxes from previous years, it should be noted that Sammontana SpA, adhering to the “National Tax Consolidation” agreement (as per article 117 et seq. of the Consolidated Income Tax Act), contributes a negative taxable base to the parent company Sammontana Finanziaria S.r.l. This resulted in a tax consolidation gain of Euro 3,227,800.

The positive balance of Euro 4.2 million for the portion pertaining to deferred/prepaid taxes is mainly due to the positive effect related to the release of the deferred tax provision as a result of the option exercised by the Company to realign for tax purposes the higher statutory values associated with the “Tre Marie” brand and with goodwill by paying (in three annual instalments) the 3% substitute tax as provided for by article 110 of the Italian Decree Law of 14 August 2020.

Overall, for IMU and Advertising Taxes, expenditure was in line with last year.



## FINANCIAL SITUATION

In 2021, financial expenses amounted to about Euro 1.6 million, an increase of about Euro 250 thousand compared to the previous year.

This change is attributable to the composition of the debt, which saw the amount of the Bond reduced due to the repayment of the instalment of Euro 12 million at the end of 2020 and on which interest accrues at a fixed rate of 3.5% gross. At the same time, however, net debts to the banking system, on which interest was paid at an average rate of around one percentage point, remained stable in terms of the total amount, but with a negative impact.

Financial income totalled Euro 600 thousand, an increase of about Euro 188 thousand compared to the previous year, mainly due to positive exchange rate differences on sterling “hedging” transactions implemented by the company in the 2021 financial year.

The total net financial position (NFP) stood at around Euro 80.3 million, compared to about Euro 86.2 million in 2020, an improvement of about Euro 6 million.

The cost of funds from the banking system alone is 1.33%.

The ratio of net financial expenses (net of income) to sales revenue was 0.23%, which is slightly lower than the previous year (approximately 0.27% in 2020).

In 2021, average monthly gross debt to the banking system amounted to approximately Euro 112.3 million, compared to Euro 101.9 million in the previous year. This increase is due to the fact that in the first part of the year, Sammontana SpA continued to provide significant “support” to its distribution network while still following up on planned industrial investments.

It should be noted that the financial side is also “weighed down” by the financial burden of the technological investments that the Group has also “strongly” implemented this year. However, these investments in industrial and IT innovation aim, above all, both to keep the Group ahead of its main competitors in the sectors in which it operates, and to “make the most” of the “Industry 4.0” tax benefits.



The table below details the composition of the sources of debt.

Sources of funding	2021	2020	Diff.
Short-term bank payables	(23,977,515)	(24,823,797)	846,282
Medium/long-term bank payables	(89,153,980)	(80,283,614)	(8,870,366)
Cash and current accounts receivable	35,143,946	29,139,379	6,004,567
<b>Total NFP net banking</b>	<b>(77,987,549)</b>	<b>(75,968,033)</b>	<b>(2,019,516)</b>
Intercompany Financial Payables <sup>(1)</sup>	(2,485,781)	(3,904,434)	1,418,653
Intercompany Financial Receivables <sup>(2)</sup>	100,000	1,170,549	(1,070,549)
<b>Total NFP (excluding bond)</b>	<b>(80,373,330)</b>	<b>(78,701,917)</b>	<b>(1,671,412)</b>
<b>Bond</b>	<b>0</b>	<b>(7,500,000)</b>	<b>7,500,000</b>
<b>Total NFP</b>	<b>(80,373,330)</b>	<b>(86,201,917)</b>	<b>5,903,796</b>

Note 1: These are cash pooling debts of the Parent Company Sammontana SpA to the parent company Sammontana Finanziaria srl. More specifically, the Parent Company Sammontana SpA owes Euro 2,429,998, while Transfrigo Srl owes Euro 55,783.

Note 2: This is a loan granted by the parent company Sammontana SpA to the unconsolidated subsidiary Sammontana Holding Hong Kong.

The marked seasonality that characterises the business and, therefore, also the monetary cycle of the Parent Company's operations, leads to a higher level of debt in the first half of the year, which is covered using the commercial self-liquidating portfolio and by resorting to short-term financing for the remaining part.

The composition of the debt has always guaranteed balance and solidity of the Group.

It is also necessary to take into account the existence of the VAT receivable for a total of about Euro 14 million, held by the Parent Company Sammontana SpA, which will be gradually reabsorbed by the VAT payable during 2022 and part of which will be requested for reimbursement from the Revenue Agency.

## INFORMATION ON RISKS AND UNCERTAINTIES

As required by the first paragraph of article 2428 of the Italian Civil Code, the main risks and uncertainties to which the Group is exposed are set out below.

Over the past two years, the primary factor of risk and uncertainty has been the “scope” of the restrictive measures taken by the government to curb the spread of the pandemic. The intensive vaccination campaign should prevent Covid-19 from affecting business activities in the future, but we cannot yet be sure that we have “escaped” the danger.

With reference to the Group's uncertainties, given the type of activity carried out, the main critical points noted essentially refer to the strong seasonality of ice cream, which accounts for about 60% of sales and contributes more than 50% to EBITDA.

It must be taken into account that almost 70% of ice cream sales (over 40% of total annual sales) are made in the three summer months (June, July and August).

The weather can therefore have a significant impact on business *performance*.

Another element of growing concern is the escalating prices of energy sources, raw materials and materials, which, as a result of the pandemic and geopolitical tensions, are experiencing unprecedented price hikes that are affecting operating results, particularly

for companies like ours that use a lot of electricity and gas.

In addition, a new risk factor that could jeopardise the availability of the Group's IT systems is related to potential cyber-attacks, which could disrupt production and sales support activities or compromise the confidentiality, integrity and availability of personal data managed by the Group. In order to mitigate the occurrence of such risks, the Group has implemented a centralised control system aimed at improving IT security.

With regard to financial risks, the following positions with medium-term maturities are active:

- Mediobanca unsecured loan with a residual value of Euro 25 million maturing in 2025. The six-monthly repayment instalments will start in 2022.
- Banca Intesa unsecured loan in the amount of Euro 25 million, maturing in 2025. The six-monthly repayment instalments will start in 2023.
- UniCredit unsecured loan of Euro 13 million maturing in 2024. The repayment, in quarterly instalments, will take place from 2022.
- BNL/BNP unsecured loan with a residual value of Euro 7.78 million maturing in 2025; repayment in six-monthly instalments commenced in 2021.
- BPM unsecured loan with a residual value of Euro 8.59 million maturing in 2024 and repayable in six-monthly instalments.



- Credit Agricole unsecured loan of Euro 15 million maturing in 2026, to be repaid in six-monthly instalments starting in 2023.
- Credem unsecured loan in the amount of Euro 4.8 million maturing in 2026, to be repaid in six-monthly instalments starting in 2023.
- Unsecured loan from Banca MPS, with a residual value of Euro 8.89 million maturing in December 2025 and repayable in six-monthly instalments.
- Banca MPS unsecured loan with a residual value of Euro 2.22 million, maturing in December 2022 and repayable in six-monthly instalments.

The analysis of future cash flows shows that the Sammontana Group's business will be able to generate sufficient liquidity to repay the portions of the expected amortization plans.

The loans were taken out at a variable rate based on a parameter (Euribor 1, 3 or 6 months) plus a spread. In some cases, hedging was chosen to obtain a fixed rate. In the current economic climate, the chosen parameter (1- or 3-month Euribor in the different cases) is at an all-time low, although by the end of 2022 the first upward trend could begin.


With regard to general credit risk, it should be noted that the Group is exposed to potential losses arising from the failure of customers to meet obligations.

This risk is constantly analysed both with reference to the current situation and with reference to its foreseeable evolution, and significant risks are appropriately addressed and prudentially quantified for the purpose of recording appropriate write-downs in the financial statements.

The Parent Company Sammontana SpA also selects its customers on the basis of solvency criteria and has internal procedures to assess their exposure. In addition, allocations deemed to be adequate are made in its financial statements. It is not expected that the terms on which customers will fulfil their payment obligations will deteriorate.

With regard to exchange rate risks, the Parent Company Sammontana S.p.A., as part of its international operations, uses the domestic currency (Euro) as the contractual currency for the majority of its sales, significantly reducing the exchange rate risk deriving from the currencies of the various countries in which it operates.

Nevertheless, also in light of the expansion strategy, it cannot be excluded that possible fluctuations in currencies other than the Euro, with respect to the latter, may have negative effects on the Parent Company's operating margins and, consequently, on its economic, equity and financial situation.



Finally, as regards risks associated with the prices of production factors, production costs are exposed to the risk of fluctuations in energy and raw material prices.

This risk will unfortunately impact next year's profitability, as international tensions are not likely to ease until the end of 2022 at the earliest.

The Parent Company Sammontana S.p.A. has chosen to manage this risk by implementing plans to reduce energy consumption and specific training activities on energy saving.

Should the parent company itself be unable to fully pass on the probable increase in sales prices, its economic and financial situation could suffer. Finally, a further risk that society has been confronted with in recent years is **global warming**.

In fact, since 1960, the concentration of CO<sub>2</sub> in the atmosphere has risen from 310 ppm to over 400 ppm, generating the so-called "greenhouse effect", which results in an increase in the global mean surface temperature (GMST), referred to as global warming. The primary culprit for the greenhouse effect is humans' excessive consumption of fossil fuels for both production and personal use. Another factor disrupting the balance of the natural greenhouse effect is deforestation: the disappearance of forests and plants, caused by both intensive agriculture and urbanisation, has greatly reduced the ability of trees to absorb CO<sub>2</sub>.

The existence of these risks related to climate change, even on a global scale, could directly or indirectly affect the Company should they cause significant economic losses with a consequent negative impact on demand.

As early as 2005, the Parent Company Sammontana Finanziaria S.r.l. started its activity as operating holding company, providing qualified services to the Group.

Particular mention should be made of:

- the cash pooling agreement open to all Group companies except for Sammontana Holding Hong Kong and its subsidiary, which allowed for significant improvements in the integrated liquidity management of the participating companies;
- the framework contract with a leading national insurance broker for risk management from a Group perspective;
- the contract of adhesion to the "national tax consolidation" pursuant to articles 117 et seq. of the Consolidated Income Tax Act and which, by providing special rules for determining the consolidated tax base, allows for the overall optimisation of the income tax payments of the Companies involved.

With its sister company Immobiliare Industriale S.r.l., the Group has rental contracts for properties used for logistics and corporate activities.

There were no significant transactions with the non-consolidated subsidiary Gelfrigo S.r.l., the subsidiary Sammontana Holding Hong Kong or with the indirect subsidiary Bagnoli Ice-Cream.

All dealings with the aforementioned companies are regulated at market conditions.

Below is a summary of inter-group economic and financial transactions for 2021:

	<b>Receivables</b>	<b>Payables</b>	<b>Revenues</b>	<b>Costs</b>
Sammontana Finanziaria S.r.l.	546,398 (**)	4,009,615(*) (***)	379,479	15,683
Gelfrigo S.r.l.	-	-	-	-
Immobiliare Industriale S.r.l.	-	433,376	105,500	617,982
Fattoria La Leccia S.agr. a r.l.	-	125,410	4,800	109,000
Bagnoli Ice Cream Ltd. (Shanghai) (****)	-	-	-	-
Sammontana Holding Hong Kong (****)	100,000	-	-	-
<b>Total</b>	<b>646,398</b>	<b>4,568,401</b>	<b>489,779</b>	<b>3,184,708</b>

\* of which € 2,485,780 cash pooling in relation to Sam Fin

\*\* of which € 411,149 IRES receivable for tax cons.;

\*\*\* of which € 50,410 cash pooling Transfrigo in relation to Sam Fin

\*\*\*\* for the reasons for exclusion from the scope of consolidation, see the section "Scope of consolidation" in these notes.

## SHARES IN PARENT COMPANIES AND TREASURY SHARES

Group companies do not hold and have not held treasury shares or shares in the parent company (not even through trust companies or third parties), nor were there any transactions on them during the year.

## STATUTORY AUDIT

These financial statements have been audited by PricewaterhouseCoopers S.p.A.



## OTHER INFORMATION

Pursuant to article 2427 point 22 bis and point 22 ter of the Civil Code, it should be noted that there are no transactions carried out with related parties of significant value that have not been concluded at current market values and there are no off-balance sheet agreements that have equity or economic effects.

It should also be noted that the Parent Company Sammontana SpA has a VAT receivable totalling about Euro 14 million, which will be gradually reabsorbed by the VAT payable during the year 2021 with a possible request for partial reimbursement to the Revenue Agency.

## KEY EVENTS AFTER YEAR-END

Even though, thanks to the success of the vaccination campaign, the negative impacts of the "coronavirus" seem to be easing, there is, unfortunately, an additional factor that is affecting the world economy in general: the upswing in inflation and the tension on energy prices (electricity, gas and fuel), certain raw materials, packaging and commodities used mainly by the Parent Company.

All of this was exacerbated at the end of February following Russia's invasion of Ukraine. The effects of this conflict relate to an event occurring after the balance sheet date, therefore not requiring adjustments to be made to the 2021 financial statement balances in accordance with OIC 29, paragraph 59 a).

The Group is, however, closely monitoring the negative impacts on the supply chain in terms of rising raw material and energy prices, while trying not to completely pass on the higher procurement costs it will have to bear to sales prices.

## OUTLOOK

The 2022 results will be heavily influenced by the effects of rising energy and commodity prices. Geopolitical tensions between Russia and NATO countries do not bode well for a quick resolution of the crisis. It should be noted, however, that the Group does not expect any direct negative impact in terms of sales revenues as neither the Russian nor Ukrainian markets are served by the companies. The Group is, however, closely monitoring the indirect negative impacts on the supply chain in terms of rising raw material and energy prices, while trying not to completely pass on the higher procurement costs it will have to bear to sales prices.

The recovery of the economy seen in 2021 will therefore slow down significantly.

In the first two months of the year, the sales trend was significantly higher than in 2021 for the horeca channel as all shops remained open, even though footfall was lower than expected due

to the fact that many people were working remotely and green-pass checks were still taking place.

Large-scale distribution sales were stable for both branded and private label products.

Unfortunately, despite the improved overall sales performance, we do not expect a significant increase in EBITDA because of the more than proportional increase in "costs" (fixed and variable).

Ordinary investments will be slightly higher than last year.

Empoli, 30 March 2022

The Chair of the Board of  
Directors of the  
Parent Company Sammontana S.p.A.

**Loriano BAGNOLI**





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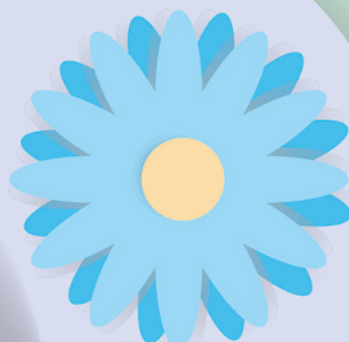
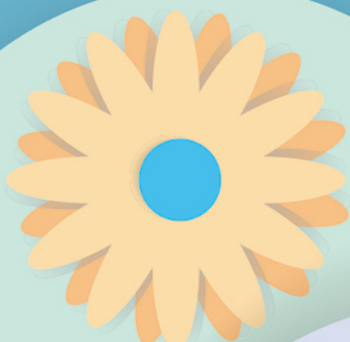
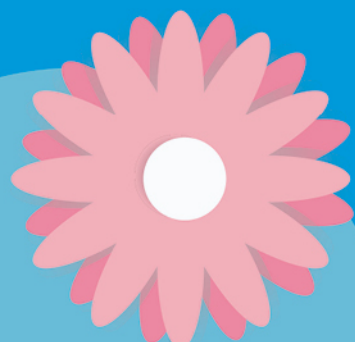
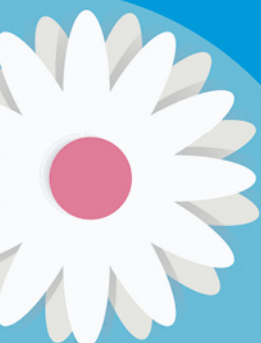
**CONSOLIDATED  
FINANCIAL  
STATEMENTS**







# FINANCIAL STATEMENTS



# BALANCE SHEET ASSETS

(Figures in Euro)	31.12.2021 Consolidated	31.12.2020 Consolidated	Change 2021/2020
<i>I. Intangible assets</i>			
2) Development costs	1,201,598	1,148,313	53,285
3) Industrial patent rights	3,093,036	3,280,800	(187,764)
4) Concessions, licences and trademarks	36,368,829	39,960,152	(3,591,323)
5) Goodwill	7,032,731	8,051,264	(1,018,533)
7) Others	588,468	614,015	(25,547)
	<b>48,284,662</b>	<b>53,054,544</b>	<b>(4,769,882)</b>
<i>II. Tangible assets</i>			
1) Land and buildings	58,896,204	60,980,515	(2,084,311)
2) Plants and machinery	44,797,508	47,826,833	(3,029,325)
3) Industrial and commercial equipment	28,622,348	27,808,575	813,773
4) Other assets	2,506,113	2,501,403	4,710
5) Assets in progress and advances	1,751,403	1,501,461	249,942
	<b>136,573,576</b>	<b>140,618,787</b>	<b>(4,045,211)</b>
<i>III. Financial assets</i>			
1) Investments in:			
a) subsidiaries	65,078	103,609	(38,531)
d-bis) other companies	41,195	41,195	0
	<b>106,273</b>	<b>144,804</b>	<b>(38,531)</b>
2) Receivables			
a) subsidiaries			
- beyond one year	100,000	70,000	30,000
	<b>100,000</b>	<b>70,000</b>	<b>30,000</b>
d-bis) others			
- beyond one year	1,476,826	1,742,632	(265,806)
	<b>1,476,826</b>	<b>1,742,632</b>	<b>-265,806</b>
	<b>1,576,826</b>	<b>1,812,632</b>	<b>(235,806)</b>
4) Derivative financial instruments receivable	0	7,625	(7,625)
	<b>0</b>	<b>7,625</b>	<b>(7,625)</b>
	<b>1,683,099</b>	<b>1,965,060</b>	<b>(281,961)</b>
<b>Total fixed assets</b>	<b>186,541,337</b>	<b>195,638,391</b>	<b>(9,097,054)</b>
<b>C) Current assets</b>			
<i>I. Inventories</i>			
1) Raw and ancillary materials and consumables	20,063,215	18,284,953	1,778,262
2) Work in progress	236,080	210,252	25,829
4) Finished products and goods	31,589,151	26,812,224	4,776,927
	<b>51,888,446</b>	<b>45,307,428</b>	<b>6,581,017</b>
<i>II. Receivables</i>			
1) Customers			
- within one year	51,379,718	44,557,887	6,821,831
- beyond one year	2,052,447	2,992,169	(939,722)

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## &gt;&gt; BALANCE SHEET ASSETS

(Figures in Euro)	<b>31.12.2021 Consolidated</b>	<b>31.12.2020 Consolidated</b>	<b>Change 2021/2020</b>
	<b>53,432,165</b>	<b>47,550,057</b>	<b>5,882,108</b>
4) Parent companies			
- within one year	546,398	119,126	427,272
	<b>546,398</b>	<b>119,126</b>	<b>427,272</b>
5-bis) Tax receivables			
- within one year	17,297,155	20,365,035	(3,067,880)
	<b>17,297,155</b>	<b>20,365,035</b>	<b>(3,067,880)</b>
5-ter) Deferred tax assets			
- within one year	6,959,798	7,202,798	(243,000)
	<b>6,959,798</b>	<b>7,202,798</b>	<b>(243,000)</b>
5-quater) Others			
- within one year	4,279,591	5,429,859	(1,150,268)
	<b>4,279,591</b>	<b>5,429,859</b>	<b>(1,150,268)</b>
	<b>82,515,107</b>	<b>80,666,875</b>	<b>1,848,232</b>
<i>III. Non-current financial assets</i>			
7) Financial assets for centralized treasury management	0	1,100,549	(1,100,549)
	<b>0</b>	<b>1,100,549</b>	<b>(1,100,549)</b>
<i>IV. Cash and cash equivalents</i>			
1) Bank and postal deposit accounts	35,031,595	29,022,202	6,009,393
3) Cash and equivalents on hand	112,351	117,177	(4,826)
	<b>35,143,946</b>	<b>29,139,379</b>	<b>6,004,567</b>
<b>Total current assets</b>	<b>169,547,499</b>	<b>156,214,231</b>	<b>13,333,268</b>
<b>D) Accruals and deferrals</b>			
- various	629,254	431,826	197,428
	<b>629,254</b>	<b>431,826</b>	<b>197,428</b>
<b>Total accruals and deferrals</b>	<b>629,254</b>	<b>431,826</b>	<b>197,428</b>
<b>Total assets</b>	<b>356,718,090</b>	<b>352,284,448</b>	<b>4,433,642</b>

# BALANCE SHEET LIABILITIES

(Figures in Euro)	31.12.2021 Consolidated	31.12.2020 Consolidated	Change 2021/2020
<b>A) Shareholders' equity</b>			
I. Capital	21,600,003	21,600,003	0
III. Revaluation reserves	48,954,647	48,954,647	0
IV. Legal reserve	4,320,003	4,320,003	0
VI. Other reserves	62,256,621	63,200,708	(944,087)
- Extraordinary reserve	59,863,288	60,630,708	(767,420)
- Merger surplus reserve	2,393,333	2,570,000	(176,667)
VII. Reserve for expected cash flow hedging transactions	(226,767)	(164,951)	(61,816)
IX. Profit for the year	5,273,959	2,027,296	3,246,663
<b>Total shareholders' equity</b>	<b>142,178,466</b>	<b>139,937,706</b>	<b>2,240,760</b>
<b>B) Provisions for risks and charges</b>			
1) Provisions for pensions	2,320,480	2,197,607	122,873
2) Provisions for taxes, including deferred	90,834	4,663,045	(4,572,211)
3) for derivative financial instruments payable	298,378	227,074	71,304
4) Others	862,394	898,778	(36,384)
<b>Total provisions for risks and charges</b>	<b>3,572,086</b>	<b>7,986,504</b>	<b>(4,414,419)</b>
<b>C) Employee severance indemnity (TFR)</b>	<b>6,024,078</b>	<b>6,767,426</b>	<b>(743,348)</b>
<b>D) Payables</b>			
1) Bonds			
- within one year	0	7,500,000	(7,500,000)
	<b>0</b>	<b>7,500,000</b>	<b>(7,500,000)</b>
4) Payables to Banks			
- within one year	23,977,515	24,823,797	(846,282)
- beyond one year	89,153,980	80,283,614	8,870,366
	<b>113,131,495</b>	<b>105,107,411</b>	<b>8,024,084</b>
7) Payables to suppliers			
- within one year	51,518,125	43,975,045	7,543,080
	<b>51,518,125</b>	<b>43,975,045</b>	<b>7,543,080</b>
11) Payables to parent companies			
- within one year	4,009,615	6,525,610	(2,515,995)
	<b>4,009,615</b>	<b>6,525,610</b>	<b>(2,515,995)</b>

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## &gt;&gt; BALANCE SHEET LIABILITIES

(Figures in Euro)	<b>31.12.2021 Consolidated</b>	<b>31.12.2020 Consolidated</b>	<b>Change 2021/2020</b>
11-bis) Payables to companies subject to the control of the parent company			
- within one year	558,786	548,332	10,454
	<b>558,786</b>	<b>548,332</b>	<b>10,454</b>
12) Tax payables			
- within one year	2,575,528	3,139,914	(564,386)
	<b>2,575,528</b>	<b>3,139,914</b>	<b>(564,386)</b>
13) Payables to social security institutions			
- within one year	4,314,914	3,952,875	362,039
	<b>4,314,914</b>	<b>3,952,875</b>	<b>362,039</b>
14) Other payables			
- within one year	28,834,165	26,815,962	2,018,203
	<b>28,834,165</b>	<b>26,815,962</b>	<b>2,018,203</b>
<b>Total payables</b>	<b>204,942,628</b>	<b>197,565,149</b>	<b>7,377,479</b>
<b>E) Accrued and deferred liabilities</b>			
- various	832	27,662	(26,830)
	<b>832</b>	<b>27,662</b>	<b>(26,830)</b>
<b>Total accrued and deferred liabilities</b>	<b>832</b>	<b>27,662</b>	<b>(26,830)</b>
<b>Total liabilities</b>	<b>356,718,090</b>	<b>352,284,448</b>	<b>4,433,642</b>

# INCOME STATEMENT

(Figures in Euro)	31.12.2021 Consolidated	31.12.2020 Consolidated	Change 2021/2020
<b>A) Production value</b>			
1) Revenues from sales and services	387,532,740	330,574,756	56,957,984
2) Change in inventories of FP and goods	4,802,756	2,954,718	1,848,038
5) Other revenues and income:			
- various	6,451,673	5,502,535	949,138
- contributions in the year	120,407	120,783	(376)
	6,572,080	5,623,318	948,762
<b>Total production value</b>	<b>398,907,576</b>	<b>339,152,792</b>	<b>59,754,784</b>
<b>B) Production costs</b>			
6) Raw and ancillary materials, and goods	(152,247,787)	(129,940,413)	(22,307,374)
7) Services	(132,758,022)	(108,353,911)	(24,404,111)
8) Rents and leases	(9,336,145)	(9,584,532)	248,387
9) Personnel			
a) Wages and salaries	(45,893,465)	(43,080,128)	(2,813,337)
b) Social security contributions	(15,208,122)	(14,338,512)	(869,610)
c) Employee severance indemnity (TFR)	(3,332,802)	(3,191,797)	(141,005)
e) Other costs	(8,534,743)	(8,761,386)	226,643
	(72,969,132)	(69,371,823)	(3,597,309)
10) Amortization, depreciation and write-downs			
a) Amortization of intangible assets	(7,427,599)	(6,037,489)	(1,390,110)
b) Depreciation of tangible assets	(22,292,533)	(12,717,154)	(9,575,379)
d) Write-downs of receivables	(900,000)	(500,000)	(400,000)
	(30,620,132)	(19,254,643)	(11,365,489)
11) Changes in inventories of RM and goods	1,778,262	2,417,112	(638,850)
12) Provisions for risks	(28,669)	0	(28,669)
14) Other operating expenses	(3,375,855)	(2,941,426)	(434,430)
<b>Total production costs</b>	<b>(399,557,480)</b>	<b>(337,029,636)</b>	<b>(62,527,844)</b>
<b>Difference between production value and costs (A-B)</b>	<b>(649,904)</b>	<b>2,123,156</b>	<b>(2,773,060)</b>

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## &gt;&gt; INCOME STATEMENT

(Figures in Euro)	31.12.2021 Consolidated	31.12.2020 Consolidated	Change 2021/2020
<b>C) Financial income and expenses</b>			
15) Income from investments:			
e) in other companies	58	0	58
	58	0	58
16) Other financial income:			
d) income other than the above:			
i) third parties	216,789	34,075	182,714
iv) parent companies	377,707	237,236	140,471
	594,496	271,311	323,185
17) Interest and other financial expenses:			
i) third parties	(1,589,886)	(1,341,568)	(248,318)
iv) parent companies	(2,568)	(6,609)	4,041
	(1,592,454)	(1,348,177)	(244,277)
17-bis) Exchange rate gains and losses			
- gains	90,639	242,011	(151,372)
- losses	(56,021)	(71,803)	15,781
	34,618	170,208	(135,590)
<b>Total financial income and expenses</b>	<b>(963,283)</b>	<b>(906,658)</b>	<b>(56,624)</b>
<b>D) Value adjustments of financial assets</b>			
19) Write-downs:			
a) of investments	(38,531)	0	(38,531)
<b>Total value adjustments of financial assets</b>	<b>(38,531)</b>	<b>0</b>	<b>(38,531)</b>
<b>Pre-tax result (A-B+C+D)</b>	<b>(1,651,718)</b>	<b>1,216,498</b>	<b>(2,868,216)</b>
20) Income taxes for the year			
- current taxes	(614,221)	(596,884)	322,800
- deferred tax (liabilities) assets	4,312,098	65,100	4,246,998
- Income from Consolidation	3,227,800	1,342,582	1,545,081
	6,925,677	810,798	6,114,879
<b>21) Profit (Loss) for the year</b>	<b>5,273,959</b>	<b>2,027,296</b>	<b>3,246,663</b>

# CASH FLOW STATEMENT

(Figures in Euro)	2021	2020
<b>A. Cash flows from operating activities</b>		
<i>Profit (loss) for the year</i>	5,273,959	2,027,296
Income taxes	(6,925,677)	(810,798)
Interest expenses (income)	997,958	1,076,866
(Dividends)	(58)	-
(Gains) losses from disposal of assets	158,366	5,036
<b>1. Profit (loss) for the year before income taxes, interest, dividends and gains/losses on disposals</b>	<b>(495,452)</b>	<b>2,298,401</b>
<i>Adjustments for non-monetary items that had no balancing entry in net working capital</i>		
Allocations to provisions	3,361,471	3,191,797
Amortization/Depreciation of fixed assets	29,720,132	18,754,643
Write-downs for impairment losses	-	-
Other adjustments for non-monetary elements	(23,285)	(1,502,183)
Value adjustments of financial assets/liabilities of derivative financial instruments that do not involve monetary changes	71,304	238,141
<b>2. Cash flow before changes in net working capital</b>	<b>32,634,170</b>	<b>22,980,799</b>
<i>Change in net working capital</i>		
Decrease/(increase) in inventories	(6,581,017)	(5,371,830)
Decrease/(increase) in receivables from customers	(5,882,108)	12,604,090
Increase/(decrease) in payables to suppliers	7,543,080	(5,957,305)
Decrease/(increase) in accrued and deferred assets	(197,428)	117,804
Increase/(decrease) in accrued and deferred liabilities	(26,830)	(1,598)
Other changes in net working capital	5,861,105	(7,159,179)
<b>3. Cash flow after changes in net working capital</b>	<b>33,350,971</b>	<b>17,212,781</b>
<i>Other adjustments</i>		
Interest collected/(paid)	(997,958)	(1,076,866)
(Income taxes paid)	(11,957)	(1,006,638)
Reimbursed taxes	-	-
Dividends received	58	-
(Use of provisions)	(4,141,203)	(5,482,696)
<b>4. Cash flow after other adjustments</b>	<b>28,199,911</b>	<b>9,646,580</b>
<b>Cash flow from operating activities (A)</b>	<b>28,199,911</b>	<b>9,646,580</b>

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## &gt;&gt; CASH FLOW STATEMENT

(Figures in Euro)	2021	2020
<b>B. Cash flows from investment activities</b>		
<i>Tangible assets</i>		
(Investments)/Divestments	(19,257,045)	(24,406,352)
Realizable price of divestments	851,357	960,690
<i>Intangible assets</i>		
(Investments)/Divestments	(2,657,717)	(3,130,255)
Realizable price of divestments	-	25,060
<i>Fixed financial assets</i>		
(Investments)/Divestments	-	(219,296)
Realizable price of divestments	243,429	-
<i>Non-current financial assets</i>		
(Investments)/Divestments	1,100,549	(1,094,397)
(Acquisition) or sale of subsidiaries or business units, net of cash and cash equivalents	-	(300,000)
<b>Cash flow from investment activities (B)</b>	<b>(19,719,427)</b>	<b>(28,164,549)</b>
<b>C. Cash flows from financing activities</b>		
<i>Third-party assets</i>		
Increase (decrease) in short-term payables to banks	-	(1,896,343)
New loans	22,800,000	98,000,000
(Repayment) of loans	(14,775,917)	(52,969,448)
Bond issue (redemption)	(7,500,000)	(7,500,000)
<i>Equity</i>		
(Dividends and interim dividends paid)	(3,000,000)	-
<b>(C) Cash flow from financing activities</b>	<b>(2,475,917)</b>	<b>35,634,210</b>
<b>Increase (decrease) in cash and cash equivalents (A + B + C)</b>	<b>6,004,567</b>	<b>17,116,240</b>
Cash and cash equivalents at the beginning of the period (D)	29,139,379	12,023,138
Cash and cash equivalents at the end of the period (E)	35,143,946	29,139,379
<b>Total cash flow (D - E)</b>	<b>(6,004,567)</b>	<b>(17,116,240)</b>



NOTES





## CRITERIA FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The Financial Statements for the year ended 31 December 2021 and these Notes have been prepared in accordance with the provisions of the Italian Civil Code on Consolidated Financial Statements as reformed by Legislative Decree no. 139/15 (implementing European Directive 2013/34).

The Financial Statements consist of the Balance Sheet (prepared in accordance with the format provided for in articles 2424 and 2424-bis of the Italian Civil Code), the Income Statement (prepared in accordance with the format provided for in articles 2425 and 2425-bis of the Italian Civil Code), the Cash Flow Statement (the contents of which, in compliance with article 2425-ter of the Italian Civil Code, are presented in accordance with the provisions of accounting standard OIC 10) and these Notes, prepared in accordance with the provisions of articles 2427 and 2427-bis of the Italian Civil Code.

The Notes below analyse and supplement the figures in the financial statements with the additional information deemed necessary to give a true and correct representation of the data presented, taking into account that no exemptions were made pursuant to articles 2423 and 2423-bis of the Italian Civil Code.

For additional information on the Group's situation and operating performance, as a whole and in the various sectors in which it has operated, with particular regard to costs, revenues and investments, as well as for a description of the main risks and uncertainties to which the Group is exposed, reference should be made to the Board of Directors' Report on Operations.

In compliance with the provisions of article 2423 of the Italian Civil Code, the Financial Statements were prepared in accordance with the general postulates of clarity and give a true and fair view of the financial position of the Company and the economic result for the year.

In compliance with article 2423 bis of the Italian Civil Code, the following principles were observed in the preparation of the financial statements:

- the valuation of the items must be made based on prudence and on a going concern basis and taking into account the economic function of the asset or liability considered;
- the recognition and presentation of the items takes into account the substance of the transaction or contract;
- only the results achieved as at the end of the financial year have been indicated;
- the income and expenses shown are those pertaining to the financial year in question, regardless of the date of receipt or payment;
- income and expenses pertaining to the financial year were taken into account, regardless of the date of collection or payment;

- risks and losses pertaining to the year, even if they became known after its closure, were considered;
- heterogeneous elements included in the individual items have been valued separately.

There were no exceptional cases that made it necessary to make use of derogations pursuant to article 2423, paragraph 5 of the Italian Civil Code. It should be noted that during the previous financial year ended 31 December 2020, the Company had:

- a) exercised the business assets revaluation option pursuant to Law no. 126 of 13 October 2020, converting with amendments Decree-Law no. 104 of 14 August 2020, thereby revaluing one of the proprietary trademarks in derogation of the purchase or production cost criterion provided for by article 2426, paragraph 1 of the Italian Civil Code.
- a) exercised the optional suspension of depreciation pursuant to the provisions of paragraphs 7-bis - 7-quinquies of article 60 of Decree-Law no. 104 of 14 August 2020, as amended upon its conversion by article 1, paragraph 1 of Law no. 126 of 13 October 2020 (hereinafter, also referred to as "Law no. 126").

As provided for by article 110 of Decree-Law no. 104/2020, the Parent Company (when filing its 2021 income tax return) exercised the option to realign for tax purposes the higher statutory values associated with the "Tre Marie" brand and goodwill by paying (in three annual instalments) the 3% substitute tax. With reference to the 2021 financial statements, this transaction generated income in the income statement relating to the release of the deferred tax provision in the amount of Euro 5.3 million.

Pursuant to article 2423-ter, Section 5 of the Italian Civil Code, for each item of the Balance Sheet and Income Statement, the amount of the corresponding item for the previous year is also indicated. If the items are not comparable, those of the previous year are adjusted accordingly, and the non-comparability and the adjustment or impossibility thereof are reported and commented on in these Notes.

## SCOPE OF CONSOLIDATION

The consolidated financial statements of the Sammontana Group include the financial statements of the parent company and those of the companies that Sammontana S.p.A. controls directly or indirectly through a majority of the votes that can be exercised at the ordinary shareholders' meeting, the companies over which it has sufficient votes to exercise a dominant influence at the ordinary shareholders' meeting, the companies over which it has a dominant influence by virtue of a contract or a clause in the articles of association, where permitted by applicable law, and the companies over which it has independent control of the majority of voting rights based on agreements with other shareholders.



The scope of consolidation as at 31 December 2021 includes the following companies:

### **Sammontana S.p.A.**

#### **Parent company**

Registered office in Empoli (FI), Via Tosco Romagnola 56

Registered at the Chamber of Commerce of Florence under no. 03957900487

Production and marketing of ice cream and pastry products.

### **Transfrigo S.r.l.**

#### **100.00% controlled**

Consolidated on a line-by-line basis

Registered office in Vinci (FI), Via Provinciale di Mercatale 258

Registered at the Chamber of Commerce of Florence under no. 01530010485

Food transport activities.

There were no changes in the scope of consolidation compared to the previous year.

Sammontana S.p.A. also fully controls the company Gelfrigo S.r.l., with registered office in Vinci and share capital of Euro 10,000, which produces, distributes and sells fresh, preserved, refrigerated, frozen, deep-frozen food products and exercises other ancillary activities. To date, the company has not yet started its operations.

In compliance with the provisions of article 28 of Legislative Decree no. 127/1991, the Company was excluded from consolidation because it is irrelevant for the purposes of clarity and giving a true and fair representation of the Group's economic, equity and financial position.

Sammontana S.p.A. also fully controls Sammontana Holding Hong Kong Ltd and Bagnoli Icecream Shanghai Co Ltd (indirectly controlled). To date, both companies have carried out only a few insignificant transactions.

In compliance with the provisions of article 28 of Legislative Decree no. 127/1991, the Companies were excluded from consolidation because they are irrelevant for the purposes of clarity and giving a true and fair representation of the Group's economic, equity and financial position.

## **PRINCIPLES OF CONSOLIDATION**

The financial statements used for consolidation purposes are those for 2020. These financial statements have been appropriately reclassified and adjusted in order to bring them in line with the accounting standards and valuation criteria of the Parent Company.

In preparing the consolidated financial statements, the assets and liabilities, as well as the income and expenses of the companies included in the consolidation are reported in full. On the other hand, receivables and payables,

income and expenses, and profits and losses originating from transactions between companies included in the consolidation are eliminated.

The book value of investments in companies included in the consolidation is eliminated against their corresponding fractions of the shareholders' equity of the investee companies.

The difference between the book value of investments and the corresponding portion of equity is attributed to the assets and liabilities of the companies included in the consolidation based on the current values determined at the date of acquisition, i.e. the "consolidation difference", in the goodwill item of the balance Sheet of the Consolidated Financial Statements and charged to the Income Statement according to the criteria provided for goodwill.

The effects deriving from the procedures described above have been summarized in the reconciliation between the Parent Company's equity and the result of the year and as derived from the consolidated financial statements.

## VALUATION CRITERIA


The valuation criteria adopted comply with the provisions contained in article 2426 of the Italian Civil Code and have been supplemented, where the law has not specifically stated otherwise, by those indicated by the Italian Accounting Body. The most significant valuation criteria adopted are the following:

### INTANGIBLE ASSETS

These are recorded at historical cost, including ancillary expenses, and shown net of amortization during the financial years and charged to the individual items with the prior approval, where necessary, of the Board of Statutory Auditors.

Development costs are subject to capitalization when they refer to a clearly defined product or process, they are identifiable and measurable, they also refer to a feasible project, i.e. technically feasible, for which the Company possesses or can dispose of the necessary resources, and they must be recoverable. Development costs are amortized over a period not exceeding five years. Research costs are charged to the profit and loss account of the year in which they are incurred.

Start-up and expansion costs, recorded with the consent of the Board of Statutory Auditors, are shown under the appropriate asset item and amortized over their economic life, and in any case not exceeding five years.



Industrial patents and intellectual property rights are amortized on the basis of their presumed duration of use, and in any case no greater than that established by license contracts.

Concessions, licenses, trademarks and similar rights recorded under assets are amortized on the basis of the expected duration of use, in any case no longer than that set out in the purchase contract; if the period of use cannot be determined or the contract does not exist, the duration is set at five years.

The consolidation difference emerges when preparing the consolidated financial statements when the book values of investments are eliminated against the corresponding fractions of equity of the investee companies. Any excess, not attributable to individual assets of the companies included in the consolidation, is recorded as an adjustment of consolidated equity, or, if the necessary conditions are met, it is recorded under "goodwill"; this item is amortized over a period of time within which the economic benefits are expected to be achieved. Please refer to the specific paragraph in the notes for further details.

If, regardless of the amortization already recorded, an impairment loss occurs, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is reinstated, adjusted only for amortization, with the exception of any reversal of goodwill.

Decree-Law no. 104 of 2020 (August Decree), converted with amendments by Law no. 126 of 2020, made significant and advantageous changes to the rules governing the revaluation of business assets and investments under Section II of Chapter I of Law no. 342 of 2000, i.e., tangible and intangible assets, excluding those whose production or exchange is the purpose of the business activity, and investments in subsidiaries and associated companies constituting financial assets.

In the context of the provisions of article 110, paragraph 2, of the August Decree, i.e., on the basis of the provision to carry out the revaluation "separately for each asset", in the previous financial year 2020, the company decided to subject one brand (the Sammontana brand) to expert valuation. This was with a view to strengthening capital and bringing out the added value of this asset, which is considered strategic.

With regard to the adoption of the method provided for in Ministerial Decree no. 162/2001 for the revaluation, in the 2020 financial statements the company applied the increase in historical cost only, the higher values of which were recognised under Concessions, licences and trademarks following the revaluation as a balancing entry in a special equity reserve entitled Revaluation reserve pursuant to Decree-Law 104/20.



The revaluation was carried out not only for statutory purposes, but also for tax purposes to obtain tax recognition of the higher values, providing for the payment of a substitute tax for IRES and IRAP at a rate of 3%. The substitute tax is to be paid in three equal annual instalments starting from the financial year 2021 and in any case by the deadline for payment of the balance of income taxes.

In summary, intangible assets are amortized using the rates shown in the following table:

<b>Description</b>	<b>Rate</b>
Software	33.33%
Goodwill	5% - 10%
Trademarks, Patents, Licences	5% - 20%
Development Costs	20% - 33.33%


## TANGIBLE ASSETS

They are recorded at purchase cost, including ancillary expenses, and adjusted by the corresponding depreciation provisions.

Tangible assets were revalued based on laws (special, general or sectoral) and there were no discretionary or voluntary revaluations. The maximum limit of the revaluations carried out was the objectively determined value in use of the asset itself.

The depreciation rates, charged to the income statement, were calculated considering the use, destination and economic-technical life of the assets, based on the criterion of remaining useful life, unchanged from the previous year and reduced by half in the year of entry into operation of the asset, and are as follows:

<b>Description</b>	<b>Rates in the first year</b>	<b>Rates in subsequent years</b>
Buildings	1.5% - 2%	3% - 4%
Plants and machinery	7.5%	7.5% to 15%
Conservators	12.5%	25%
Miscellaneous and small equipment	20%	40%
Office furniture and equipment	6%	12%
Electronic machines	10%	20%
Cars	12.5%	25%
Trucks	10%	20%



The different rates used depend on the heterogeneity of the production activities carried out by the companies belonging to the Group, and therefore lead to a different degree of utilization of the assets subject to the depreciation process based on the activity carried out.

The plants, machinery and industrial equipment used in the production of frozen pastries operate continuously at low speed in contrast to the ice cream production process which is carried out on high-speed step-by-step discontinuous motion packaging machines with significantly higher forces and accelerations, which therefore cause faster wear and tear of the technological asset.

In the year in which the asset is acquired, depreciation is reduced by half, as this represents a reasonable approximation of the time distribution of purchases during the year.

In the event that, regardless of the depreciation already accounted for, there is a permanent impairment loss, the fixed asset is written down accordingly; if, in subsequent years, the reasons for the write-down no longer apply, the original value is reinstated, adjusted only for depreciation.

As at 31 December 2020, the Parent Company Sammontana SpA, due to the Covid-19 pandemic, made use of the exception provided for in article 60 of Law no. 126/2020, opting to suspend the depreciation of certain classes of tangible fixed assets for the year. For details on the effects of applying this exception, reference should be made to the section entitled "Amortization/Depreciation of Fixed Assets" in the Notes.

## INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

Investments in subsidiaries and non-consolidated companies are valued at purchase or subscription cost because they are not material.

## INVENTORIES

Assets included in inventories are initially recognised on the date on which the risks and benefits associated with the acquired asset are transferred. The transfer of risks and benefits usually occurs when ownership title is transferred in accordance with the contractually agreed terms.

Inventories are initially recorded at purchase or production cost and subsequently carried at the lower of cost and the corresponding estimated realizable value determined by the market. [CC 2426 paragraph 9].

Purchase cost means the actual purchase price plus related costs, excluding financial expenses. The purchase cost of materials includes, in addition to the

price of the material, transport and customs costs, other levies and other costs directly attributable to the material. Returns, trade discounts, rebates and premiums are deducted from costs.

Production cost refers to the purchase cost plus the industrial costs of production and includes all direct costs and indirect costs for the portion reasonably attributable to the product related to the period of manufacture and up to the time from which the asset can be used, considered on the basis of normal production capacity. The production cost does not include general and administrative costs, distribution costs and research and development costs. The purchase or production cost is determined using the weighted average cost method.

The realizable value inferable from market trends in raw and ancillary materials, goods, finished products, semi-finished and work in progress is equal to the estimated selling price of goods and finished products in the normal course of business, taking into account information available on the market, net of estimated completion costs and direct selling costs. Inventories of obsolete or slow-moving materials are also considered.

Inventories whose realizable value based on the market trend is less than its carrying value are therefore written down.


If the reasons for the write-down no longer apply, in whole or in part, as a result of the increase in the market realization value, the value adjustment made is reversed within the limits of the cost originally incurred.

## RECEIVABLES (INCLUDING THOSE CLASSED AS FINANCIAL ASSETS)

Receivables are recognised in the financial statements according to the amortized cost criteria, taking into consideration the time factor and the estimated realisable value. Receivables due from the parent company for cash pooling, with no contractual collection constraints, are classified under "Financial assets for centralized treasury management at the parent company" under Financial assets not held as fixed assets, in compliance with the provisions of the new OIC 14.

Receivables arising from revenues from the sale of goods are recognised on an accrual basis when both of the following conditions are met: the production process of the goods has been completed and there has been a substantial and not formal transfer of title, taking the transfer of risks and benefits as the reference parameter for the substantial transfer.

Receivables recognised in the financial statements represent rights to demand fixed or determinable amounts of cash from customers or other third parties. The initial recognition value is represented by the nominal value of the receivable, net of all premiums, discounts and rebates, and inclusive of any



costs directly attributable to the transaction that generated the receivable. Transaction costs, any commission income and expenses and any difference between the initial value and the nominal value at maturity are included in the calculation of the amortized cost using the effective interest method, which implies that they are amortized over the expected term of the receivable. Their amortization supplements or adjusts the interest income calculated at the nominal rate (following the same classification in the income statement), so that the effective interest rate can remain a constant interest rate over the life of the receivable.

The provision for bad debts is estimated by analysing individual receivables, with determination of expected losses for each anomalous situation already manifested or reasonably foreseeable, and the estimate, based on experience and any other useful element, of any additional losses which may affect receivables outstanding at the reporting date.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent the positive balances of bank and postal deposit accounts and cheques, as well as cash and equivalents on hand at year-end.

Bank and postal deposit accounts and cheques are measured at the estimated realizable value, money and duty stamps at nominal value while cash in foreign currency is measured at the exchange rate in force at year-end.

## PAYABLES

Payables are recognised in the financial statements according to the amortized cost criterion, taking into account the time factor and the estimated payment value. In particular, the initial recognition value is represented by the nominal value of the payable, net of transaction costs and all premiums, discounts and rebates directly deriving from the transaction that generated the payable.

Transaction costs, any commission income and expenses and any difference between initial value and nominal value at the due date are included in the calculation of the amortized cost using the effective interest method.

## PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges represent specific, certain or probable liabilities with an undetermined date of occurrence or amount. In particular, provisions for risks represent liabilities with a specific nature and probable existence, the values of which are estimated, while provisions for charges represent liabilities of a specific nature and certain existence, estimated in the amount or date of

occurrence, related to obligations already undertaken at the reporting date, but that will have a cash impact in subsequent years.

Allocations to provisions for risks and charges are recorded in the income statement under the items of the operating activities to which the transaction refers, with the criterion of classification by type of costs prevailing. The amount of allocations to provisions is measured with reference to the best estimate of costs, including legal fees, at each reporting date. If the measurement of allocations results in the determination of a range of variability of values, the allocation represents the best estimate feasible between the maximum and minimum limits of the range of variability of values.


The subsequent use of the provisions is carried out directly and only for the expenses and liabilities for which the provisions were originally established. Any negative differences with respect to the charges actually incurred are recorded in the income statement in line with the original allocation, while if the surplus arises as a result of the positive development of situations that occur in a company's business, the elimination or reduction of the surplus provision is recorded among the positive components of the income of the class of the same nature.

## DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recorded at fair value, even if embedded in other financial instruments, both at the date of initial recognition and at each subsequent reporting date, pursuant to article 2426, paragraph 1, number 11-bis, of the Italian Civil Code and OIC 32.

Changes in fair value are recognised in the income statement or, if the instrument hedges the risk of changes in the expected cash flows of another financial instrument or a planned transaction, directly in a positive or negative equity reserve; this reserve is recognised in the income statement to the extent and at the times corresponding to the occurrence or change in the cash flows of the hedged instrument or the occurrence of the hedged transaction. If the fair value at the reference date is positive, it is recognised under the item "derivative financial instruments receivable" as a financial asset or as a financial asset not held as a fixed asset. If the value is negative, it is recognised under the item "derivative financial instruments payable" under provisions for risks and charges.

If the transaction qualifies as a hedge, the Company recognizes the cash flow hedging instrument in the balance sheet at fair value, with a balancing entry under item A) VII "Reserve for expected cash flow hedging transactions" for the hedging component deemed effective (net of deferred tax effects), while for the ineffectiveness component, calculated for hedging relationships that do not qualify as simple, under section D) of the income statement. This reserve, in accordance with the provisions of article 2426, paragraph 1, number 11-bis of the Italian Civil Code, is not considered in the calculation of equity for the purposes set out in articles 2412, 2433, 2442, 2446 and 2447.



If the transaction does not qualify (or is not designated) as a hedge, changes in fair value are recognised in the income statement under section D) "Value adjustments of financial assets and liabilities"; gains arising from the valuation of derivative financial instruments not designated as hedges are allocated to non-distributable equity reserves.

A transaction in derivative financial instruments is designated as a hedge when:

- a) the hedging relation only consists of eligible hedging instruments and eligible hedged items under OIC 32;
- b) there is a close and documented correlation between the characteristics of the hedged instrument or transaction and the hedging instrument within the meaning of article 2426, paragraph 1, number 11-bis of the Italian Civil Code; the documentation concerns the formalization of the hedging relation, the Company's objectives in risk management and the hedging strategy;
- c) the hedging relation meets all of the following requirements:
  - 1) there is an economic relation between the hedged item and the hedging instrument;
  - 2) the effect of the credit risk of the counterparty of the derivative financial instrument and the hedged item, if the credit risk is not the hedged risk, does not prevail over the changes in value resulting from the economic relation;
  - 3) the hedging ratio equal to the ratio between the amount of derivative financial instruments used and the amounts of hedged items is determined (to the extent that the ineffectiveness of the hedge is not impacted ex-ante).

The existence of eligibility criteria is verified continuously, and at each closing date of the financial statements the company assesses whether the hedging relation still meets the effectiveness requirements.

The Company prospectively ceases hedge accounting when:

- a) the hedging instrument expires, is sold or discontinued (without substitution already provided for in the original hedging strategy);
- b) the hedge no longer meets the conditions for hedge accounting.

If the change in the economic relationship between the hedged item and the hedging instrument is such that the hedging relationship is terminated and the risk management objective for the designated hedge remains the same, the company assesses the possibility of revising the hedging ratio.

## CASH FLOW HEDGES

Cash flow hedges are activated when the objective of the hedge is to limit the exposure to the risk of variability in cash flows attributable to an asset or liability recognised in the financial statements, irrevocable commitments, or highly probable planned transactions.

In a cash flow hedge related to an asset or liability recognised in the financial statements or to a highly probable planned transaction or irrevocable commitment, the amount of the reserve is recognised in the income statement in the same years in which the hedged cash flows have an effect on profit (loss) of the year and in the same item impacted by the cash flows themselves. In a hedge of the cash flows associated with a highly probable planned transaction or irrevocable commitment that subsequently results in the recognition of a non-financial asset or liability, the Company, when recognizing the asset or liability, eliminates the amount from the reserve for expected cash flow hedging transactions and includes it directly in the book value of the asset (within the limits of the recoverable value) or liability. If, however, in the presence of a negative reserve, it is not expected that all of the loss or part of the reserve will be recovered in one or more future years, the Company immediately recognizes the reserve (or the part of reserve) that it does not expect to recover in the income statement for the year.

## AMOUNTS EXPRESSED IN FOREIGN CURRENCIES NOT BELONGING TO THE EURO AREA


Monetary assets and liabilities denominated in foreign currencies are recorded at the spot exchange rate on the closing date of the financial year; the resulting exchange rate gains or losses are recorded in the income statement and any net profit is allocated to a special reserve that cannot be distributed until realization. Non-monetary foreign currency assets and liabilities are recorded at the exchange rate prevailing at the time of their purchase

## EMPLOYEE SEVERANCE INDEMNITY (TFR)

Represents the actual amount accrued due to the employees in accordance with the law and the labour contracts in force, considering all forms of ongoing remuneration.

The provision corresponds to the total of the individual indemnities accrued due to employees at year-end, net of advances paid, and is equal to the amount that should have been paid to employees in the event of termination of employment on that date.

Following the amendments made to the TFR by Law no. 196 of 27 December 2006 ("2007 Financial Law") and subsequent implementation Decrees and Regulations, the accounting criteria applied to the TFR portions accrued up to 31 December 2006 and those accrued from 1 January 2007, have been modified as from the 2007 financial year, in accordance with the procedures provided for by current regulations.



As a result of the reform of the supplementary pension scheme (Legislative Decree 252/2005) for companies with at least 50 employees, the TFR portions accrued up to 31 December 2006 remained in the company, while the portions accrued from 1 January 2007, as a result of the choices made by employees, were allocated to supplementary pension schemes or transferred by the company to the Treasury Fund managed by INPS.

## ACCRUALS AND DEFERRALS

Accrued assets and liabilities represent respectively portions of income and costs for the year with financial effect in subsequent years.

Deferred assets and liabilities represent respectively portions of costs and income with financial effect during the year or in previous years but related to one or more subsequent years.

These items therefore only include portions of costs and income, common to two or more years, the amount of which varies over physical or economic time. At the end of each year, the conditions that led to their initial recognition are verified and, if necessary, the necessary value adjustments are made. In particular, in addition to the passage of time, for accrued assets, the estimated realizable value is considered while for deferred assets, the existence of the future economic benefit related to the deferred costs is considered.

## FACTORING

Receivables assigned to factoring companies without recourse are removed from the balance sheet when:

- a) the contractual rights on cash flows deriving from the receivable terminate (partially or totally); or
- b) the ownership of the contractual rights on the cash flows deriving from the receivable is transferred and with it substantially all the risks related to the receivable are transferred.

When the receivable is derecognised from the financial statements following a disposal transaction that involves the transfer of substantially all risks, the difference between the amount and the book value of the receivable at the time of disposal is recognised in the income statement under Financial Expenses.



## RISKS, COMMITMENTS AND GUARANTEES

The guarantees indicated in the Notes are shown at nominal value.

## REVENUE RECOGNITION

Revenues from the sale of products are recognised at the time of transfer of ownership, which is normally identified with the delivery or shipment of the goods and/or transfer of the risks of sale and risks connected to the buyer. Financial revenues and those deriving from service provisions are recognised on an accrual basis.

## INCOME TAXES

Current taxes are calculated on the basis of a realistic estimate of taxable income for the year, determined in accordance with the tax law, and applying the tax rates in effect at the reporting date.

The related tax payable is recorded in the balance sheet at nominal value, net of advances paid, withholding taxes and tax receivables to be paid and not requested for reimbursement; if the advances paid, withholding taxes and receivables exceed the taxes due, the related tax receivable is recorded.

It should be noted that in 2021, it was deemed appropriate to reclassify the item "20) Current Taxes" in order to provide the reader with greater clarity and suitable comparative information.

The reclassifications made to the comparative data as at 31 December 2020 are detailed below.

<b>Balance Sheet Item</b>	<b>31.12.2020 before reclassification</b>	<b>Change</b>	<b>31.12.2020 after reclassification</b>
20) current taxes	(596,884)	(26,715)	(623,599)
20) income from tax consolidation	0	26,715	26,715



## DEFERRED AND PREPAID TAXES

Deferred and prepaid taxes are determined on differences of a temporary nature between the taxable results and the balance sheet results. They are calculated on the basis of the rates in force at the time the temporary differences arise and are updated to reflect the rate in use at the end of each year.

Prepaid taxes are recognised only when there is a reasonable expectation of future economic results that may lead to their recovery.

## KEY EVENTS AFTER YEAR-END

Events occurring after year-end that change conditions already existing at the balance sheet date and require changes to the values of assets and liabilities, in accordance with the relevant accounting standard, are recognised in the financial statements, in accordance with the accrual basis of accounting, to reflect the effect that these events have on the financial position and results of operations at the balance sheet date.

Events occurring after year-end that modify situations existing at the balance sheet date, but that do not require a change in the values of the financial statements, in accordance with the relevant accounting standard, insofar as they pertain to the following financial year, are not recognised in the financial statements but are illustrated in the report on operations when necessary to give a more complete picture of the company's situation.

The term by which the event must occur to be taken into account is the date of preparation of the draft budget by the Directors, except in cases where between said date and the date scheduled for the approval of the financial statements by the Shareholders' Meeting, events occur that require changes to the draft financial statements.

## TRANSACTIONS WITH PARENT, SUBSIDIARY, AFFILIATED AND RELATED COMPANIES AND KEY EVENTS AFTER YEAR-END

Transactions with parent, subsidiary, affiliated and related companies and key events after year-end are reported in the Report on Operations, although a summary is provided for 2021:

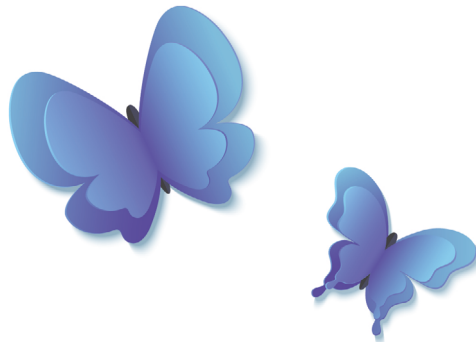
	<b>Receivables</b>	<b>Payables</b>	<b>Revenues</b>	<b>Costs</b>
Sammontana Finanziaria S.r.l.	546,398 (**)	4,009,615(*)(***)	379,479	15,683
Gelfrigo S.r.l.	-	-	-	-
Immobiliare Industriale S.r.l.	-	433,376	105,500	617,982
Fattoria La Leccia S.agr. a r.l.	-	125,410	4,800	109,000
Bagnoli Ice Cream Ltd. (Shanghai) (****)	-	-	-	-
Sammontana Holding Hong Kong (****)	100,000	-	-	-
<b>Total</b>	<b>646,398</b>	<b>4,568,401</b>	<b>489,779</b>	<b>742,665</b>

\* of which € 2,485,780 cash pooling in relation to Sam Fin

\*\* of which € 411,149 IRES receivable for tax cons.;

\*\*\* of which € 50,410 cash pooling Transfrigo in relation to Sam Fin

\*\*\*\* for the reasons for exclusion from the scope of consolidation, see the section "Scope of consolidation" in these notes.



# BALANCE SHEET

## INTANGIBLE ASSETS

Intangible assets	31.12.2021	31.12.2020	Change
Development Costs	1,201,598	1,148,313	53,285
Industrial patents and intellectual property rights	3,093,036	3,280,800	(187,764)
Concessions, licences, trademarks and similar rights	36,368,829	39,960,152	(3,591,323)
Goodwill	7,032,731	8,051,264	(1,018,533)
Others	588,468	614,015	(25,547)
<b>Total</b>	<b>48,284,662</b>	<b>51,906,231</b>	<b>(4,823,167)</b>

Changes in intangible assets and related provisions recorded during the financial year 2021 are shown in an annex to these Notes (Annex 1).

In this year, approximately Euro 0.42 million in development costs were capitalized at cost, which, net of amortization and the remainder of the previous year's capitalizations, amounted to some Euro 1.2 million as at 31 December 2021. As in the previous year, these cost capitalizations essentially concern costs for wages, salaries and various materials related to the development of specific products that will ensure interesting economic and financial prospects over time.

The item "Industrial patents and intellectual property rights" includes the cost value for the purchase of ownership and user licences relating to the new Microsoft Dynamics AX integrated system. The increase in the year is to be considered fully attributable to the above.

The item "Concessions, licenses, trademarks and similar rights" includes the Tre Marie brand, amortized over 20 years and with a residual value at 31 December 2021 of Euro 16.7 million, recorded following the allocation of the deficit resulting from the merger of GranMilano S.p.A. into Sammontana S.p.A., which took place in 2010, for an initial value of Euro 43.5 million.

The annual amortization of this brand is Euro 2.7 million.

In addition, this item also includes the Sammontana brand, revalued in the 2020 financial year, with an initial value of Euro 23.5 million, which remains in the current year at Euro 22.33 million.

The annual amortization of this brand is Euro 1.18 million.

The "Goodwill" item specifically consists of:

- Euro 6 million from the residual value of the deficit generated in 2010 (for a total of Euro 15.02 million) from the merger of GranMilano S.p.A. into Sammontana S.p.A.;

- Euro 235 thousand from the residual value of the deficit generated in 2010 (for a total of Euro 589 thousand) from the merger of GranMilano Distribuzione S.r.l. into Sammontana S.p.A.;
- Euro 259 thousand from the residual value of the deficit generated in 2017 (for a total of Euro 360 thousand) from the acquisition of the Bassignani Srl business unit;
- Euro 737 thousand from the residual value of the deficit generated in 2020 (for a total of Euro 830 thousand) from the acquisition of the Ogres Srl business unit;
- Euro 355 thousand from the residual value of the deficit generated in 2020 (for a total of Euro 400 thousand) from the acquisition of the Pittigel Srl business unit.

The amortization of the Goodwill values shown above is spread over a period of 20 years. The period is representative of the time horizon within which the intangible asset is expected to be recovered on the basis of the result flows from the merged companies.

The period also takes into account the valuations made by the Company at the time of acquisition.

The “other” intangible assets include amounts relating to leasehold improvements.

In 2021, amortization of intangible assets amounted to Euro 7 million.

It should be noted that no monetary revaluations or deviations from civil law valuation criteria were performed on intangible fixed assets that were still recorded in the Company's financial statements as at 31 December 2021.

## TANGIBLE ASSETS

Tangible assets	31.12.2021	31.12.2020	Change
Land and buildings	58,896,204	60,980,515	(2,084,311)
Plants and machinery	44,797,508	47,826,833	(3,029,325)
Industrial and commercial equipment	28,622,348	27,808,575	813,773
Other assets	2,506,113	2,501,403	4,710
Assets in progress and advances	1,751,403	1,501,461	249,942
<b>Total</b>	<b>136,573,576</b>	<b>140,618,787</b>	<b>(4,045,211)</b>

Changes in tangible assets and related provisions recorded during the financial year 2021 are shown in an annex to these Notes (Annex 2).

Reference should be made to the Report on Operations for comments and details on the investments made during the year.

In 2021, amortization of tangible assets amounted to Euro 22 million.

The item "Land and Buildings" includes all buildings in which industrial activities are carried out.

In 2021, the values of intangible assets and related revaluations shown below coincide with those of the Parent Company Sammontana S.p.A.

### Revaluations of assets carried out in previous years

The following is a list of tangible assets recorded in the company's financial statements as at 31 December 2020 for which monetary revaluations and derogations from statutory valuation criteria were made in previous years.

Revaluations of law	Law 576/1975	Law 72/1983	Law 413/1991	Law 2/2009
Land and buildings	15,037	347,488	2,409,940	50,277,514
Plants and machinery	25,733	891,229	0	0
Other assets	737	62,200	0	0
<b>Total</b>	<b>41,507</b>	<b>1,300,917</b>	<b>2,409,940</b>	<b>50,277,514</b>

### FINANCIAL ASSETS

Financial assets	31.12.2021	31.12.2020	Change
Equity investments	106,273	144,804	(38,531)
Receivables from others	1,576,826	1,812,632	(235,806)
<b>Total</b>	<b>1,683,099</b>	<b>1,957,435</b>	<b>(274,336)</b>

### Equity investments

Equity investments	31.12.2021	31.12.2020	Change
<b>Non-consolidated subsidiaries</b>	<b>65,078</b>	<b>103,611</b>	<b>(38,533)</b>
Gelfrigo S.r.l.	0	38,531	(38,531)
Sammontana Holding Hong Kong	65,078	65,078	0
<b>Other companies</b>	<b>41,194</b>	<b>41,194</b>	<b>0</b>
Consorzio Italia del Gusto	2,500	2,500	0
Golf La Vecchia Pievaccia S.p.A.	12,395	12,395.04	0
Golf Club Alta Badia	10,329	10,329	0
Conai	4,047	4,047.37	0
Consorzio 8 Gallery	519	519	0
Banco Popolare	11,404	11,404	0
<b>Total</b>	<b>106,272</b>	<b>144,805</b>	<b>(38,533)</b>

The aforementioned investments are held by the Parent Company Sammontana S.p.A.

### Investments in non-consolidated subsidiaries

As previously reported, Gelfrigo S.r.l., under the complete control of the Parent Company Sammontana S.p.A., has not yet started its activity.

The corporate purpose includes the production, distribution and trade of fresh, preserved, refrigerated, frozen and deep-frozen food products and other ancillary activities.

In compliance with the provisions of article 28 of Legislative Decree 127/1991, the Company was excluded from consolidation because it is irrelevant for the purposes of clarity and giving a true and fair representation of the Group's economic, equity and financial position.

The investment has been recorded at cost.

In 2019, the parent company Sammontana SpA established the wholly-owned subsidiary "Sammontana Holding Hong kong Ltd" in Hong Kong. The corporate purpose of the company is the holding and trading of investments.

In compliance with the provisions of article 28 of Legislative Decree 127/1991, the Company was excluded from consolidation because it is irrelevant for the purposes of clarity and giving a true and fair representation of the Group's economic, equity and financial position.

The investment has been recorded at cost.

Also in 2019, and for the sake of completeness, a company 100% owned by "Sammontana Holding Hong Kong Ltd" was incorporated in Shanghai (China). The corporate purpose of "Bagnoli Icecream Ltd" is the marketing of frozen pastry and ice cream products on Chinese territory

For the reasons for the exclusion of the Chinese companies from the scope of consolidation, reference should be made to the paragraph "Scope of consolidation" in these notes.

<b>Company name City</b>	<b>Share Capital</b>	<b>Shareholder's Equity</b>	<b>Profit (Loss)</b>	<b>% ownership</b>	<b>Book value</b>
Gelfrigo S.r.l.	10,000	10,074	(1,407)	100.00%	0
Sammontana Holding (Hong Kong)	52,553	5,151	(19,771)	100.00%	65,079

## Investments in other companies

<b>Investments in other companies</b>	<b>31.12.2021</b>
Consorzio Italia del Gusto	2,500
Golf La Vecchia Pievaccia S.p.A.	12,395
Golf Club Alta Badia	10,329
Conai	4,047
Consorzio 8 Gallery	519
Banco Popolare	11,404
<b>Total</b>	<b>41,194</b>

These are investments of modest value recorded at cost.

<b>Receivables from subsidiaries</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Loan from Sammontana Hong Kong	100,000	70,000	30,000
<b>Total</b>	<b>100,000</b>	<b>70,000</b>	<b>30,000</b>

The receivable from Sammontana Hong Kong consists of a loan granted to the subsidiary in the amount of Euro 100,000. In the present year, an additional Euro 30 thousand was granted for normal funding needs.

## Receivables from others

The amount of Other receivables from customers refers to advances paid to customers on the portion of the discount to be accrued on the volume of purchases made.

This receivable relating to branch and ho.re.ca. customers is periodically offset against the year-end discount due to the customer by contract. The amount of this item, being directly proportional to the turnover for the year, cannot be predicted precisely.

The amounts refer almost entirely to the Parent Company Sammontana SpA.



## DERIVATIVE FINANCIAL INSTRUMENTS RECEIVABLE

### Information on derivative financial instruments

The item "Derivative Financial Instruments Receivable" in 2020 included the Mark to Market value of the IRS contract signed by the company with Mediobanca; for the balance as at 31 December 2021, please refer to the section "Provisions for Risks and Charges" of these financial statements.

Derivative financial instruments receivable	31.12.2020	Increases	Decreases	31.12.2021
Derivative financial instruments receivable	7,625	0	(7,625)	0
<b>Total</b>	<b>7,625</b>	<b>0</b>	<b>(7,625)</b>	<b>0</b>

## INVENTORIES

Inventories	31.12.2021	31.12.2020	Change
Raw and ancillary materials	13,615,615	11,585,996	2,029,618
Technical material	7,597,600	7,598,957	(1,357)
Raw and ancillary materials and consumables	21,213,215	19,184,953	2,028,262
Inventory write-down provision RM	(1,150,000)	(900,000)	(250,000)
Finished products, goods and semi-finished products	35,075,231	29,972,475	5,102,756
Inventory write-down provision FP	(3,250,000)	(2,950,000)	(300,000)
<b>Total</b>	<b>51,888,446</b>	<b>45,307,428</b>	<b>6,581,017</b>

With regard to the valuation criteria for Raw Materials and Finished Products, please refer directly to the general valuation criteria at the beginning of these notes.

Compared to the previous year, the generalized increase in inventories by category is, however, more pronounced for stocks of finished products. It should be noted that in the current year there were changes in the inventory write-down provision, (+ Euro 250 thousand for raw materials, +Euro 300 thousand for finished products) as, given the increase in the gross value of the inventory and the variability of the market context already described in the report on operations, it was deemed appropriate to adjust their net value in order to obtain a correct valuation of the final inventories.

Inventories are entirely attributable to the Parent Company Sammontana S.p.A.

## RECEIVABLES

Receivables	31.12.2021	31.12.2020	Change
Customers	53,432,165	47,550,057	5,882,108
Parent companies	546,398	119,126	427,272
Tax receivables	17,297,155	20,365,035	(3,067,880)
Deferred tax assets	6,959,798	7,202,798	(243,000)
Others	4,279,591	5,429,859	(1,150,268)
<b>Total</b>	<b>82,515,107</b>	<b>80,666,875</b>	<b>1,848,232</b>

The balance is broken down by due date as follows:

Receivables	Within 12 months	Beyond 12 months	Beyond 5 years	Total
Customers	51,379,718	2,052,447	0	53,432,165
Parent companies	546,398	0	0	546,398
Tax receivables	17,297,155	0	0	17,297,155
Deferred tax assets	6,959,798	0	0	6,959,798
Others	4,279,591	0	0	4,279,591
<b>Total</b>	<b>80,462,660</b>	<b>2,052,447</b>	<b>0</b>	<b>82,515,107</b>

## Receivables from customers

Receivables from customers	31.12.2021	31.12.2020	Change
Customers	57,140,920	51,706,572	5,434,348
Provision for bad debts	(3,708,755)	(4,156,515)	447,761
<b>Total</b>	<b>53,432,165</b>	<b>47,550,057</b>	<b>5,882,108</b>

In the year, the provision for bad debts showed the following changes:

Provision for bad debts	Provision pursuant to article 2426 of the Civil Code	Provision pursuant to article 71 of Presidential Decree 917/1986	Total
Balance as at 31.12.2020	3,909,197	247,318	4,156,515
Uses of the year	(1,100,443)	(247,318)	(1,347,761)
Allocation of the year	648,656	251,344	900,000
<b>Balance as at 31.12.2021</b>	<b>3,457,411</b>	<b>251,344</b>	<b>3,708,755</b>

In particular, the provision consists of approximately Euro 3.4 million of allocations, subject to tax recovery, made in previous years and in the current year, following a prudential logic pursuant to article 2426 of the Italian Civil Code in line with the results of the specific analyses carried out on credit quality. The remaining part (Euro 251 thousand) originates from the allocation made in accordance with article 106 of Presidential Decree 917/1986 and is equal to 0.50% of the total gross amount of trade receivables recorded in the financial statements as at 31 December 2021. This distinction has been maintained in order to ensure a better understanding of the calculation of advance taxation.

For a more complete assessment of the amount of trade receivables and the associated risk, account is also taken of receivables, recorded under financial assets, as other receivables from customers (approximately Euro 1.2 million). For the benefit of a complete understanding of the receivables area, it should be noted that the parent company Sammontana S.p.A. carried out rotary transfers of receivables to factoring companies for approximately Euro 46 million during the year. At 31 December 2021, there were factoring receivables still to be collected for Euro 3.1 million.

### Receivables from parent companies

Receivables from parent companies	31.12.2021	31.12.2020	Change
Trade receivables:			
- Sammontana S.p.A.	135,250	106,290	28,960
- Transfrigo srl	5,373	0	5,373
Other Receivables			
- Sammontana S.p.A.	390,429	0	390,429
- Transfrigo srl	15,346	12,836	2,510
<b>Total</b>	<b>546,398</b>	<b>119,126</b>	<b>427,272</b>

Receivables of about Euro 106 thousand deriving from contracted commercial relations and Euro 390 thousand for IRES credits from the tax consolidation with Sammontana Finanziaria Srl are reported.

### Receivables from companies subject to the control of the parent companies

There are no receivables from companies subject to the control of the parent companies.

## Tax receivables

<b>Tax receivables</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
VAT receivable	14,492,426	17,754,705	(3,262,279)
Receivables for IRAP	263,399	691,715	(428,316)
Other receivables	2,541,330	1,918,615	622,715
<b>Total</b>	<b>17,297,155</b>	<b>20,365,035</b>	<b>(3,067,880)</b>

Also in 2021, the parent company Sammontana S.p.A. had a significant VAT credit of approximately Euro 14.4 million. At the end of the current year, there were no VAT receivables requested for reimbursement.

The item Other Receivables mainly consists of the tax credit for the acquisition of capital goods during the year (about Euro 1.3 million) and the same tax credit related to the previous year in the amount of about Euro 563 thousand.

Tax credits for smaller amounts are also reported.

## Receivables for deferred tax assets

<b>Deferred tax assets</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Deferred tax assets IRES	6,236,418	6,334,719	(98,302)
Deferred tax assets IRAP	723,380	868,078	(144,698)
<b>Total</b>	<b>6,959,798</b>	<b>7,202,798</b>	<b>(243,000)</b>

Deferred tax assets are recorded on the basis of the tax rates in force, corresponding to the rates that are expected to be applied when these differences are reversed, in compliance with the principle that they can only be recorded if there is reasonable certainty that they can be recovered in subsequent years.

For details of deferred tax assets and liabilities, reference should be made to the relevant comment in the Income Statement.

### Receivables from others

Receivables from others amounted to Euro 5.4 million and the breakdown of this item is shown in the following table:

Receivables from others	31.12.2021	31.12.2020	Change
Receivables from employees	46,422	324,904	(278,482)
Advances to suppliers	30,544	11,080	19,463
Receivable from Conai for repayment FY 2019	189,620	218,227	(28,607)
Receivables from agents	15,350	18,696	(3,346)
Receivables for factoring	3,141,100	3,350,898	(209,797)
Receivables from social security institutions	374,459	1,129,976	(755,517)
Other receivables	482,097	376,079	106,018
<b>Total</b>	<b>4,279,591</b>	<b>5,429,859</b>	<b>(1,150,268)</b>

### NON-CURRENT FINANCIAL ASSETS

As at 31 December 2021, there were no non-current financial assets.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents	31.12.2021	31.12.2020	Change
Bank and postal deposit accounts	35,031,595	29,022,202	6,009,393
Cash and equivalents on hand	112,351	117,177	(4,826)
<b>Total</b>	<b>35,143,946</b>	<b>29,139,380</b>	<b>6,004,567</b>

The balance represents cash and cash equivalents and the existence of cash and equivalents at the end of the year.

The item "cash on hand" mainly refers to payments made by Branches in the last days of 2021 and credited by banks in the first days of 2022.

For further analysis, please refer to the cash flow statement.

## ACCRUED AND DEFERRED ASSETS

Accrued and deferred assets	31.12.2021	31.12.2020	Change
Deferred assets on commercial costs	625,134	427,441	197,693
Other deferred assets	1,168	623	545
Accrued assets	2,952	3,762	(810)
<b>Total</b>	<b>629,254</b>	<b>431,826</b>	<b>197,428</b>

Deferred assets on commercial costs include the portion of contributions paid in advance to customers for contracts with a duration of several years. There are no accruals and deferrals beyond 5 years.

## SHAREHOLDER'S EQUITY

### Changes in Shareholder's Equity

Description	Capital Share	Revaluation reserve	Legal reserve	Extraordinary reserve	Merger surplus reserve	Cash flow hedge reserve	Dividend distribution	Profit (loss) for the year	Shareholder's Equity
<b>Balances as at 31 December 2020</b>	<b>21,603</b>	<b>48,955</b>	<b>4,320</b>	<b>60,630</b>	<b>2,570</b>	<b>(165)</b>	<b>0</b>	<b>2,027</b>	<b>139,940</b>
Allocation 2020 result				(767)	(177)			(2,027)	(2,971)
Change SE for dividend distribution									
Change SE for change in hedge reserve transactions						(62)			
Result for the period								5,274	5,274
<b>Balances as at 31 December 2021</b>	<b>21,603</b>	<b>48,955</b>	<b>4,320</b>	<b>59,863</b>	<b>2,393</b>	<b>(227)</b>	<b>0</b>	<b>5,274</b>	<b>142,178</b>

\* Figures in thousands of Euro

The Share Capital consists of 21,600,000 Ordinary Shares with a nominal value of Euro 1 each and 3 Special Shares subscribed in 2019 with nominal value of Euro 1. At the Ordinary Shareholders' Meeting of 28 May 2021, the distribution of a dividend in the amount of Euro 3,000,000 was approved by taking this amount from the extraordinary reserve.

## Reconciliation of Shareholders' Equity

Description	Shareholders' Equity as at 31 December 2021	Result for the year 2021
<b>Shareholders' equity and profit as reported in the financial statements of the consolidating company Sammontana SpA.</b>	<b>146,294</b>	<b>5,463</b>
Reversal of the book value of consolidated investments	(3,845)	
Portion of equity and results of consolidated investments	2,456	97
Consolidation difference + Trademark net of amortization	(3,610)	(360)
Deferred tax liabilities on brand	882	73
Reversal of intra-group margins net of tax effect	0	0
<b>Total consolidation entries</b>	<b>142,178</b>	<b>5,274</b>
Minority Shareholders' Equity	0	0
Group Equity	142,178	5,274
<b>Total Shareholders' Equity</b>	<b>142,178</b>	<b>5,274</b>

\* Figures in thousands of Euro

The expected cash flow hedge reserve includes changes in the fair value of derivative financial instruments generated as part of expected cash flow hedges, net of tax effects. This reserve, in accordance with article 2426, paragraph 1, number 11-bis of the Italian Civil Code, is not considered in the calculation of equity for the purposes set out in articles 2412, 2433, 2442, 2446 and 2447.

## PROVISIONS FOR RISKS AND CHARGES

The item "Provisions for Risks and Charges" can be broken down into the aggregates shown in the table below, and the changes during the year are shown below.

Funds for risks and charges	31.12.2021	31.12.2020	Change
For pensions	2,320,480	2,197,607	122,873
For taxes	90,834	4,663,045	(4,572,211)
For derivative financial instruments payable	298,378	227,074	71,304
Others	862,394	898,778	(36,384)
<b>Total</b>	<b>3,572,086</b>	<b>7,986,504</b>	<b>(4,414,419)</b>

Provisions for taxes include deferred taxes determined on an accrual basis.

Deferred taxes were determined by applying the rates in force to the portions of gains deferred for tax purposes, to advance amortization and to the amortization of the brand to which the merger deficit generated by the incorporation of the subsidiary GranMilano S.p.A. in 2010 was principally allocated. The decrease in 2021 is mainly due (for about Euro 4.6 million) to the release of the deferred tax provision deriving from the option exercised by the Parent Company to realign for tax purposes the higher statutory values associated with the "Tre Marie" brand and with goodwill by paying (in three annual instalments) the 3% substitute tax as provided for by article 110 of the Legislative Decree of 14 August 2020.

<b>For pensions and similar obligations</b>	<b>31.12.2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>31.12.2021</b>
Provisions in favour of agents	1,695,107	244,644.90	(121,772)	2,087,980
Provision in favour of the Board of Directors	232,500	0.00	0.00	232,500
<b>Total</b>	<b>2,197,607</b>	<b>244,645</b>	<b>(121,772)</b>	<b>2,320,480</b>

The supplementary customer indemnity provision includes the payable of the Parent Company Sammontana S.p.A. in favour of agents determined in accordance with the C.C.N.L. of agents and representatives.

The post-term indemnity provision includes the Parent Company's debt to director Leonardo Bagnoli in the event of termination of office.

The item "Provisions for financial instruments payable" includes the Mark to Market value of the IRS contracts signed by the company with BNL, Unicredit and Mediobanca in 2020 and with Credit Agricole in 2021:

<b>Derivative financial instruments payable</b>	<b>31.12.2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>31.12.2021</b>
Derivative financial instruments payable	227,074	224,905	153,601	298,378
<b>Total</b>	<b>227,074</b>	<b>224,905</b>	<b>153,601</b>	<b>298,378</b>

Pursuant to article 2427-bis of the Italian Civil Code, and in application of OIC 32, the main information on the instruments is reported in the Notes:



<b>Information on existing hedging contracts</b>	<b>BNL</b>	<b>Unicredit</b>
<i>Type of contract</i>	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
<i>Purposes</i>	Hedging against interest rate risk	Hedging against interest rate risk
<i>Original amount (Euro)</i>	10,000,000	13,000,000
<i>Start date</i>	30/04/2020	06/07/2020
<i>Maturity date</i>	30/04/2025	31/07/2024
<i>Mark to market at 31 December 2021</i>	(25,398)	(48,075)

<b>Information on existing hedging contracts</b>	<b>Mediobanca</b>	<b>Credit Agricole</b>
<i>Type of contract</i>	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
<i>Purposes</i>	Hedging against interest rate risk	Hedging against interest rate risk
<i>Original amount (Euro)</i>	25,000,000	15,000,000
<i>Start date</i>	11/12/2020	27/10/2021
<i>Maturity date</i>	11/12/2025	31/12/2026
<i>Mark to market at 31 December 2021</i>	(127,545)	(97,360)

The item "Others" in the Provisions for risks and charges changed as follows:

<b>Others</b>	<b>31.12.2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>31.12.2021</b>
Provision for risks and charges	898,778	28,669	(65,053)	862,394
<b>Total</b>	<b>898,778</b>	<b>28,669</b>	<b>(65,053)</b>	<b>862,394</b>

The "Provision for risks and charges" has the function of protecting the Group from possible losses deriving from pending lawsuits, insufficient insurance coverage, and any contingent liabilities related to the Pomezia plant. The decreases for the year relate primarily to costs incurred for the Pomezia plant closed in December 2019. Almost all the amounts refer to the Parent Company Sammontana S.p.A.

## EMPLOYEE SEVERANCE INDEMNITY (TFR)

Employee severance indemnity (TFR)	TOT
<b>Amount at 1 January 2021</b>	<b>6,767,426</b>
Uses for the year	(1,031,717)
Transfers F/Categ/Treasury	(3,044,433)
Allocation for the year	3,332,802
<b>Amount at 31 December 2021</b>	<b>6,024,078</b>
<b>Net change for the year</b>	<b>(743,348)</b>

## PAYABLES

Payables are valued at their nominal value and are broken down as follows. A more detailed discussion is provided in the Report on Operations.

Below is a breakdown of payables by due date:

Payables	31.12.2021	31.12.2020	Change
Bonds	0	7,500,000	(7,500,000)
Payables to banks	113,131,495	105,107,411	8,024,084
Payables to suppliers	51,518,125	43,975,045	7,543,080
Payables to parent companies	4,009,615	6,525,610	(2,515,995)
Payables to companies subject to the control of the parent companies	558,786	548,332	10,454
Tax payables	2,575,528	3,139,914	(564,386)
Payables to social security institutions	4,314,914	3,952,875	362,039
Other payables	28,834,165	26,815,962	2,018,203
<b>Total</b>	<b>204,942,628</b>	<b>197,565,149</b>	<b>7,377,479</b>

## Bonds

Bonds	Within 12 months	Beyond 12 months	Beyond 5 years	Total
Bond	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

On 19 June 2008, with the meeting minutes of the notary Vincenzo Gunnella, file no. 37.205/16.733, the Shareholders' Meeting of the Parent Company Sammontana S.p.A. resolved to issue a bond for a total of Euro 79.5 million divided into bonds of Euro 1,000 each, maturing on 31 December 2016. 159 registered bond certificates were issued, each consisting of 500 bonds.

The bond was fully subscribed by members of the Bagnoli families and refers to the acquisition of GranMilano S.p.A.

During 2011, the company repaid Euro 3 million to bondholders, while a further Euro 13.5 million was repaid in 2015.

On 18 November 2016, this loan was repaid for a further Euro 12 million.

On 12 December 2016, with the meeting minutes of the notary Vincenzo Gunnella, file no. 47.511/23.366, the Shareholders' Meeting of Sammontana S.p.A. resolved to renegotiate the bond for a total of Euro 51 million (amount equal to the residual debt) divided into bonds of Euro 1,000 each, maturing on 31 December 2021.

102 registered bond certificates were issued, each consisting of 500 bonds.

At the end of 2017 and at the end of 2018, Euro 12 million was repaid for each year; the same amount was also repaid at the end of 2019.

In December 2020, Euro 7.5 million were repaid, while the last remaining Euro 7.5 million were repaid at the end of the loan in December 2021. At the end of the year, therefore, there were no debts for bonds.

### Payables to banks

Below is information on medium/long-term loans:

	Year of disbursement	Year of maturity	Balance as at 31.12.2021	Short-term part	Medium-long term part
INTESA SAN PAOLO	2020	2025	25,000,000	0	25,000,000
<b>Total</b>			<b>25,000,000</b>	<b>0</b>	<b>25,000,000</b>

The loan of Euro 25 million was taken out in the year 2020 for normal company financing requirements. The repayment will be made in six instalments of Euro 4.2 million in the financial years 2023, 2024 and 2025.

	Year of disbursement	Year of maturity	Balance as at 31.12.2021	Short-term part	Medium-long term part
Mediobanca	2020	2025	25,000,000	7,500,000	17,500,000
<b>Total</b>			<b>25,000,000</b>	<b>7,500,000</b>	<b>17,500,000</b>

The loan of Euro 25 million was taken out in the year 2020 for normal operating requirements.

Repayment will take place in four instalments in the financial years 2022 (for Euro 7.5 million); 2023 (for Euro 7.5 million); 2024 (for Euro 5 million) and 2025 (for Euro 5 million).

	Year of disbursement	Year of maturity	Balance as at 31.12.2021	Short-term part	Medium-long term part
Credit Agricole	2021	2026	15,000,000	0	15,000,000
<b>Total</b>			<b>15,000,000</b>	<b>0</b>	<b>15,000,000</b>

The loan of Euro 15 million was taken out in this financial year for normal company financing requirements. Repayment will take place in four instalments in the years 2023 (for Euro 2.5 million); 2024 (for Euro 3.5 million); 2025 (for Euro 4.3 million) and 2026 (for Euro 4.7 million).

	Year of disbursement	Year of maturity	Balance as at 31.12.2021	Short-term part	Medium-long term part
MPS	2017	2022	2,222,222	2,222,222	0
<b>Total</b>			<b>2,222,222</b>	<b>2,222,222</b>	<b>0</b>

The loan of Euro 10 million, taken out in 2017, was taken out both for normal financing needs and for the company's intention to balance its bank debt between the medium/long-term and short-term part of 2017. The loan will be repaid in the course of 2022.

	Year of disbursement	Year of maturity	Balance as at 31.12.2021	Short-term part	Medium-long term part
MPS	2020	2025	8,888,890	2,222,220	6,666,670
<b>Total</b>			<b>8,888,890</b>	<b>2,222,220</b>	<b>6,666,670</b>

The loan of Euro 10 million, taken out in the previous year, is intended to support the normal balance between sources and uses of the company due to business activities. The next repayments of principal are scheduled for 2022 (Euro 2.2 million), 2023 (Euro 2.2 million), 2024 (Euro 2.2 million) and 2025 (for the remaining Euro 2.2 million).

	Year of disbursement	Year of maturity	Balance as at 31.12.2021	Short-term part	Medium-long term part
Credito Emiliano	2021	2026	4,800,000	0	4,800,000
<b>Total</b>			<b>4,800,000</b>	<b>0</b>	<b>4,800,000</b>

The loan of Euro 4.8 million was taken out in this financial year for normal company financing requirements. Repayment will take place in sixteen instalments starting in the financial year 2023 and ending in 2026.

	Year of disbursement	Year of maturity	Balance as at 31.12.2021	Short-term part	Medium-long term part
BPM	2020	2024	8,587,420	2,841,072	5,746,348
<b>Total</b>			<b>8,587,420</b>	<b>2,841,072</b>	<b>5,746,348</b>

In the previous year, the company obtained, through BPM, a loan from the European Investment Bank for a total of Euro 10 million. With this sum, the company intends to support its investments in fixed assets during the Covid pandemic. Under the repayment plan, the Euro 10 million will be repaid over four financial years: 2021 (for about 1.4 mln) and in 2022, 2023 and 2024 for about 2.8 mln each year.

	Year of disbursement	Year of maturity	Balance as at 31.12.2021	Short-term part	Medium-long term part
UNICREDIT	2020	2024	13,000,000	3,900,000	9,100,000
<b>Total</b>			<b>13,000,000</b>	<b>3,900,000</b>	<b>9,100,000</b>

The loan taken out in 2020 with Unicredit was intended to finance the company's normal operations. According to the repayment schedule, repayment will take place over three years: 2022 for Euro 3.9 million, 2023 for Euro 5.2 million and 2024 for a further Euro 3.9 million.

	Year of disbursement	Year of maturity	Balance as at 31.12.2021	Short-term part	Medium-long term part
BNL - BNPP	2020	2025	7,777,778	2,222,222	5,555,556
<b>Total</b>			<b>7,777,778</b>	<b>2,222,222</b>	<b>5,555,556</b>

The loan taken out in 2020 with BNL was also intended to finance the company's normal operations. Under the repayment schedule, repayment is to be made over five years: from 2021 to 2024 with disbursement of about Euro 2.2 million for each year, and 2025 with repayment of the remaining Euro 1.1 million. It should be noted that the above tables show the nominal value of the loans and that for some of them, a lower amount is shown in the financial statements, due to the amortized cost criterion.

Interest expenses on loans pertaining to the year but with future financial effects of about Euro 69 thousand contributed to the bank debt.

## Covenants

The main loan contracts, in line with market practice for debtors of similar credit standing, provide for the observance of:

- financial covenants on the basis of which the company undertakes to comply with certain contractually defined financial indices, the most significant of which relate net financial debt to gross operating profit (EBITDA), measured on the Sammontana Group's consolidated perimeter according to definitions agreed with the financing counterparties;

- *negative pledge* commitments under which the company cannot create real guarantee rights or other restrictions on company assets;
- “*pari passu*” clauses, according to which loans will have the same priority in repayment as other financial liabilities and *change of control* clauses, which are activated in the event of loss of control of the company by the majority shareholder;
- limitations on extraordinary transactions that the company may carry out.

It should also be noted that for two loans (Credit Agricole and BNL), the interest rate is linked to the measurement of certain KPIs, sustainability indicators, relating to the reduction of CO2 emissions and the amount of plastic packaging out of the total amount of packaging used. These covenants will be active as of the 2022 financial statements.

The measurement of financial covenants and other contractual commitments is constantly monitored by the Company. Based on the results at 31 December 2021, all the parameters were met.

All of the above outstanding transactions relate to the Parent Company Sammontana SpA.

### Payables to suppliers

These are reported net of trade discounts; cash discounts are recognised at the time of payment. The nominal value of these payables has been adjusted, for returns or bonuses (invoicing adjustments), in the amount corresponding to the amount defined with the counterparty.

The amount increased by about Euro 7 million from the previous year to about Euro 51.5 million. This increase is part of the Group’s normal operations, as in the first few days of 2021, all the suppliers falling due in that period were paid.

### Payables to parent companies

The payable to the Parent Company Sammontana Finanziaria S.r.l. by Sammontana S.p.A. and Transfrigo S.r.l. is broken down as follows:

Payables to parent companies	31.12.2021	31.12.2020	Change
<b>Financial payables:</b>			
- cash pooling Sammontana	2,429,998	3,904,434	(1,474,436)
- cash pooling Transfrigo	55,783	0	55,783
<b>Trade payables</b>			
- Commercial relations Sammontana	1,523,834	1,311,194	212,640
<b>Tax Payables:</b>			
- Ires Sammontana	0	1,300,236	(1,300,236)
- Ires Transfrigo	0	9,746	(9,746)
<b>Total</b>	<b>4,009,615</b>	<b>6,525,610</b>	<b>(2,515,995)</b>

The payable to the parent company Sammontana Finanziaria S.r.l. refers mainly to negative cash pooling balances of approximately Euro 3.9 million owed by Sammontana SpA and Euro 1.3 million of trade payables owed by Sammontana SpA to Sammontana Finanziaria Srl.

### Payables to companies subject to the control of the parent companies

<b>Payables to companies subject to the control of the parent companies</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Immobiliare Ind.le	433,376	430,807	2,569
Fattoria la Leccia Soc. Agricola a.r.l.	125,410	117,524	7,886
<b>Total</b>	<b>558,786</b>	<b>417,909</b>	<b>10,454</b>

These payables represent trade payables to Immobiliare Industriale S.r.l. and Fattoria La Leccia Soc. Agricola a r.l.. Both amounts refer to payables of the Parent Company Sammontana S.p.A.

### Tax payables

This item includes only liabilities for certain and determined taxes, as tax liabilities are probable or uncertain in amount or date of occurrence, or for deferred taxes, recorded in item B.2 of liabilities (Tax provision).

The amount, essentially represented by withholding taxes on salaries and professional fees paid in January 2022, is broken down as follows:

<b>Tax payables</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Sammontana S.p.A.	2,565,209	3,096,096	(530,887)
Transfrigo S.r.l.	10,319	43,818	(33,499)
<b>Total</b>	<b>2,575,528</b>	<b>3,139,914</b>	<b>2,941,983</b>

### Payables to pension and social security institutions

This item includes liabilities relating to contributions for personnel, agents and insurance against accidents at work.

### Other payables

<b>Other payables</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Customers	20,640,924	14,805,123	5,835,801
Personnel	6,552,058	9,555,426	(3,003,368)
Others	1,641,183	2,455,413	(814,230)
<b>Total</b>	<b>28,834,165</b>	<b>26,815,962</b>	<b>2,018,203</b>

The “payables to customers” item refers to “year-end bonuses” linked to the achievement of sales targets. During the year, part of them were recognised so as to reduce both the real exposure of customers and the provisions at the end of the year.

In addition, this item also includes the reclassification of balances of customer receivables for Euro 5.4 million.

Payables to personnel mainly consist of the following:

- approximately Euro 2.8 million payables to employees for deferred remuneration (additional monthly salaries, accrued and untaken holidays) and related contributions;
- Euro 2.2 million from remuneration relating to December 2021 paid in January 2022;
- Euro 1.4 million relating to redundancy incentives payable in 2022 and relating to residual provisions for redundancy incentives in connection with the closure of the Pomezia plant in 2020.

## ACCRUED AND DEFERRED LIABILITIES

<b>Accrued and Deferred Liabilities</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Accrued liabilities	832	27,662	(26,830)
<b>Total</b>	<b>832</b>	<b>27,662</b>	<b>(26,830)</b>

There are no accrued liabilities beyond 5 years.

# INCOME STATEMENT

## PRODUCTION VALUE

<b>Production value</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Revenues from sales and services	387,532,740	330,574,756	56,957,984
Change in product inventories	4,802,756	2,954,718	1,848,038
Other revenues and income	6,572,080	5,623,318	948,762
<b>Total</b>	<b>398,907,576</b>	<b>339,152,792</b>	<b>59,754,784</b>



### Revenues from sales and services

Revenues from sales and services	31.12.2021	31.12.2020	Change
Sale of goods	385,317,493	328,350,025	56,967,469
Sale of accessories	2,108,847	2,124,332	(15,485)
Provision of services	106,400	100,400	6,000
<b>Total</b>	<b>387,532,740</b>	<b>330,574,756</b>	<b>56,957,984</b>

The sale of accessories mainly relates to the sale of advertising material in the amount of Euro 1.5 million and shop equipment in the amount of Euro 590 thousand.

The provision of services, relating to intra-group services, is virtually unchanged from 2020.

Revenues by Geographical Area	Sales	Services	Total
Italy	373,702,242	106,400	373,808,642
Foreign	13,724,098	0	13,724,098
<b>Total</b>	<b>387,426,340</b>	<b>106,400</b>	<b>387,532,740</b>

The turnover achieved in Italy accounts for about 96% of the total turnover. Turnover achieved from foreign customers mainly consists of approximately Euro 5.8 million from sales in Germany and Austria, approximately Euro 3 million from sales in the United Kingdom, and approximately Euro 2 million from sales in Eastern European countries.

### Change in inventories of products in progress, semi-finished, and finished products

At year-end, inventories had increased by Euro 1.8 million.

## Other revenues and income

Details of other revenues are shown in the table below:

<b>Other revenues and income</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Leases	42,272	42,736	(463)
Gains from disposal of assets	54,580	148,196	(93,616)
Recovery of distribution and general costs	764,350	431,970	332,380
Insurance recoveries	122,565	116,661	5,905
Revenues from the sale of other materials	837,749	773,653	64,096
Contributions in the year	120,407	120,783	(376)
Revenues for energy adjustments	977,347	189,152	788,195
Contingent assets	878,025	1,652,009	(773,984)
Others	2,774,784	2,148,159	626,625
<b>Total</b>	<b>6,572,080</b>	<b>5,623,318</b>	<b>934,551</b>

For details on contingent assets, reference should be made to the section in the Report on Operations on non-recurring income/expenses.

The item "Others" essentially consists of tax credits of about Euro 1.6 million and logistics contributions to suppliers of about Euro 500 thousand.

The tax credit relates to the Parent Company Sammontana S.p.A. for the entire amount.

## PRODUCTION COSTS

<b>Production costs</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Raw and ancillary materials and goods	152,247,787	129,940,413	22,307,374
Services	132,758,022	108,353,911	24,404,111
Rents and leases	9,336,145	9,584,532	(248,387)
Personnel	72,969,132	69,371,823	3,597,309
Amortization of intangible assets	7,427,599	6,037,489	1,390,110
Amortization of tangible assets	22,292,533	12,717,154	9,575,379
Write-downs of receivables - current assets	900,000	500,000	400,000
Change in inventories of raw materials	(1,778,262)	(2,417,112)	638,850
Allocations for future risks and charges	28,669	0	28,669
Other operating expenses	3,375,855	2,941,426	434,430
<b>Total</b>	<b>399,557,480</b>	<b>337,029,636</b>	<b>62,527,844</b>

**Costs for raw and ancillary materials, consumables and goods**

<b>Raw and ancillary materials and goods</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Raw materials	119,671,704	105,104,113	14,567,591
Goods	19,199,350	12,822,927	6,376,423
Consumables	6,822,544	6,158,712	663,832
Advertising materials	3,534,310	3,296,321	237,988
Other purchases	3,019,879	2,558,339	461,540
<b>Total</b>	<b>152,247,787</b>	<b>129,940,413</b>	<b>22,307,374</b>

These are essentially costs incurred for the purchase of raw materials for the production of ice cream and frozen pastries.

Costs for goods mainly relate to the purchase of ice cream, pastry products, savoury snacks and ready meals from third parties.

The total cost, which increased compared to the previous year for raw materials and goods, is directly related to the item "sales revenues".

Please refer to the Report on Operations for further details.

It should be noted that during the year, costs for the purchase of raw materials were reduced by approximately Euro 200 thousand as a result of efficiency optimization activities. This amount refers to the value of raw materials capitalised in relation to "Development" projects (see "Intangible assets" section in these Notes).

**Costs for services**

<b>Services</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Utilities	9,844,379	8,702,179	1,142,201
Administrative services	2,351,630	2,032,965	318,664
Transport and storage	35,781,740	27,528,159	8,253,581
Commercial services and consulting	973,334	1,102,204	(128,870)
Agents' commissions and costs	8,840,146	6,867,544	1,972,602
Commercial costs Dealers	15,301,714	12,240,527	3,061,187
Advertising costs	11,134,771	8,020,858	3,113,913
Commercial costs other distribution channels	30,818,772	29,842,179	976,593
Other commercial contributions	231,018	221,096	9,922
Industrial services	8,944,336	5,517,601	3,426,736
Maintenance	2,346,811	1,910,188	436,623
Other services	6,189,371	4,368,413	1,820,958
<b>Total</b>	<b>132,758,022</b>	<b>108,353,911</b>	<b>24,404,111</b>

The item "Commercial costs Dealers" includes the contributions paid to our sales network for distribution services.

The cost incurred for advertising accounts for about 8.3% of the total expenditure for "Services" and increased compared to the previous year (7.5%).

Administrative services include Directors' fees (about Euro 392 thousand), the Board of Statutory Auditors' fees (Euro 40 thousand) and accounting control fees (about Euro 95 thousand).

The item "Industrial Services" includes both costs relating to technical consultancy (Euro 1.5 million) and costs for waste disposal and other environmental expenses (about Euro 1 million).

Almost all of the costs described above relate to the parent company Sammontana SpA.

### Costs for rents and leases

<b>Rents and leases</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Lease expenses	5,046,275	5,060,719	(14,444)
Industrial equipment leases	28,800	28,800	0
Vehicle leases	1,461,167	1,515,695	(54,527)
Other leases	1,764,827	1,271,691	493,135
Leases	5,272	555,185	(549,913)
Other Costs	1,029,804	1,152,442	(122,638)
<b>Total</b>	<b>9,336,145</b>	<b>9,584,532</b>	<b>(248,387)</b>

Lease and rental costs are in line with the previous year due to normal business operations.

It should be noted that the "Vehicle leases" item essentially refers to the fees paid for the so-called "long-term rental" of vehicles and that the other costs relate to royalties payable for the exploitation of trademarks owned by others and software rental fees.

These expenses are almost entirely attributable to the Parent Company Sammontana S.p.A..

## Personnel costs

Personnel costs	31.12.2021	31.12.2020	Change
Wages and salaries	45,893,465	43,080,128	2,813,337
Social security contributions	15,208,122	14,338,512	869,610
Employee severance indemnity (TFR)	3,332,802	3,191,797	141,005
Other personnel costs	8,534,743	8,761,386	(226,643)
<b>Total</b>	<b>72,969,132</b>	<b>69,371,823</b>	<b>3,597,309</b>

This item includes all remuneration and contribution expenses incurred for employees including bonuses, merit improvements, changes in category, cost of living increases, charges borne by the company for the supplementary pension fund (Alifond), the cost of untaken holidays and provisions required by law and collective contracts.

Personnel costs under the items "Wages and salaries", "Social security contributions" and "Employee severance indemnity (TFR)" increased compared to the previous year, when the income statement "benefited" from lower personnel costs due to the company's use of the redundancy fund.

There was also increase recourse to temporary work due to increased production needs compared to last year's reduced productivity levels caused by Covid-19.

## Employment figures and personnel training

Employees	31.12.2021	31.12.2020
Executives	25	23
Clerks	400	389
Workers	578	593
<b>Total</b>	<b>986</b>	<b>1,005</b>

Average number of employees	2021	2020
Executives	23	22
Clerks	409	404
Workers	717	730
<b>Total</b>	<b>1,132</b>	<b>1,156</b>

The workforce as at 31 December 2021 consisted of 57 employees operating in the branches spread across the country, while the remaining members of staff were operating at the Empoli (approx. 590 employees), Colognola ai Colli (208 employees) and Vinci (188 employees) offices.

The seasonal nature of sales and, therefore, of production activity required, during the year, the hiring of 347 personnel with seasonal fixed-term contracts, mainly with worker qualification. The workforce was supplemented by five interns. Seventeen workers relate to the subsidiary Transfrigo.

For the Parent Company Sammontana, the national employment contract applied is that of the food industry sector and that of industry executives; while for the subsidiary Transfrigo, the national employment contract applied is that of the CCNL 151 Freight Forwarding Sector.

<b>Personnel breakdown</b>	<b>Executives</b>	<b>Managers</b>	<b>Clerks</b>	<b>Workers</b>
Men	24	34	218	420
Women	1	1	147	158
Average age	54	52	44	48
Seniority < 2 years	1	1	74	52
Seniority 2 < 5 years	4	1	66	54
Seniority 6 < 12 years	7	1	71	99
Seniority > 12 years	13	32	154	373

### **Depreciation and amortization of tangible and intangible assets**

Depreciation and amortization were calculated on the basis of the useful life of the asset and its use in production and the related obsolescence process. Depreciation and amortization of tangible and intangible assets for the financial year 2021 amounted to Euro 29.1 million, a decrease compared to 2020 of about Euro 18.2 million.

This increase is due to lower depreciation and amortization in 2021 due to the Parent Company Sammontana's use of the derogation provided for in Article 60 of Law 126/2020, which allows for the optional suspension of depreciation and amortization for the year. The company opted to suspend the depreciation of certain tax categories classified as tangible assets for the year 2020 (see table below). The decision to suspend depreciation of these specific categories was due to their underuse during the year or their non-use due to the Covid-19 pandemic.

These values are reported analytically below:

<b>Depreciation/amortization</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Depreciation Intangible Assets	7,427,599	6,037,489	1,390,110
Depreciation tangible Assets	22,292,533	12,717,154	9,575,379
<b>Total</b>	<b>29,720,132</b>	<b>18,754,643</b>	<b>10,965,489</b>

### Write-downs of receivables included in current assets and cash and cash equivalents

As mentioned in the section on receivables, 0.50% of the amount of receivables from customers recorded in the financial statements as at 31 December 2021 was set aside in accordance with article 106 of Presidential Decree 917/1986 for a value of about Euro 220 thousand.

In addition, as a precaution, the Parent Company made an additional allocation of approximately Euro 680 thousand.

The write-down of receivables is entirely attributable to the Parent Company Sammontana S.p.A..

### Change in inventories of raw and ancillary materials, and consumables

Final inventories of raw and ancillary materials as at 31 December 2021 increased by approximately Euro 0.6 million.

### Provisions for Risks

In the income statement, there is a provision for risks of about Euro 28 thousand, due to a dispute by a service provider, for which, with reasonable certainty, an estimated amount equal to the above-mentioned figure will have to be paid.

### Other operating expenses

Other operating expenses	31.12.2021	31.12.2020	Change
Member fees	293,871	297,197	(3,326)
Donations	78,102	64,136	13,966
Representation expenses	207,066	203,736	3,330
Municipal Property Tax (IMU)	600,173	585,003	15,170
Other taxes and duties	902,651	719,205	183,446
Sanctions, penalties and fines	44,626	31,009	13,618
Other expenses	1,249,365	1,041,140	208,225
<b>Total</b>	<b>3,375,855</b>	<b>2,941,426</b>	<b>434,430</b>

The item "Member fees" includes various accounting items, most of which refer to specific tax charges and costs related to trade associations (about Euro 290 thousand).

"Other taxes and duties" mainly consists of advertising tax (about Euro 290 thousand) and stamp duty and registration tax (about Euro 60 thousand respectively).

"Other expenses" essentially consists of various charges of Euro 490 thousand and non-deductible taxes of about Euro 400 thousand.

The above items essentially relate to the Parent Company in their entirety.

## FINANCIAL INCOME AND EXPENSES

Financial income and expenses	31.12.2021	31.12.2020	Change
Income from investments	58	0	58
Other financial income	594,496	271,311	323,185
Interest and other financial expenses	(1,592,454)	(1,348,177)	(244,277)
Exchange rate gains and losses	34,618	170,208	(135,590)
<b>Total</b>	<b>(963,283)</b>	<b>(906,658)</b>	<b>(56,624)</b>

“Other financial income” can be broken down as follows:

Other financial income	31.12.2021	31.12.2020	Change
Bank and postal interest	216,789	34,075	182,714
Other income	377,707	237,236	140,471
<b>Total</b>	<b>594,496</b>	<b>271,311</b>	<b>323,185</b>

The item “other income” essentially includes interest income on group *cash pooling* management.

“Interest and other financial expenses” are broken down as follows:

Interest and other financial expenses	31.12.2021	31.12.2020	Change
Bank interest	52,095	54,743	(2,648)
Interest on loans	1,194,715	633,304	561,411
Interest on loans/bonds	261,062	523,562	(262,500)
Other expenses	84,583	136,568	(51,985)
<b>Total</b>	<b>1,592,454</b>	<b>1,348,177</b>	<b>244,277</b>

This value increased slightly, mainly due to the increase in interest expenses on loans taken out by the Parent Company in the present and previous years.

At 31 December 2021, foreign currency items generated the following exchange rate differences:

Exchange rate gains and losses	31.12.2021	31.12.2020	Change
Exchange rate gains	90,639	242,011	(151,372)
Exchange rate losses	(56,021)	(71,803)	15,781
<b>Total</b>	<b>34,618</b>	<b>170,208</b>	<b>(135,590)</b>



## INCOME TAXES FOR THE YEAR

With regard to taxes, there was a “negative” IRAP tax burden in the financial year 2021 of about Euro 0.4 million. On the other hand, with regard to IRES, there was a balance of about -170K relating to taxes from previous years. It should be noted that the Group, by adhering to the “National Tax Consolidation” (pursuant to article 117 et seq. of the Consolidated Income Tax Act), provides a negative taxable base to the parent company Sammontana Finanziaria S.r.l.. This resulted in a tax consolidation gain of about Euro 3.2 million.

## DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes were calculated taking into account the cumulative amount of all temporary differences, based on the effective tax rate of the previous year.

Deferred tax assets have been recognised because there is reasonable certainty of the existence, in the years in which the related temporary differences will be reversed, of taxable income not less than the amount of the differences that will be reversed.

The balance of deferred tax assets and liabilities shows a positive balance of about Euro 4.3 million.

## OTHER INFORMATION

Commitments, guarantees provided and contingent liabilities not shown in the Balance Sheet.

## MEMORANDUM ACCOUNTS

<b>Guarantees provided</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>
Sureties provided by third parties on behalf of the Company	20,830,234	15,200,507	5,629,727
<b>Total</b>	<b>20,830,234</b>	<b>15,200,507</b>	<b>5,629,727</b>

The main sureties provided by third parties on behalf of the Company were issued by banks and insurance companies.

## Revenues or costs of exceptional entity or incidence

Pursuant to article 2427, point 13 of the Italian Civil Code, it is noted that no revenues or costs of exceptional entity or incidence were recorded.

## Information pursuant to article 1, paragraph 125, of the law of 4 August 2017 no. 124

In relation to the provisions of Article 1, paragraph 125 of Law 124/2017, concerning the obligation to provide evidence in the notes of any sums of money received during the financial year by way of subsidies, contributions, paid assignments or economic advantages of any kind from public administrations and the entities referred to in paragraph 125 of the same article, the tables below are presented:

<b>Contributions in the year SAMMONTANA</b>	<b>31.12.2021</b>
G.S.E. Contributions	8,327
<b>Total</b>	<b>24,693</b>

<b>Contributions in the year TRANSFRIGO</b>	<b>31.12.2021</b>
"High oil price" contributions	94,614
Contributions for sanitation	2,465
<b>Total</b>	<b>97,079</b>

## Transactions with subsidiaries, associated companies, parent companies and companies subject to the control of the latter

With regard to transactions with subsidiaries, associates, parent companies and companies controlled by the latter, please refer directly to paragraph 15 of the Report on Operations.

## Directors' and Auditors' Fees

<b>2021 fees</b>	
Administrative Bodies	40,400
Board of Statutory Auditors	39,000
Independent Auditors	100,000

### Statutory audit

<i>Company</i>	<i>Duration of assignment</i>
PricewaterhouseCoopers S.p.A.	Approval of 2021 financial statements

The fees due to the Independent Auditors for the legal audit of the separate and consolidated financial statements amounted to Euro 100 thousand (of which Euro 5 thousand referred to the separate financial statements of Transfrigo Srl).

These Notes are completed by the annexed tables 1 and 2 relating to changes in intangible and tangible assets.

### KEY EVENTS AFTER YEAR-END

Even though, thanks to the success of the vaccination campaign, the negative impacts of the “coronavirus” seem to be easing, there is, unfortunately, an additional factor that is affecting the world economy in general: the upswing in inflation and the tension on energy prices (electricity, gas and fuel), certain raw materials, packaging and commodities used mainly by the Parent Company. All of this was, unfortunately, exacerbated at the end of February following Russia's invasion of Ukraine. The effects of this conflict relate to an event occurring after the balance sheet date, therefore not requiring adjustments to be made to the 2021 financial statement balances in accordance with OIC 29, paragraph 59 a).

The Group is, however, closely monitoring the negative impacts on the supply-chain in terms of rising raw material and energy prices, while trying not to completely pass on the higher procurement costs it will have to bear to sales prices.

## FINAL CONSIDERATIONS

These Consolidated Financial Statements, comprising the Balance Sheet, Income Statement, Cash Flow Statement and Notes, provide a true and fair view of the financial position and results for the year and correspond to the findings of the accounting records.

Empoli, 30 April 2022

The Chair of the Board of Directors  
of the Parent Company Sammontana S.p.A.

**Loriano BAGNOLI**



A stylized illustration of a pond. The water is represented by layered, wavy blue paper cutouts. A large white lotus flower with a yellow center sits on a green lily pad. A red fish is swimming in the water. A white paper cutout with a torn edge is placed over the bottom part of the illustration. The background is a solid teal color with vertical green and yellow stripes on the right side.

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**ANNEXES**

## ANNEX 1

### TABLE OF CHANGES IN INTANGIBLE ASSETS


<b>Intangible assets</b>	<b>31/12/2020</b>	<b>Increases 2021</b>	<b>Decreases 2021</b>	<b>Amortization 2021</b>	<b>31.12.2021</b>
Development costs	1,148,313	425,454	0	(372,169)	1,201,598
Industrial patents and intellectual property rights	3,280,800	2,062,884	0	(2,250,648)	3,093,036
Concessions, licences, trademarks and similar rights	39,960,152	8,952	0	(3,600,274)	36,368,829
Goodwill	8,051,264	0	0	(1,018,533)	7,032,731
Long-term costs	247,531	0	0	(60,941)	186,590
Improvement on third-party assets	366,484	160,427	0	(125,033)	401,878
Others	614,015	160,427	0	(185,974)	588,468
Intangible assets in progress	0	0	0	0	0
<b>Total</b>	<b>53,054,543</b>	<b>2,657,717</b>	<b>0</b>	<b>(7,427,598)</b>	<b>48,284,662</b>

## ANNEX 2


### TABLE OF CHANGES IN TANGIBLE ASSETS

<b>Tangible assets</b>	<b>31/12/2020</b>	<b>Increases 2021</b>	<b>Decreases 2021</b>	<b>Amortization 2021</b>	<b>Usage 2021</b>	<b>31.12.2021</b>
Land and buildings	60,980,515	555,785	(50,475)	2,592,793	(3,172)	58,896,204
Plants and machinery	47,826,833	6,907,764	(800,804)	9,898,781	(762,496)	44,797,508
Industrial and commercial equipment	27,808,575	10,701,266	(6,684,906)	9,074,331	(5,871,744)	28,622,348
Other tangible assets	2,501,403	807,343	(660,472)	726,627	(584,467)	2,506,113
Assets in progress/ advances	1,501,462	249,942	0	0	0	1,751,404
<b>Total</b>	<b>140,618,787</b>	<b>19,222,101</b>	<b>(8,196,657)</b>	<b>22,292,533</b>	<b>(7,221,879)</b>	<b>136,573,576</b>





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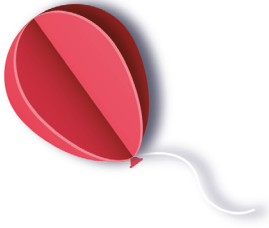
Concept, Graphic Design and Realization:



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June 2022





# SAMMONTANA ITALIA

