

ANNUAL
REPORT

2023



**SAMMONTANA
ITALIA**



Responsible

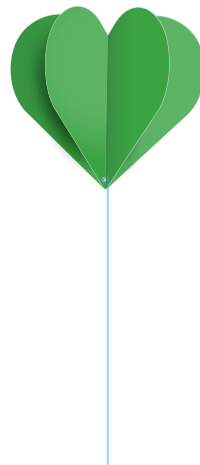




| INSPIRATION |

WE ARE MADE OF
HEART AND BRAIN,
HISTORY AND PROJECTS,
TRADITION AND DEVELOPMENT,
DAY-TO-DAY WORK
THIS IS OUR BUSINESS
COMMITMENT:
CREATE BUSINESS EVERY DAY.

Bagnoli Family





See also our **SUSTAINABILITY REPORT 2022**

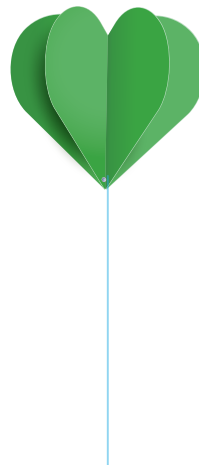




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The image is a stylized graphic with a light blue background featuring a repeating diamond pattern. Two hands, rendered in a blue and white dotted style, are positioned on the left and right sides, holding a dark blue frame. Inside the frame, a white banner contains the text 'SAMMONTANA ITALIA'. Above the banner, a small bar chart with several vertical bars of varying heights and colors (green, yellow, orange, blue) is visible. Below the banner, a perspective view of a road is shown, composed of multiple parallel lines in various colors (blue, green, yellow, orange, brown) that converge towards the horizon.

**SAMMONTANA
ITALIA**

SAMMONTANA ITALIA

AT SAMMONTANA, WE...

ARE THE FRUIT OF THE COURAGE, DETERMINATION AND PASSION OF 3 YOUNG BROTHERS FROM TUSCANY who followed their dream, changing their own lives and shaping a new, better future for themselves and for the generations to come.

THAT'S WHY **WE'RE COMMITTED TO SUPPORTING THE ASPIRATIONS OF YOUNG PEOPLE**, enabling them to give form to their ambitions and access a brilliant future by envisioning and building a brighter tomorrow.

AT SAMMONTANA, WE...

HAVE BUILT OUR NARRATIVE BY DISCUSSING OUR VISIONS across different generations, for a constant interplay of imagination and wisdom, inspiration and experience, the pursuit for innovation, and a shared respect for tradition.

THAT'S WHY **WE WANT TO SAFEGUARD OUR PACT BETWEEN GENERATIONS**, upholding it as the sole viable model for a transforming and evolving world.

AT SAMMONTANA, WE...

RECOGNISE OUR RESPONSIBILITY to take action in the face of THE CRITICAL URGENCIES OF OUR TIME, especially those linked to climate change and the environment.

THAT'S WHY **WE ARE COMMITTED TO RESPONDING TO THE CALL FOR CHANGE** that comes from the younger generations in particular, so we can leave them a **PLANET** that still has a smile to give.

AT SAMMONTANA, WE...

FIRMLY BELIEVE THAT CONTRIBUTING TO THE WELL-BEING OF OUR COMMUNITIES, for a fairer and more equitable future, encompassing the ability to generate and cultivate new ideas, appreciating budding potential whilst holding respect for the significance of experience.

THAT'S WHY **WE HAVE CHOSEN TO STAND SIDE-BY-SIDE WITH THE NEW GENERATIONS**, ensuring that the voices of a possible future will never find themselves marginalized from the places where tomorrow's opportunities are created for all.

**THE SMILE THAT FEEDS
THE FUTURE OF
NEW GENERATIONS**



| OUR VISION |

**We make people smile
all over the world by offering them
tasty and good products that are genuinely
made according to Italy's care and passion,
respecting our origins.**

Italy is in our DNA and we are ambassadors of Italy's culture, style and products. We started off as artisans and subsequently became entrepreneurs, but always true to our roots and origins. We are a large family and a big Company: our way of doing business is based on mutual respect and fair behaviour towards employees, stakeholders and competitors. We plan to become an international benchmark for Italian food in the tasty and indulging food segment, while maintaining our origins.

| OUR MISSION |

**In order to fulfil our Vision,
we are committed to producing high quality
products and developing recipes that provide
consumers with a rewarding experience
by interpreting new eating styles.**

We do business while safeguarding our Italian DNA,
our identity, our people, our communities and our territories
and we strive to continuously improve our operations
and our efficiency with no compromise.
We are ambassadors of the Italian culture and genuine Italian
products, even abroad, and we drive the evolution of styles,
forms and ways of enjoying worldwide taste:
today and tomorrow.



| OUR HISTORY |

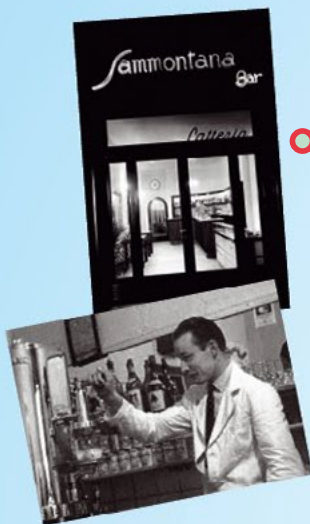


1940S

The Sammontana story begins.

Romeo Bagnoli, father to six children, in order to provide for his large family, buys the Sammontana dairy at Via del Giglio in Empoli.

The dairy is named after the farm from which it gets its milk.



1946

Sammontana ice cream is founded.

Renzo, the eldest son of *Romeo*, turns dairy into a Bar - Ice-cream parlour.

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

Thus began the production of Sammontana ice cream.

1955

From ice cream parlour to artisan workshop.

Ice cream sales increase.

Renzo and his brother *Sergio* begin marketing ice cream outside of Empoli and devise a 6-litre tin can to transport their ice cream.

Production of single-serving ice creams begins.

1960

From laboratory to Company.

Demands continue to increase beyond the borders of Tuscany.

These are the years of the great entrepreneurial leap; *Renzo*, along with his brothers *Sergio* and *Loriano*, inaugurate the production plant in Empoli, which is still in operation today.



1980

The 'slurping' cone.

Milton Glaser, author of cult images known throughout the world - as **I LOVE NY** -, creates the new Sammontana logo: the slurping cone, currently still the Company's recognisable emblem.

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.

2016

A new milestone in the Company's environmental commitment.

Sammontana consolidates its path towards environmental sustainability by signing a Voluntary Agreement with the Ministry of the Environment in order to learn, measure and offset - as the first in Italy in the ice cream sector - the carbon footprint of Barattolino.



2018

Family business. Italia Mondo.

There is a growing push towards internationalisation, in full respect of its Italian roots.

The passion, pride and determination with which the Bagnoli family continue to produce the best quality and taste of 'Italian-style products' remain the same. From the Company's factories, these products are now and increasingly being sold all over the world.

2020

Close by, even in the dark moments of COVID.

Sammontana, in the midst of the Covid-19 pandemic, with people locked in their homes and mostly distant from their loved ones, sends a message of resilience and closeness through its **'Solo a un cucchiaino di Distanza' ['Only a Dessertspoon Away']** campaign.

The campaign will win **'The Prize'** awarded by UNACOM as the best Purpose Driven Campaign.

OVER 70 YEARS OF ITALIAN QUALITY BETWEEN FAMILY, PASSION AND INNOVATION.

1957

Renzo chooses the ingenious claim 'Gelati all'Italiana' ['Italian-style Ice Cream'] to distinguish his gelato from the ice cream spread to Italy by American soldiers during and after the Second World War.

1959

Sammontana launches the legendary Barattolino on the market, which is currently still an iconic Sammontana product: a pre-packaged, traditional character gelato, in the ideal quantity for family consumption.



2008

The acquisition of GranMilano (and its brands Sanson, Tre Marie and Mongelo) propels Sammontana into the top one hundred Italian agro-food companies and places it at the top of the Italian industrial ice cream market, alongside the leading multinationals in the chilled food market.



2009

The strategic importance of Tre Marie.

The Tre Marie brand enables Sammontana to establish itself as a leader in the frozen bakery products sector, with the first and second brands in terms of stake: **Tre Marie** and **Il Pasticcere**.

2013

Sammontana confirms its leadership in the cold chain.

Sammontana divests Tre Marie's special occasions business, retaining ownership of the frozen bakery products brand.

Thus begins a new journey for the Company, enabling it to consolidate its leadership in the cold chain.

2021

Commitment to sustainability is becoming increasingly more tangible.

Sammontana, as part of its path towards environmental sustainability, strengthens its own path towards a better future and commits itself to achieving a 55% reduction in CO₂ emissions by 2030.

2022

A first important recognition of the commitment to sustainability.

Commitment to 'meeting the challenges of climate change' and towards an 'effective management model guided by a vision of a long-term perspective in favour of future generations' is recognised with the awarding of the **'Strategy&Vision'** prize at the **Sustainability Award**, sponsored by Credit Suisse Italy and Kon Group, with the scientific contribution of Altis Università Cattolica, in order to add value companies that place a focus on environmental policies.

2023

Sammontana becomes a Benefit Corporation.

In May 2023, Sammontana became a Benefit Corporation. As a Benefit Corporation, Sammontana's mission is to operate profitably, generate benefits for society and operate in a responsible, sustainable and transparent way vis-à-vis people, the territory, the environment and other stakeholders.



| VALUES |

The Bagnoli Family and Sammontana

share the same principles
and values. Above all,
they pursue them using
the same codes of conduct.

**For us,
this is the only way
to do business.**

| PASSION |

**We are determined to act
and to do it well.**

We have always taken care
of our products, driven
by the most important
technology: loving what
you do.

Curiosity and the
willingness to experiment
stimulate our creativity and
encourage us to constantly
improve, without
compromising on quality.
In fact, we are motivated
to pursue our passion for
high-end products.

| PRIDE |

We are proud **to be
ambassadors of the
identity, culture and
values of a successful
Italian Company**, made up
of real people: arms, hearts
and brains.

Our people speak and
act driven by the *Noi
Sammontana* motto.

| MEASURE |

We believe that measures
**indicate the relationship
between sustainability
and sustainable growth**
and reflect a decision-
making process that
revolves around people,
their work and the area in
which they operate.

| RESPECT |

**We have great respect for
work and people.**

We are aware of the
responsibility of doing
business and of its social
and environmental impact.
We believe in the talent
of our people and the
continuous improvement
they contribute to our
organisation every day,
thanks to their skills and
responsibilities.

We earn the trust of
our customers and
consumers with respect
and integrity and we enter
into agreements with our
suppliers and our partners
fairly and transparently.

| LISTENING |

For us, listening means
reducing distances between
people. It means learning
every day from our way
of doing business.

It means **understanding**
market needs.

It means respecting our history
while **moving forward**, with
a clear vision of the future.



| SUSTAINABILITY AND INNOVATION |

Sammontana Italia has long been committed to the continuous improvement of its products, business processes and sustainability. As part of its continuous improvement goals, the Group develops increasingly innovative products that meet **high quality and nutritional standards**, whilst striving **to reduce waste and environmental impacts**. This continuous improvement process led to the decision to become a Benefit Corporation, thereby increasing the Company's environmental and social commitment and focusing, in addition to profits, also on common benefit. Sammontana has formally reported this commitment since 2022 in its Sustainability Report and in its Impact Report. As of 2023, the latter report will be integrated in the Sustainability Report.





| OUR COMMITMENT TO PEOPLE AND TERRITORY |

Attention to important aspects has always characterised the Sammontana Group. Specifically, our focus on employees and all people who come into contact with the 'Sammontana world' is a cornerstone of the Group's intention. In addition to this aspect, the environment and the territory where the Sammontana Group started and in which it currently operates, are a focal point of attention and a sphere of constant commitment.



| SAMMONTANA, QUALITY AND A SUSTAINABLE FUTURE |

The commitment is to pursue, in a certified and transparent manner, an increasingly careful approach to sustainability in all of its forms.

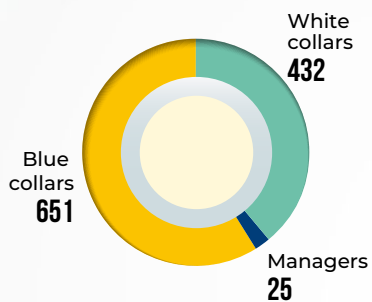
The Sammontana Group is committed to studying aspects of environmental sustainability, for example, by calculating the Carbon Foot Print of some of its products in order to offset and reduce greenhouse gas emissions from its production cycle.

Furthermore, in continuity with recent years, the Sammontana Group's R&D activities are constantly oriented towards product innovation, with continuous research, development and experimentation of innovative and original recipes and formulations for the Company's main core cream and bakery businesses, with a strong focus on the performance and environmental impact of the various product lines. In addition to product innovation, the Group is also putting its energies into process and IT/digital innovations.

| HIGHLIGHTS 2023 |

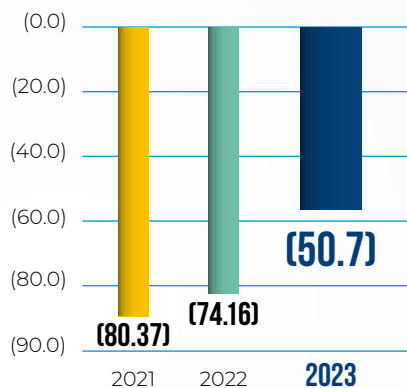


STAFFING LEVELS BY POSITION

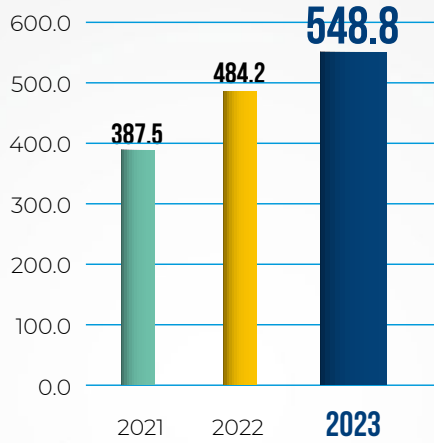


2023 TOTAL: 1,108

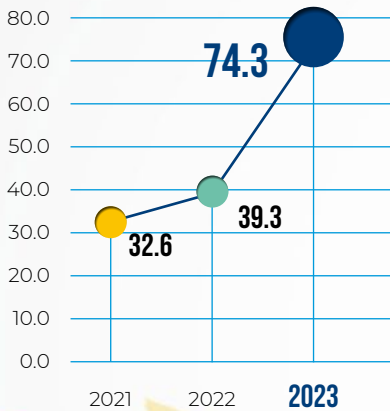
TREND IN NET FINANCIAL POSITION (MILLIONS OF EUROS)



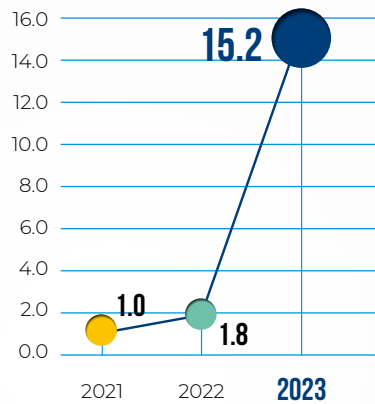
NET TURNOVER (MILLIONS OF EUROS)






























E.B.I.T.D.A. (MILLIONS OF EUROS)



ROI TREND (%)



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**REPORT ON
OPERATIONS**







**THE
SAMMONTANA
GROUP**





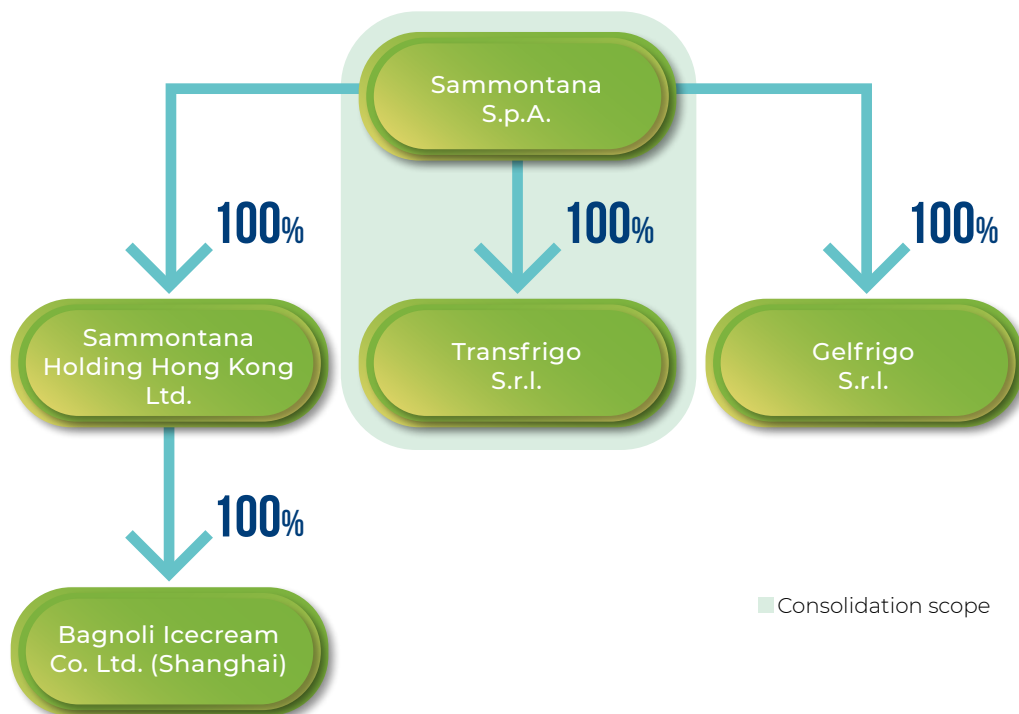
Dear Shareholder,

In its meeting on 27 March 2024, the Board of Directors of the Parent Company approved the draft financial statements at 31 December 2023 and called the Annual Shareholders' Meeting on 30 April 2024 pursuant to the term set forth in article 2364.2 of the Italian Civil Code. The financial statements to be approved (comprised of a balance sheet, an income statement, a cash flow statement and the notes thereto) have been prepared in accordance with current regulations, specifically with respect to the content and the accounting policies. Furthermore, pursuant to article 2423-ter.5 of the Italian Civil Code, in order to facilitate the reading and understanding of the financial position and results of operations, prior year corresponding figures have also been provided.

Below is an overview of the Group's financial position and results of operations. Post-balance sheet events and the outlook are also covered herein.

GROUP STRUCTURE

The consolidation scope of the Sammontana Group for 2023 is as follows:



The consolidation scope is unchanged from the previous year.

Gelfrigo S.r.l., wholly owned by the Parent Company Sammontana S.p.A. - Benefit Corporation, is still dormant. Therefore, pursuant to article 28 of Legislative decree no. 127/1991, it was not consolidated as its inclusion in the consolidation scope would have been immaterial for the purposes of clarity and the true and fair view of the Group's financial position and results of operations.

Sammontana Holding Hong Kong Ltd, incorporated in 2019 and holding 100% of Bagnoli Icecream (Shanghai) Co. Ltd (also incorporated at the end of 2019), was not consolidated pursuant to article 28 of Legislative decree no. 127/1991. Their consolidation would have been immaterial for the purposes of clarity and the true and fair view of the Group's financial position and results of operations.

BUSINESS ACTIVITIES AND LOCAL FOOTHOLD / DISTRIBUTION NETWORK

The Sammontana Group is **Italy's second player** in the production and distribution of ice cream.

It is also **Italy's main manufacturer and distributor** of frozen bakery products.

The sale of "savory" products (bread, focaccia, ready meals) complements its range of frozen products.

In the ice cream sector, the Group

operates under its own Sammontana brand and under licensed brands. It also produces private label products for the modern distribution sector.

In the frozen bakery products sector it operates under the Tre Marie, Il Pasticcere and Mongelo brands.

Furthermore, it is active in the lunch/snacks segment with the Bonchef brand.



The Group's direct production takes place at **three factories located in Empoli, Vinci and Colognola ai Colli**. Its products are distributed via a network of almost **100 agents**, many distributors, **16 branches** located throughout Italy and **3 "service centres"**.



OUR BRANDS

The Group operates with and is traditionally identified both in Italy and abroad essentially by the following brands: **Sammontana**, **Tre Marie**, **Il Pasticcere**, **Bonchef** and **Mongelo**.

Sammontana is the Group's historical brand under which ice cream products are sold. This brand has a very fascinating history and plays a direct role in the origins of Sammontana, a Company founded in 1946 by Renzo Bagnoli after transforming the family dairy into an ice-cream parlour in Empoli.

In **1952**, the first brand logo was created, i.e., a red logotype in the typical calligraphy style of the time with a long letter.



In **1959**, the Empoli-based painter Sineo Geminiani was commissioned to create a character for visual communication purposes. Thus the friendly privateer enjoying an ice cream whilst winking was created. This icon coexisted with the yellow calligraphy style.

In **1961**, a new logo was devised, 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 tin designed by Sammontana and containing six litres of ice cream. In those years of economic growth, fridge-freezers were spreading to the homes of Italian families and,

with the Barattolino, ice cream could be eaten at home at any time of day.



As of **1964**, the privateer icon was used in advertisements, but portrayed in full figure with the catchphrase "**un tesoro di gelato**" ["an ice cream treasure"].



Then, in **1968**, the humanised cone brand was created, with eyes, mouth, a red tongue and the catchphrase "**gelati all'italiana**" [Italian-style ice cream]. This brand slogan was accompanied by the compound logotype in capital letters.



In **1981**, a restyling of the Company logo was carried out by the US graphic designer Milton Glaser, author of world-famous images. He revisited the cone by making it more stylish and placing it in the centre of a horizontal crescent. Sammontana has always focused on communication by conveying a cheerful, straightforward,

upbeat and Italian-inspired image: therefore, the catchphrase “gelati all’italiana” was confirmed.



In **2015**, the Company embarked on a new phase of its renewal process by unveiling a restyled brand: the “cone” symbol became more central and contemporary whilst maintaining the brand’s values which, in Milton Glaser’s idea, was modernised by becoming lighter and maintaining only the words “Sammontana” and “Gelati all’italiana” in order to create the brand’s typical semicircle.



Specifically, **Tre Marie** is a historical brand, a symbol of Milan bakery tradition which, at the same time, is strongly linked to the modern world.

The **Tre Marie** brand tells a fascinating history of authenticity and taste, values and emotions.

This brand has a very special history which starts with the first “modern” bakeries of 19th century in Milan - at that time the meeting places of intellectuals - and continues with the most recent production of high quality frozen bakery products, covering more than two centuries of product improvements and innovations, with a special focus on the selection of raw materials.



Under the **Bonchef** brand the Group sells ready to heat and eat first and second courses, while the **Mongelo** and **Il Pasticcere** brands, which are owned by the Group, are used to sell part of the frozen bakery product offering. Together, these brands offer a range of high-quality and sophisticated products, both in terms of leavening of the dough and of raw materials.

2023 BUSINESS AND PRODUCTS

ICE CREAM LINE

2023 was a challenging year for the ice cream line: the uncertain geopolitical situation and the ongoing military conflict between Russia and Ukraine resulted in a spiral of price increases that inevitably affected end consumers. Moreover, due to the late start of the peak summer season, the ice cream business was unable to take full advantage of the sales peak months.



Benvenuta estate

With respect to modern distribution products, in 2023, the Gruvi range was extended with the new **Gruvi Arachide Sagace**, an explosion of different tastes and textures, bite after bite.

The bucket range grew following the launch of the new **Salted Caramel Barattolino** in the Barattolino Delizie line: salted caramel ice cream with salted almond pralines and salted caramel biscuit crumbs and variegation. The Barattolino range was expanded thanks to the launch of the new **Barattolino Prelibato** line including the Foresta Nera, Cremino and Tiramisù flavours.

Sammontana's journey to unlock the flavours and fragrances of Italian excellence continued in 2023 with the launch of the limited edition **Sa di Bonèt**, chocolate ice cream variegated with caramel, amaretti grains and a sip of rum. Together with Barattolino and Trancio gelato, this edition celebrates the traditional Piedmont recipe.

The cones segment saw a major restyling of the **Cinque Stelle** brand, which revisited its packaging and portfolio with the launch of **Caramello Salato**, a delicious recipe enriched with grains and variegation for a unique experience.

This range also included the **Pistacchio** and **Nocciola** lines. In this respect, a new delicious recipe was developed in a smaller format for a refined experience.

Furthermore, the Amando line was expanded with the new **Stecco Cacao e Lampone**, vanilla ice cream variegated with raspberry with a cocoa coating and Sicilian almond grains. The Amando line recipe was radically changed and, since 2023, it has become even more delicious and creamier thanks to a new technological production process.

The Bambini line saw the relaunch of **Gelato merenda** in the sandwich segment, with a vanilla and cocoa-

flavoured cereal biscuit with fresh milk. Designed to engage and entertain young consumers, the new Gelato Merenda biscuit is also a source of calcium, with no colouring additives and only natural flavours.

The Ghiaccioli line was also revisited, with new graphic designs for the **Dadaumpa** and **Ghiaccioli** packs.



The Company's offer on the **impulse channel** was strengthened with the expansion of the Gruvi line in the peanut segment, the Cinque Stelle line in the Fresco Limone segment and the limited edition Coppa d'Oro and Trancio Sa di Bonèt. At the same time, again in the impulse channel, the range of the Amando line was expanded with the launch of Stecco Amando Cacao e Lampone in the modern distribution segment.

In the children's segment, the range was extended with the new **Stecco Donny**, an ice cream donut covered in yellow or pink with coloured spheres. The ice-cream stick segment also saw the extension of the **MeteoHeroes** licence, the Italian fior di latte and honey ice-cream and the new **Miraculous** ice-cream stick - watermelon flavour with chocolate variegation - inspired by the cartoon of the same name, including a free tattoo of the cartoon's favourites. Finally, the new vanilla-flavoured

Lyon biscuit continued the related competition "Play and Win the Lyon Collection", which gives consumers the chance to win amazing Lyon-branded prizes via the code printed inside the pack.

Sammontana's commitment to **environmental sustainability** continues. In addition to its constant focus on nutritional aspects and sustainable supply chains, the Company is increasingly involved in actions aimed at reducing its environmental impact. Based on the measurement of CO₂ eq direct emissions, Sammontana develops actions that gradually reduce them. The Company also increases its share of electricity purchased from renewable sources and that of products designed for environmental impact. In 2018, Sammontana launched the "Lidi Green" initiative which was carried out in collaboration with Scuola Superiore Sant'Anna of Pisa, in order to promote conscious ice cream consumption.







FROZEN BAKERY PRODUCTS LINE

In 2023, after the initial recovery recorded in the previous year, the out-of-home consumption market continued to grow, exceeding 2019 figures. Italians have resumed eating out of their homes with increasing frequency, confirming their preference for **frozen bakery products**, which remain their favourite **breakfast**. Indeed, the good performance of **bakery products** on the **Horeca Channel** shows:

- a **+7% increase on 2022**
- a **+9% increase on 2019 (pre-pandemic year)**.

These excellent overall results apply to all brands comprising the HoReCa Channel: Tre Marie, Il Pasticcere and Mongelo.

In response to the 2022 price increases which affected all product categories, café owners moved from butter-based premium ranges (3Chic and Joli) to more standard ranges and particularly indulgent products (Rodrigo/SuperSupreme, Granfarcito/Superfarcito).

The contribution of innovation decreased compared to last year, not because of less interesting projects, but as a result of fewer mainstream projects.

The savoury breakfast segment aroused particular interest and was well received. Three different offers inspired by international culinary traditions with delicious fillings were developed with a touch of

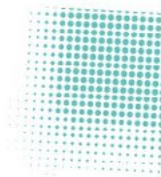
Italy. In order to enable café owners to offer **tasty recipes** to fill savoury croissants, in line with current trends but easy to make, we have embarked on a **collaboration** with Alma (the most authoritative centre for high education in Italian cuisine and hospitality internationally).

Also in the modern distribution segment, despite the resumption of pre-pandemic consumption habits, the retail pouch market, after levelling off, confirmed its volumes (-3%) and grew 7% in terms of value.

Tre Marie remains the **market leader** with a **61-point** and a **68.5-point** share in terms of volume and value, respectively.

In 2023, **2 new products** were launched, complementing the existing range and converting the most successful products in the HoReCa channel into pouches: Rodrigo Moro and Midi Rodrigo Pistacchio.

Many café owners took part in two dedicated initiatives: **“Il Buongiorno che ti premia” (Tre Marie)** and **“Il Club dei Maestri” (Il Pasticcere)**.





RESEARCH AND DEVELOPMENT

INTRODUCTION

Similarly to the past few years, the R&D activities of the Parent Company Sammontana S.p.A. - Benefit Corporation have been constantly focused on product and packaging innovation, improving the organoleptic and qualitative characteristics of new and existing products and validating new production technologies considered as investments in process innovation. The study, research and sampling of new raw materials and new materials for flexible packaging were equally important, in order to increase the visual appeal index and functional standards, also in terms of environmental impact. The operational and integrated model of the internal Research & Development division is unchanged, which cooperates with the General

Strategy, the Commercial and Marketing function and the heads of the production and Quality Assurance departments of all facilities in the country.

The continuous application of specific methodologies, from market research to product concepts, from product tests to panel tests on consumer samples, enables the Company to identify new consumer trends and related opportunities to develop new products and appropriate extension lines.

This applies to both the Company's main core businesses: ice cream and frozen bakery products.

Research activities will continue in 2024. In this respect, the management of Sammontana S.p.A. believes that the success of these innovations can generate satisfactory results in terms of turnover with favourable effects on the economy of the Company.

R&D ACTIVITIES IN 2023

In 2023, Sammontana S.p.A. - Benefit Corporation pursued innovation-related activities, focusing its efforts, in particular, on projects that will be mainly developed over the next few years.

In 2023, Sammontana carried out the following main activities:



Research and Development: R&D activities continued in order to continuously test new innovative and original recipes and formulations for the Company's main core businesses: "ice cream" and "bakery products" with a strong focus on good performance and new consumption trends, with a smart and responsive approach, e.g., by launching protein and/or gluten-free products;

Digital Innovation: the study and development of business processes transformation opportunities continued with the integration, digitalisation and interconnection of internal and external factors in the production, distribution and logistics departments, for the Company's main core businesses;

Ecological Transition: the analysis of CO₂ eq emissions continued as part of a decarbonisation process following the GHG protocol, LCA studies, critical circularity index investigations and process optimisation. This included the evaluation of the nitrogen footprint on the environment, aimed at technological innovation with ecological transition objectives and the improvement of the environmental performance of the products comprising the Company's main core businesses, "ice cream" and "bakery products", with the aim of innovating and transforming business processes according to circular economy principles;

Technological Innovation: technological product innovation activities for the Company's main core businesses, "ice cream" and "bakery products", continued with

different recipes, performance, nutritional components and production process phases, in addition to technological innovation for the introduction of new or significantly improved processes in the production and logistics departments, streamlining supply management and reducing waste;

Design and Aesthetic Innovation: design of symbols, layout definition and graphic development of components associated with digital tools; analyses preliminary to the development of promotional videos; design of new graphic symbols and layouts associated with new lines or the promotion of existing ones; design and aesthetic concept of new catalogues/style books; design and aesthetic concept of new folders.

Costs incurred in connection with R&D projects totalled approximately €2.8 million. In this respect, the Company plans to avail of the tax credits for research, development, technological innovation, design and aesthetic concept activities envisaged by article 1.198 - 209 of Law no. 160 dated 27 December 2019, as subsequently amended. In 2023, these investments generated a tax credit of approximately €280 thousand.

COMMUNICATION, AWARDS, EVENTS AND SPONSORSHIP

Local communication activities were aimed at supporting and promoting the Sammontana Italia brand and its other brands - Sammontana Gelati and Tre Marie - highlighting their value by setting specific and measurable communication objectives.

These initiatives further enhanced the value and content of the Company's main projects, such as its environmental and social commitment, which is one of Sammontana's main pillars, and the activities assisting the launch of new products, always promoted in an original, contemporary and unique manner in order to build customer loyalty and consolidate the customers' relationship with the brands.



ICE CREAM

● THE ISLAND

Sammontana participated in this festival for free and creative spirits, covering electronic music, nature and sustainability, which was held in **Pantelleria between 1 and 4 June**. Amid volcanic rocks and crystal clear sea, Pantelleria, a unique and authentic place with a millenary history, was the open-air location for this **extraordinary music festival**, based on the desire to create a positive impact on the island's community. The programme included numerous *experiences* in contact with nature, from relaxing ones - such as yoga and meditation classes, bathing in the thermal waters of Lake Venus and a natural sauna in the caves - to more dynamic ones, such as trekking from the volcano to the sea, kayaking and running around Lake Venus.

● #GRUVIMOOD

What is your Gruvi muud? This question, which echoes the tone of voice of the *Gruvi Caint Of Lov* digital campaign, marks the iconic Gruvi stick entry in TikTok with its first project. **The campaign began on 7 July** and ended in late August with a well-constructed plan involving two of the main tools offered by the social platform. This led to the development of a roulette filter which revealed the mood of the day by matching the naming of Gruvi's product flavours: unexpected, never seen, unique, genuine, legendary, beautiful and sincere. This idea was developed by

● #CISTAREBBEUNCONO

Sammontana launched the **#cistarebbeuncono** campaign to promote the **relaunch of Cono Cinque Stelle**. In the centre of Milan, a billboard appeared on 19 June in Corso Venezia with a new pack graphic design. **For four days**, several **influencers and consumers took turn to take a picture** of their hand holding Cono Cinque Stelle, recreating the graphics of the new pack design on the billboard. On 21 June, consumers took an active role in the event thanks to an ice cream cart which was placed in the area and **distributed Cono Cinque Stelle** to passers-by who could take a photo, imitating their Instagram stars. Since 22 June, the Corso Venezia building has been "dressed" with the image of the new product.

three renowned creators: Gabriele Vagnato, Leucifero and the Twin Sisters. It was an immediate success with **over 5 million views of the hashtag #GruviMuud** in the first 48 hours of the campaign and **over 1000 UGC videos** made after the first weekend. The excellent results were confirmed over the long term, covering the entire summer season and reaching **32 million views and over 1.5 million likes with 15 thousand sharing at the end of the campaign**. Gruvi's Tik Tok campaign was nominated for the Tik Tok Awards, making it to the short list of winners.

LIDI GREEN WITH RADIO DEEJAY

Since 2018, Sammontana has been committed to promoting sustainable beaches with the **Lidi Green project**: beach resorts equipped with high-efficiency refrigerated counters with the aim of promoting conscious ice cream consumption. Partner sales points were identified based on **accurate environmental sustainability criteria** - assessed via a specific questionnaire - and offered their customers ice cream with reduced greenhouse gas emissions thanks to the use of specific, **more energy-efficient equipment** and offset along the entire life cycle.

In order to further boost this important project, a **partnership with Radio DeeJay** was agreed in summer 2023. Accordingly, on the radio station's social channels,

in a reel, **Matteo Curti described the initiative**, emphasizing its importance and how choosing this type of beach resort is a conscious choice that does not compromise either pleasure or taste.



● MUSIC SPONSORSHIP AND EVENTS

In 2023, Sammontana **partnered with several** musical and other **events** that characterised the summer season and delighted the audience with the Company's new and traditional ice cream products:

- **Cirque du Soleil** – A partnership with Cirque du Soleil's touring show "KURIOS - Cabinet of Curiosities" was announced in March 2023. The show was staged in Rome at Tor di Quinto and in Milan at Piazzale Cuoco. Two unique groups have come together to offer the public a wealth of energy, creativity, joy, innovation and taste: a combination of goals and **founding values that unite both the Empoli-based Company and the world's** most famous circus school. This has led for the first time to the show's sponsorship agreement for the 2023 season.
- **I-Days Milano Coca-Cola, Firenze Rocks, Milano Summer Festival, Lucca Summer Festival and Marrageddon** – Sammontana **partnered with five major music events**: I-Days Milano Coca-Cola, Firenze Rocks, Milano Summer Festival, Lucca Summer Festival and Marrageddon, **obtaining merchandising exclusivity** and contributing a touch of flavour to the many musical evenings with its ice cream sold from the kiosks at concerts. The **sponsorship agreement with the Lucca Summer Festival** also included the planning of billboard ads.



• **RCF Arena Reggio Emilia** – This season's partnerships included that with **RCF Arena Reggio Emilia**, the venue built in the historical **Campovolo** area, which is now a permanent and fully equipped structure that can accommodate **up to 103,000 people** and which was the stage for many concerts during the summer. A strategic choice for a project with a green heart: RCF Arena adopts **solutions that reduce the CO₂ emissions of each event**, promote sustainable mobility and smart waste management, in order to have fun while respecting the environment. **This drove Sammontana to the project**, which has always been a friend of the environment, joining forces based on the same values and concern for the protection of the territory. The brand was the Title Sponsor Bar at all shows.

• **Red Valley Olbia** – Sammontana sponsored the **Red Valley Olbia 2023**, the flagship event of Ferragosto 2023. Forty hours of music that over **four different evenings** saw more than **30 guests** dancing and having a good time. An extraordinary musical journey through the city of Olbia that also featured **Sammontana ice cream products**.

• **Party Like a DeeJay** – The Tuscany-based Company partnered with the **Party Like a DeeJay event**, celebrating the birthday of Italy's best-known radio station, with which it shares the passion for music and a dynamic and entertaining spirit, **capable of giving unique emotions** to the audience. Party Like a DeeJay is a two-day party open to everybody and offering concerts, events and **lots of fun, together with the radio speakers at Milan's Parco Sempione**. The Sammontana stand offered ice cream products and **the season's new products, as well as some Sammontana gadgets**, in addition to promoting the Company's constant commitment to protecting and preserving the environment.





- **Arena della Versilia** – In order to emphasise and strengthen its deep bond with its home territory, **Sammontana partnered with the Arena della Versilia** event during the summer. Founded in 2019, this is one of the most important summer concert venues in Tuscany and central Italy. **Sammontana participated in this event with its ice cream products at all the music evenings** organised between 29 July and 18 August. At every kiosks in the concert venue, guests were able to taste all ice cream products.

- **Arena dei Pini** – Summer 2023 also animated the **Arena dei Pini in Baia Domizia**, in the province of Caserta, which housed many evenings with nationally renowned artists. This venue hosted the most exclusive concerts and not-to-be missed events, all **in the name of good music and good taste**, thanks to Sammontana ice cream products.

● CLEAN BEACHES AND SEABED IN COLLABORATION WITH LEGAMBIENTE

The **Spiagge e Fondali Puliti** initiative was held from 12 to 26 May. This is Legambiente long-standing campaign dedicated to monitoring and cleaning up the rubbish abandoned along the Peninsula's coasts. **Two weeks of events** that mobilised hundreds and hundreds of citizens, schools, university students, associations, but also companies and municipalities, **which joined forces to remove abandoned waste of all kinds from beaches and the seabed.**

Now in its 33rd year, **this initiative has been selected and supported by Sammontana for the seventh consecutive year**, confirming its constant commitment to protecting the environment and the territory in which we live.



● EVENTS IN TUSCANY

Once again this year, Tuscany played a key role in the selection of sponsorship and collaborations. Specifically, **Sammontana sponsored Pitti Uomo in Florence and was present during the Runway Icons fashion show** organised by the historic atelier Luisa Via Roma in Florence and at the U.S. Polo Assn. stand. Furthermore, Sammontana collaborated with Tenuta Toscani, a farm in Casale Marittimo, during the summer events organised on the estate and, finally, **it was present at the Arena della Versilia festival** that hosted nationally renowned artists such as SferaEbbasta, Tananai and Mara Sattei.

BAKERY PRODUCTS

● TRE MARIE NEW LOGO UNVEILED

In order to unveil **Tre Marie new logo**, a special press and influencer event was organised in Milan, at the Clini Loft on 9 March.

The two companies, Sammontana and Galbusera, joined forces to describe the brand's new journey and unveil the new graphic design, a new picture that marks the beginning of **a new path**, contemporary and **at the same time respectful of its roots**, confirming the importance of the **brand's tradition**. The event was divided into two parts: approximately 25 journalists from the food and marcom segment attended the morning event, while the afternoon was dedicated to influencers who, in addition to discovering the new logo,

participated in a workshop on Sweet Gestures held by flower stylist Olivia Brusca.



● BREAKFAST AT HOME – TRE MARIE

In order to enhance the visibility to the Tre Marie pouches and, in particular, **the two new Rodrigo flavours, Moro and Pistacchio**, a dozen influencers took part in a very special breakfast in the centre of Milan, at Spiga 15 on 28 November. Another moment **dedicated to Sweet Gestures (Dolci Gesti Gentili)**, the brand's new pay-off, which has accompanied the Company since March. During breakfast, guests **tasted all products** dedicated to breakfast at home and discovered some recipes, with the participation of the food stylist Carlotta Zadra and friend and influencer, Olivia Brusca, in a workshop on flowers.



CORPORATE

● FUORI SALONE DEL MOBILE “DESIGN PRIDE”

A cheerful, colourful and playful parade animated the city centre in the sign of design. For the sixth year, **Design Pride** has been the most inclusive and open party of the “**Fuorisalone**”: no invitations and no lists, just the desire to have fun while embracing the slogan “**We are design**”. On Wednesday 19 April, from 6 pm, in Piazza Castello, the most beautiful street parade ever took place, animated by floats, exhibitions, performances and music. The parade

crossed the Milan city centre to Piazza Affari, where the party was held at the foot of Maurizio Cattelan’s sculpture “**L.o.v.e.**”. Sammontana and its ice cream products, which sweetened the evening for the many guests present and offered a glimpse of early summer, also animated the parade and party, centred on the idea that we are all design and that design means giving meaning to everyday life, making it more beautiful and improving it.





● “SAMMONTANA BECOMES A BENEFIT CORPORATION” PRESS CONFERENCE

At the elegant Horto restaurant in Milan, on 25 May, **Sammontana welcomed the national media** in a meeting to **describe** its new commitment to future generations

and **its sustainability achievements** with its new journey to become a Benefit Corporation.



● **PRESENTATION OF THE BOOK "LA LUNA PIENA DELLE FRAGOLE" BY PAOLO STELLA**

Sammontana sponsored the presentation tour, in the Aeolian Islands, of the new book *La Luna Piena delle Fragole* (The Full Strawberry Moon) published by Italian actor and writer Paolo Stella. This book is about a journey to the Sicilian islands that each represent the loneliness felt by young people today, telling their vision of today from the inside out.



It is this **authentic bond with the new generations** that prompted Sammontana to support the event: an opportunity to tell of its engagement to this topic, the values of the Company's purpose and **its commitment as a Benefit Corporation**. The book was written with the support of the Argo association and was taken on tour by De Agostini in secondary schools.

● SAMMONTANA SUMMER FESTIVAL

Sammontana new ice cream products were the stars of the Summer Festival that, as every year, opened the summer season. **The traditional event**, organised every year to coincide with the summer solstice, took place at the **beautiful “Fuori Mano” venue on the outskirts of Milan.**

A magical place nestled in old Milan with a wonderful swimming pool.

There was plenty of entertainment during the evening: colourful hair braids, customisation of hats with Sammontana emoticons and a Barattolino area to create your own cup with your favourite flavours; live music, the best ice cream products of the Italian summer and lots of smiles. **Over 50 influencers and media attended the event.**





● FLORENCE FOLKS FESTIVAL

Once again, Sammontana supported the **Florence Folks Festival**, a popular initiative that, through the language of musical culture and food, educates people to love the city and local areas.

The commitment and **activities of the Festival** well represent the actions and values of Sammontana

whose mission is to create high quality food products, while contributing to improving the area in which it operates. Sammontana was present at the Festival **with its historic ice cream cart to offer a moment of pleasure** and a smile to participants.



florence f



● **“SAPORE DI MARE”
IN FORTE DEI MARMI**

In 2023, the bond with the local area was also confirmed by the sponsorship of the **“Sapore di Mare”** Festival held from 1 to 2 July 2023 at Bagno Alle Boe and Bagno Piero in Forte dei Marmi. The aim of the project is to bring

together young international galleries, art residencies, collectors and institutions in order to create a genuine cultural exchange. In this respect, in addition to promoting the entire event, **Sammontana organised a workshop for children aged 4 to 11 years old**, who embraced sea-themed artistic challenges.



● **“AN ITALIAN RECIPE”
WITH BIG ACADEMY**

In collaboration with Big Academy, the new advanced training academy designed for the managers of the future, Sammontana organised the “An Italian Recipe” talk to share **insights and corporate strategies** adopted in the development and implementation of **ESG principles and sustainability in the Company**. After the talk, Sammontana opened the doors of the Vinci plant for a **tour dedicated to innovation in the production of frozen bakery products** for the Tre Marie and Il Pasticcere brands.



● A NIGHT FOR ANT

The *A Night for ANT* Gala was held in the heart of Florence's historic centre, at **Le Rampe del Poggi**. This event was organised by the ANT Foundation thanks to the support and collaboration of **Sammontana** to raise funds for the free specialised home medical assistance service BIMBI in ANT.

In this edition, dedicated to the 45th anniversary of the association - founded in Bologna in 1978 by the oncologist Franco

Pannuti - the more than 350 guests took part in the dinner and in emotional moments with the extraordinary participation of Arisa, who enchanted everyone with her amazing voice. The evening had the artistic direction of **Jacopo Durazzani** and **Cristina Casamassimi** and was made possible thanks to the valuable support provided by **Sammontana**. An evening of sharing and closeness that gave the city of Florence an opportunity for faith and hope.





SAMMONTANA ITALIA



● EMPOLI PLANT OPENS TO AIDAF

In 2023, Sammontana opened the doors of its headquarters and factory for a meeting with the members of AIDAF, the reference association in Italy for

family businesses. The meeting was an **opportunity to increase the visibility** of Sammontana's business and **to tell about its family tradition**.



● MEETING WITH THE EUROPEAN HOUSE-AMBROSETTI

In May, Sammontana hosted the “**Permanent Update**” of The European House-Ambrosetti with some of **Italy’s leading entrepreneurs**

and main businesses to discuss **Quality, Tradition and Innovation** and present Sammontana’s history and its outlook.

● UNIONE ITALIANA FOOD

With a view to continuous **collaboration and sharing of the best strategies** for the growth of the Italian agri-food industry, Sammontana welcomed the representatives of **Unione Italia Food at its plant** to discuss entrepreneurship and development issues.



● TEDX EMPOLI WOMEN

Deep roots in Tuscany and a genuine commitment to **stimulate its growth from a sustainable and innovative** viewpoint and to actively contribute to spreading in the community, culture and awareness on the issues that young people care most about, **listening to the voice of those who will make up the society of tomorrow**. These are the reasons that led Sammontana to sponsor TedXEmpoliWomen, a moment of discussion and

reflection on some of the issues related to women to enhance all perspectives and broaden the horizons of the entire community. The event, which took place on 21 October at the “Il Momento” theatre in Empoli, **was an opportunity for meetings and inspiration thanks to nationally renowned speakers who**, in line with the main theme “I HAVE NO WORDS”, **highlighted the importance and need of communication**, made up of conscious words.



● CHRISTMAS IS GOOD 2023

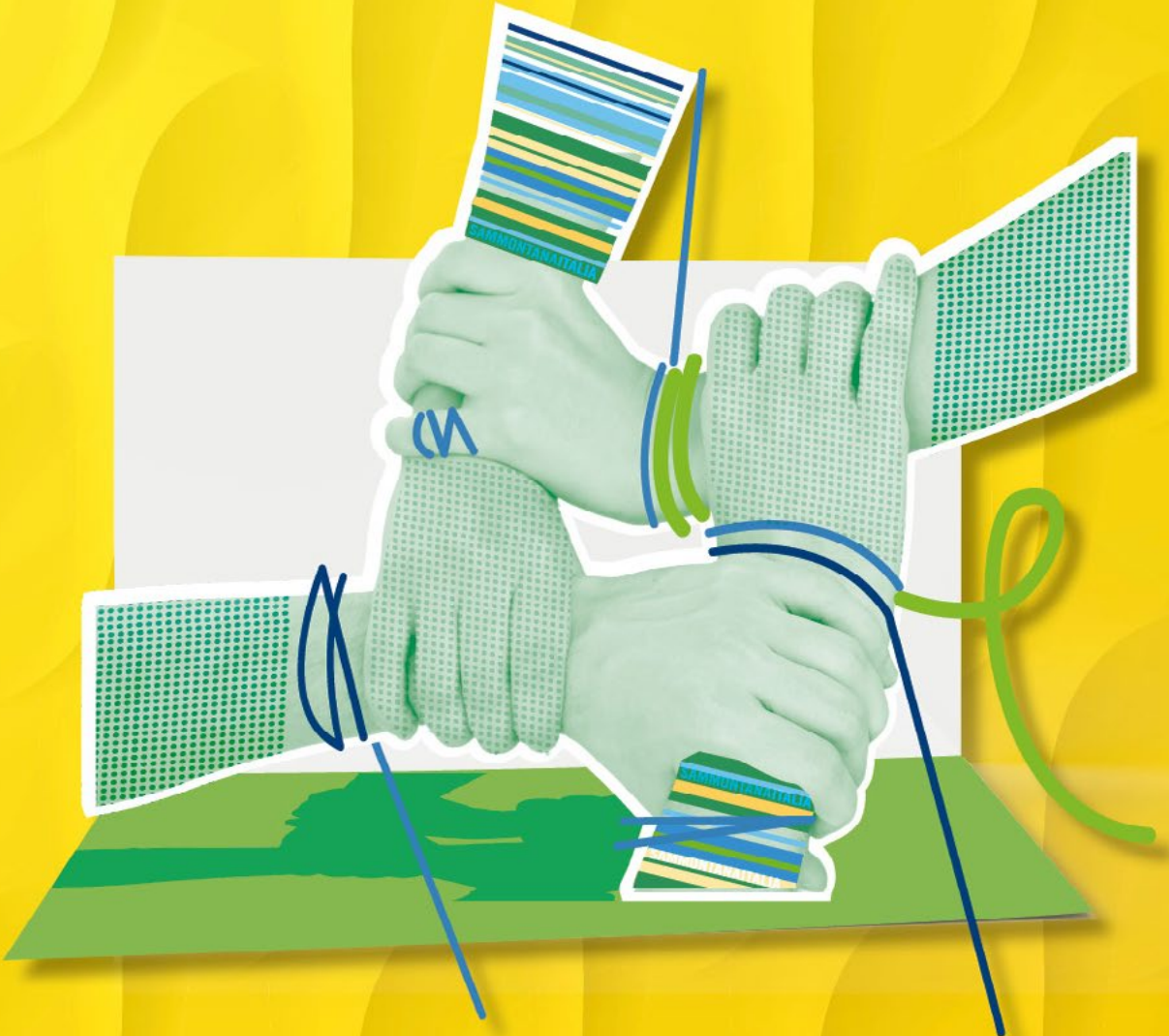
2023 confirmed the collaboration between Sammontana and gOODers, the lifestyle concept founded by Eva Géraldine Fontanelli, fashion editor and international consultant, which offers a careful selection of sustainable brands that believe

in and move for positive change, representing local and international craftsmanship. As part of the “Christmas is gOOD 2023” event, Sammontana helped to bring a smile with its products and a Christmas tree made of Barattolini.





OUR PEOPLE



BREAKDOWN OF EMPLOYEES AND CHARACTERISTICS

BREAKDOWN OF EMPLOYEES BY POSITION



AVERAGE NUMBER OF EMPLOYEES



At 31 December 2023, the workforce comprised 49 employees operating across the branches located all over the country, while the remaining employees operated at the Empoli headquarters (approximately 578) and Cognola ai Colli (241) and Vinci (225) facilities.

Due to the seasonal nature of sales and, therefore, of production, 341 people were hired under fixed-term contracts during the year, mainly blue collars. In addition to employees, there were nine interns.

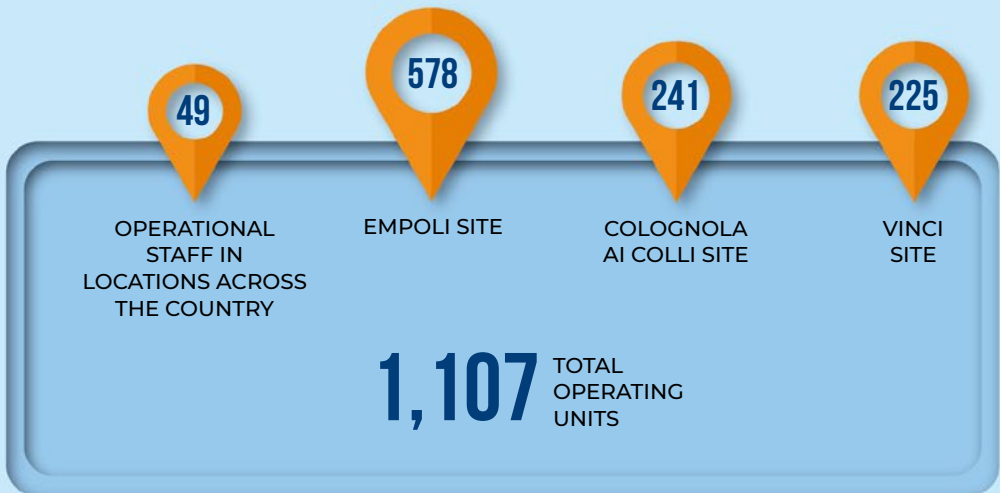
Furthermore, there were 14 employees of Transfrigo S.r.l..

The national employment contract applied is that of the food industry and that for industrial managers.



DISTRIBUTION OF OPERATIONAL UNITS

The workforce at 31 December 2023 includes:



TOTAL OPERATING UNITS

	Managers	Junior managers	White collars	Blue collars
Men	24	38	230	476
Women	1	1	163	175
Average age	55	54	43	47
Work seniority < 2 years	0	1	78	129
Work seniority 2 < 5 years	3	1	78	70
Work seniority 6 < 12 years	4	1	74	83
Work seniority > 12 years	18	36	163	369

OCCUPATIONAL HEALTH AND SAFETY

The Sammontana Group has long been committed to ensuring a high standard of health and safety for all its employees working in the group's sites (factories, branches and warehouses), especially at a time characterised by production growth, an increase in the number of employees, new lines and equipment, and therefore, in general, greater complexity compared to the previous years.

OVERVIEW

Many health and safety activities were completed in 2023.

Specifically, the efforts at the Colognola ai Colli plant were particularly important, as the development of the past few years required more attention in order to achieve the ultimate goal, i.e., reducing the number of injuries/incidents and maintaining health and safety standards.



ACTIVITIES CARRIED OUT AT THE GROUP'S PRODUCTION SITES

The main health and safety activities carried out in 2023 are summarised below. As usual, these activities were carried out with the cooperation/support of other departments, primarily the Technical and Maintenance Departments (of each Plant Management).

Some activities had begun in 2022, others were launched during the year.

- NNEL 10: installation of a mezzanine recovery system
- BAIA 3 LOGISTICS: installation of a wheel locking system
- CHEMICAL RISK: drafting the new Risk Assessment Document
- LIFELINES AND ANCHORAGE POINTS
- HEALTH PROTOCOL
 - Revision of the health protocol for workers (blood and alcohol tests for tasks with specific risks)
- FIRE AND NH3
 - Revision of general plans and of the NH3 paper

VINCI PLANT

- GENERAL RISK ASSESSMENT DOCUMENT: Drafting a new general risk assessment document for the plant
- LIFE-SAVING POCKETS: Installation of the new man-down device system
- ATEX
 - Introduction of the new Atex vacuum cleaner for flour and sugar dusts
- PROTECTIONS-CARTERS-SIGNAGE
 - Implementation on production lines



VERONA PLANT

- LINE C TRIMMINGS:
Implementation of a trim recovery system, reducing manual load handling indexes
- REPETITIVE MOVEMENTS: Several activities were carried out to improve repetitive movement indexes (staff rotation, education/training, procedures)
- GROUNDING
 - Preparation of all grounded electrical lines at the plant facilities
- PROTECTIONS-CARTERS-SIGNAGE
 - Implementation on production lines

As part of the safety training carried out between the end of 2023 and early 2024, several topics common to the three plants were covered, including:

- Analysis of injury and incident trends at Sammontana plants
- PPE (personal protective equipment): requirements for workers/chemical/mechanical protection gloves, hearing protectors, safety shoes used in plants
- Safety procedures defined in 2023 in plants

Ammonia: characteristics and risks / prevention and protection measures

INTEGRATED ENVIRONMENTAL AND SAFETY MANAGEMENT SYSTEM

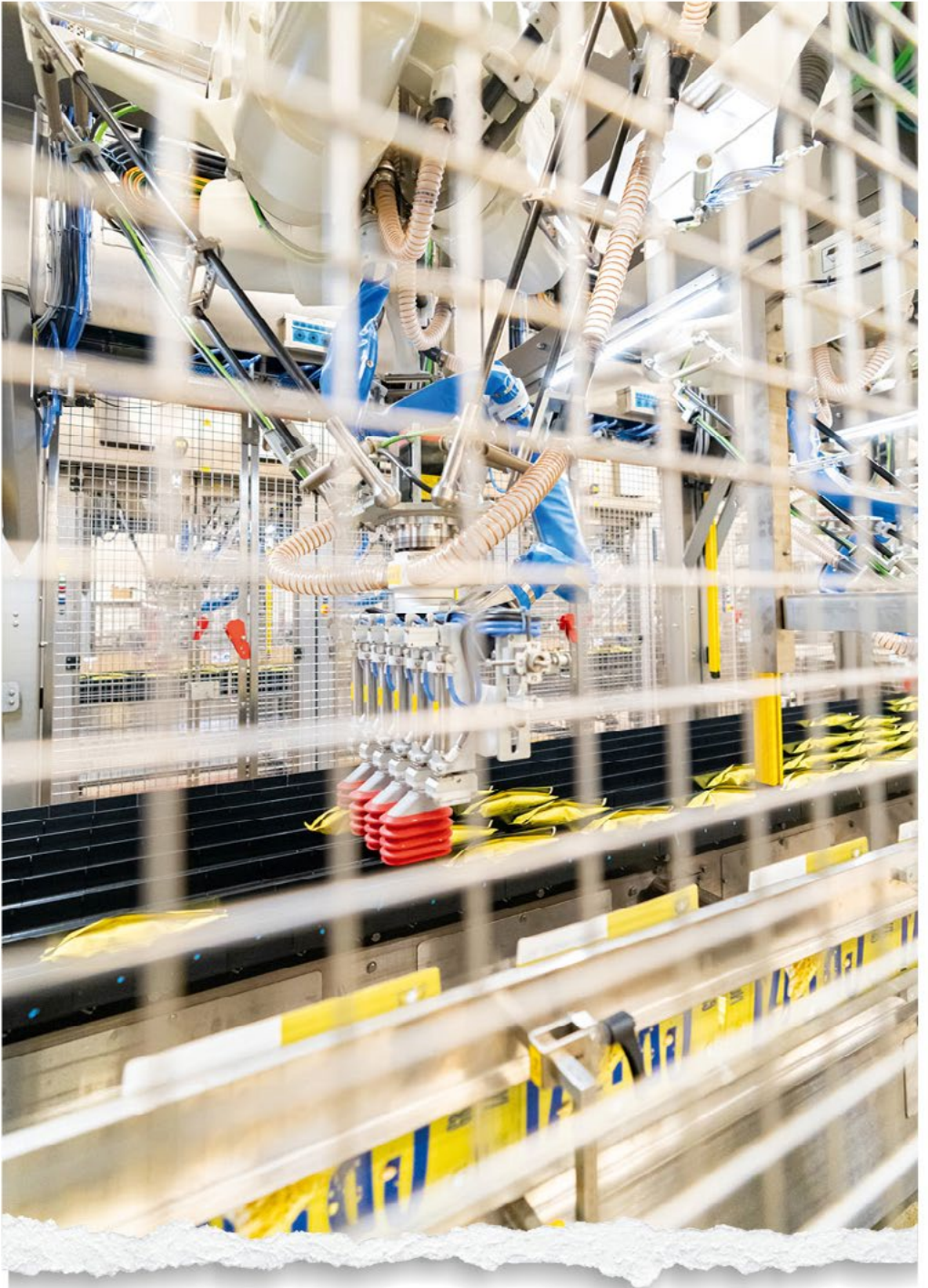
Completion of the draft, discussion and signing safety jobs for supervisors and managers of production departments (and linked to production), for the Empoli and Vinci plants.

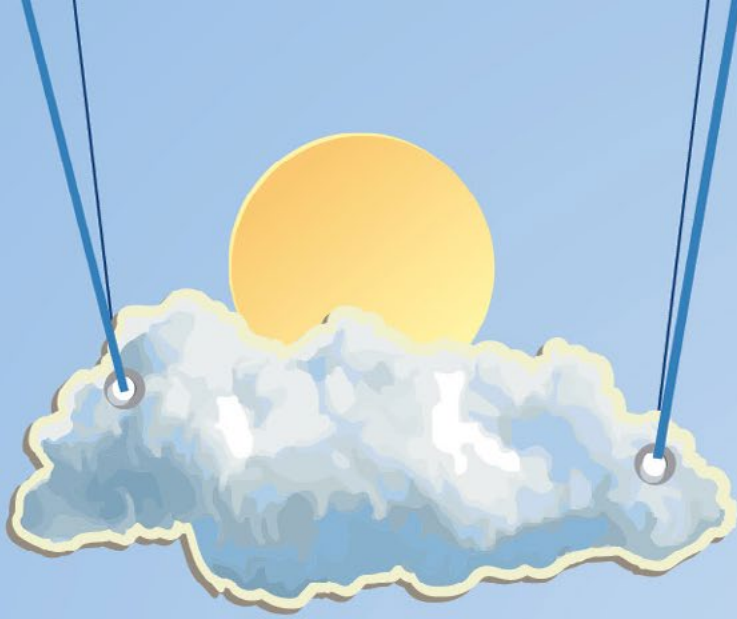
Work is in progress at the Verona plant.

HEALTH AND SAFETY INDICATORS

The main health and safety indicators for 2023 may be summarised as follows:

Days	2023	
	Illness (days)	Maternity (days)
Employees with a permanent contract	8,093	2,857
Employees with a fixed-term contract	1,237	1







OUR FOCUS ON SUSTAINABILITY



OUR FOCUS ON SUSTAINABILITY

INTRODUCTION

For several years now, the Sammontana Group has been aware of the need to respond to sustainable development issues along its supply chain. The Group accepted the challenge launched by Europe to contribute to a conscious and equitable ecological transition. The future is more than taking; indeed, it also means giving back in the form of a positive impact. For this and other reasons, the Parent Company Sammontana S.p.A. amended its By-laws and added common benefit purposes to its

business objectives. This led to the transition of Sammontana S.p.A. into Sammontana S.p.A. - Benefit Corporation.

Accordingly, the Parent Company Sammontana S.p.A. - Benefit Corporation measured several sustainability performance indicators, formally reporting them in its Sustainability Report and in its Impact Report. Starting from 2023, these two documents will be jointly published, while maintaining their own identity and specific format.

OFFSETTING THE CO₂ EMISSIONS OF THE HORECA CHANNEL

During the year, Sammontana offset 1,497 tonnes of CO₂ eq per residual lifecycle emissions from ice cream sold at some HORECA outlets.

	2021	2022	2023
Tonnes of CO ₂ eq. offset in the Horeca channel	1,082	1,009	1,497
% difference year vs. previous year	-	-6.7%	48.2%



DECARBONISATION (REDUCTION OF CO₂ EQ/YEAR)

Sammontana has measured its environmental impact in terms of tonnes of CO₂ eq/year from 2016 to 2023 according to Scope 1 and 2 (calculation of direct and indirect emissions from energy consumption), using a ISO14064-1-compliant methodological approach. It analysed Scope 3 emissions (other indirect emissions) in line with the GHG Protocol in 2022 and plans to conduct another analysis in 2024.



SCOPE 1 DIRECT EMISSIONS

- Natural gas
- Diesel fuel for own fleet
- Diesel fuel for generators
- Petrol for motor vehicles
- Refrigerant gas leaks
- Direct use of CO₂

Emission factors: source DEFRA



SCOPE 2 INDIRECT EMISSIONS

- Electricity

The initiatives undertaken by the organisation show a progressive reduction of the emission index value according to Scope 1 and 2 compared to the tonnes of finished products and goods produced during the calendar year.

This decrease is the result of a series of industrial projects carried out at the plants and the purchase of energy with certificates of origin.

The table below shows the emissions avoided thanks to **specific projects carried out between 2021 and 2023**.

	2021	2022	2023
Tonnes of CO ₂ eq. avoided in the year	-897	-3,501	-6,131*
% decrease of the year vs global Baseline Scope 1 and 2	-1.88%	-7.34%	-12.86%

* Tonnes of CO₂ eq. avoided calculated using 2022 emission factors.

CO₂ EQ. EMISSIONS OF THE BARATTOLINO LINE

The studies conducted on the Barattolino Line show that the raw material phase has the strongest impact in terms of CO₂ eq.

In 2023, the calculation of the full life cycle impact was 3,265 kg CO₂ eq./kg of finished products and goods.

The table below shows the change in this parameter compared with previous years.

	2019	2020	2021	2022	2023
Kg CO ₂ eq./Kg of Barattolino sold during the year	3.939	3.830	3.424	3.234	3.265
% decrease of the year vs. the previous year	-	-2.8%	-10.6%	-5.5%	0.96%

REDUCING THE USE OF PLASTIC PACKAGING

The KPI¹ indicating the reduction of plastic packaging confirms the success of the Group's commitment in this respect. Indeed, **in 2023, the index was 0.161**, with the

reduction index unchanged compared to the year during which the final target was already achieved and exceeded. Specifically:

	2019	2020	2021	2022	2023
Consolidated index ⁽¹⁾ [-]	0.264	0.259	0.185	0.161	0.161*
% decrease of the year vs. the previous year	-	-1.9%	-28.6%	-13.0%	-13.0%

* Tonnes of CO₂ equivalent avoided calculated using emission factors for the year 2022.

In 2023 and in line with the activities completed in 2022, further tests were conducted in the Group's various business segments in order to reduce flexible films for wraps,

with a view to standardising the results across the various plants, including by adapting and improving the technological process.

¹ The indicator is equal to the sum of the weights of primary and secondary packaging purchased between 01/01/23 and 31/12/23, which enter the direct production cycle, subject to the CO.NA.I. contribution for the plastics material band / Sum of the weights of primary and secondary packaging purchased between 01/01/23 and 31/12/23, which enter the direct production cycle, subject to CO.NA.I. contribution for all material bands used (Plastic + Paper + Wood + Aluminium).





BUSINESS PERFORMANCE





ECONOMIC PERFORMANCE

The financial statements that we submit for your attention show production revenues of approximately €571 million, up considerably on €72 million in 2022. This increase is mainly due to the rise in net revenues from sales (+ €64.5 million).

The gross operating profit (EBITDA) amounts to €74.3 million, up considerably (+€35 million) on the previous year. This increase is mainly due to:

- a long summer season with excellent weather;
- the decrease in energy costs (gas and electricity) that led to lower-than-expected purchase costs;
- the resilience of price lists, which priced in an average increase in raw materials and packaging of approximately 9% per year.

Compared to the previous year, gross revenues performed positively in all segments: Ice cream +12.2%; Frozen bakery products +15.4% and Lunch/ Snacks +17.3%.

Consequently, the profit before taxes of €35.4 million rose sharply on 2022 (+€31 million), similarly to the net profit for the year which amounts to approximately €23.7 million compared to €5.2 million in the previous year.

In addition to that required by article 2428 of the Italian Civil Code, this report describes the scenario in which the Group operated and management's main strategic decisions.

The financial statements were prepared by the Board of Directors on a going concern basis pursuant to article 2423-bis.1.1 of the Italian Civil Code and OIC 11.

KEY INCOME STATEMENT FIGURES

The 2023 income statement reclassified on an added value and a net added value basis is shown below, together with some performance ratios. In addition to the financial aggregates required by the OIC, this report provides some aggregates derived from the latter, even though they are not

required by the OIC ("Non GAAP measures"). These figures enable a better assessment of the Company's business performance and are not to be considered as an alternative to those required by the OIC.

The following table also shows the 2022 corresponding figures and the related changes.

ADDED VALUE INCOME STATEMENT

(Figures in thousands of Euro)

	2023	2022	Changes
PRODUCTION REVENUES ⁽¹⁾	569,072	496,375	72,696
Total external costs ⁽²⁾	413,197	381,230	31,967
ADDED VALUE	155,875	115,145	40,729
Total personnel expenses	81,519	75,790	5,729
GROSS OPERATING PROFIT / EBITDA	74,356	39,356	35,000
Total amortisation and accruals ⁽³⁾	35,837	35,347	490
OPERATING PROFIT	38,519	4,008	34,510
Total financial income	1,782	743	1,040
EBIT	40,301	4,751	35,550
Total financial charges	4,833	1,714	3,119
PROFIT FROM ORDINARY OPERATIONS/ BEFORE TAXES	35,468	3,037	32,431
Total non-recurring items ⁽⁴⁾	(9)	1,406	(1,414)
PROFIT BEFORE TAXES	35,459	4,442	31,017
Total income taxes	11,722	(748)	12,470
NET PROFIT FOR THE YEAR	23,737	5,190	18,547

Note 1: In this table, "Production revenues" are different from the balance shown in the financial statements. This is due to the reclassification (approximately €2.0 million) of non-recurring income under "Total non-recurring items". For information about this aggregate, reference should be made to section 3.1 of this Report on Operations.

Note 2: This item includes B 6) - Raw materials, supplies and goods, B 7) - Services, B 8) - Use of third-party assets, B 11) - Change in raw materials and goods, B 14) - Other operating costs.

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

Note 4: For information about the items included in this aggregate, reference should be made to section 3.1 of this Report on Operations.

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

	2023	2022	Changes
Revenues from core business "NET NET" ⁽¹⁾	487,911	427,809	60,102
Change in products under construction, semi-finished and finished products and goods	13,301	1,269	12,032
Other revenues and income ⁽²⁾	8,149	15,217	(7,068)
PRODUCTION REVENUES	509,362	444,296	65,066
Raw materials and goods (B6)	235,663	207,489	28,173
Services (B7)	106,079	103,715	2,364
Use of third-party assets (B8)	11,694	10,911	784
Change in raw materials (B11)	(3,585)	1,176	(4,760)
Other operating costs (B14)	3,636	5,860	(2,224)
Total external costs ⁽³⁾	353,487	329,150	24,337
ADDED VALUE	155,875	115,145	40,729
Total personnel expenses	81,519	75,790	5,729
GROSS OPERATING PROFIT /EBITDA	74,356	39,356	35,000
Total amortisation and accruals ⁽⁴⁾	35,837	35,347	490
OPERATING PROFIT	38,519	4,008	34,510
Total financial income	1,782	743	1,040
EBIT	40,301	4,751	35,550
Total financial charges	4,833	1,714	3,119
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PROFIT BEFORE TAXES	35,459	4,442	31,017
Total income taxes	11,722	(748)	12,470
NET PROFIT FOR THE YEAR	23,737	5,190	18,547

Note 1: This item includes only revenues from the sales of products, net of trade discounts and contributions. The latter are classified in the income statement under item B7) Services.

Note 2: This item includes revenues from the sale of advertising material and from "goods" held for resale totalling €2.9 million. In the income statement, they are classified under item A1 "Revenues from sales and services". This item also includes total tax credits on electricity, diesel and natural gas, worth approximately €2.1 million. (These tax benefits amounted to €6.6 million in 2022). In addition, this aggregate is shown net of non-recurring items of approximately €2.0 million. They are classified under "Total non-recurring items". For information about this aggregate, reference should be made to section 3.1 of this Report on Operations.

Note 3: This item includes B 6) - Raw materials, supplies and goods, B 7) - Services, except trade costs reclassified net of revenues from sales to A1) as per note 1, B 8) - Use of third-party assets, B 11) - Change in raw materials and goods, B 14) - Other operating costs.

Note 4: This item includes B 10) Amortisation and write-downs, B 12) Provisions for risks, B 13) Other provisions.

Note 5: For information about the items included in this aggregate, reference should be made to section 3.1 of this Report on Operations.

KEY BALANCE SHEET FIGURES

The balance sheet reclassified using the “financial” criterion is provided below. The net working capital is subsequently analysed.

BALANCE SHEET RECLASSIFIED USING THE FINANCIAL CRITERION

(Figures in thousands of Euro)

USES:	2023	2022	Changes
Non-current assets	186,435	185,956	479
Net operating working capital	41,605	46,160	(4,555)
Non-current liabilities	(11,646)	(10,360)	(1,286)
NET INVESTED CAPITAL	216,394	221,756	(5,362)
SOURCES:			
Net equity	165,710	147,600	18,110
Net financial debt	50,684	74,156	(23,472)
SOURCES OF FUNDS	216,394	221,756	(5,362)

NET WORKING CAPITAL

(Figures in thousands of Euro)

	2023	2022	Changes
Inventory	68,974	51,982	16,992
Trade receivables ⁽¹⁾	78,082	70,593	7,489
Other current assets	11,152	11,639	(487)
- Tax receivables	10,845	11,118	(273)
- Other receivables (other than trade)	307	521	(214)
Trade payables ⁽²⁾	(84,389)	(65,273)	(19,116)
Other current liabilities	(32,214)	(22,753)	(9,462)
- Tax payables	(16,803)	(8,348)	(8,455)
- Other payables (other than trade)	(15,411)	(14,405)	(1,007)
NET OPERATING WORKING CAPITAL	41,605	46,188	(4,584)

Note 1: This item includes the trade receivables recognised in the financial statements, those due from factoring companies and interCompany trade receivables.

Note 2: This item includes the trade payables recognised in the financial statements, those due to customers and interCompany trade payables.

MAIN PRODUCTIVITY, PROFITABILITY AND FINANCIAL INDICATORS

Pursuant to article 2428 of the Italian Civil Code, as amended, the main productivity, profitability and financial indicators of the Group at 31 December 2023 are provided below. They are accompanied by prior year corresponding figures in order to facilitate the understanding of the Group's financial position and performance.

Profitability ratios	2023	2022
ROE	14.32%	3.52%
ROI	15.15%	1.83%
ROS	7.02%	0.83%
ROD	5.27%	1.53%
Working capital ratios	2023	2022
Average due date - suppliers	56.52	49.21
Average due date - customers	46.90	47.88
Ability to repay financial debt	2023	2022
NFP / EBITDA	0.68	1.88
Liquidity ratios	2023	2022
Current ratio	1.33	1.42
Quick ratio	0.88	1.01

INVESTMENTS

The **investments** of the year amount to **approximately €32.9 million**, up sharply from the previous year (€24.7 million).

The Parent Company Sammontana S.p.A. - Benefit Corporation continued to invest in all strategic classes for its business. In particular, with respect to **tangible fixed assets**, it focused on the buildings where it carries out its production activities, equipment (purchases of refrigerators and ovens to be lent to customers, which, thanks also to the success of commercial development, make it possible to win additional market share), and plant and machinery representing cutting-edge capital expenditure necessary both to keep up with developments and to take advantage of the "Industry 4.0" tax benefits.

Capital investments related to Industry 4.0 consist of operating assets controlled by computers or managed through appropriate sensors and drives. Specifically, the asset must meet 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 for automated integration with the logistics system or supply network and/or other machines in the production cycle;
- it includes a simple and intuitive man-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 appropriate sensor sets.

Overall, Industry 4.0 investments were made to improve the performance of machinery or lines in terms of design, operation and subsequent operational diagnostics.

Investments in intangible fixed assets mainly refer to the continuous updating of the software necessary to keep the pace with the ongoing technological evolution. During the year, the investments in the new Microsoft Dynamics AX information system were completed and the system went live on 1 January 2019 for all group companies. However, in this respect, already in early 2024, the Group adopted the new release of the cloud-based Microsoft Dynamics 365 which allows scalability in terms of computing capacity, improves the performance of some currently critical core processes for machine response times and extends the digitalisation of further processes in the Operations area.

The investments of the current and previous are broken down below (in millions of euros).

CATEGORY	2023	2022	Difference
Industrial buildings and land	3.27	0.71	2.57
Plant and machinery	10.42	9.49	0.92
Industrial and commercial equipment	12.32	11.41	0.92
Other investments	0.97	0.59	0.37
Software and other intangible fixed assets	5.94	2.50	3.44
Total investments	32.93	24.7	8.23

“Other investments” of €0.1 million relate to the purchase of trucks for the operations carried out by the subsidiary Transfrigo S.r.l..

The sales of the year total €39.6 million (historical purchase cost and revaluations under applicable legislation). These assets are almost entirely amortised (except for the Pomezia industrial complex as described in detail at the end of this paragraph).

The end of the life cycle of these assets is confirmed by the fact

that, since the sale of all technical assets, the difference between gains and capital generated a loss of approximately €170 thousand.

The most significant sale of the year relates to the Pomezia industrial complex.

The table below shows the historical cost and carrying amount (in millions of euros).

ASSETS SOLD	Historical cost	Carrying amount
Industrial buildings and land	5.91	2.31
Plant and machinery	22.44	0.15
Industrial and commercial equipment	0.63	0.00
Other assets	0.83	0.00
Total sales	29.82	2.46

As shown in the above table, the carrying amount of this group of assets was approximately €2.46 million. Consequently, the sale of €2.7 million generated a gain of about €243 thousand.

UNITS SOLD AND REVENUES

In 2023, there was a slight increase in the product units sold compared with the previous year (+1.3%).

Overall, the sales of **ice cream** units decreased slightly by 1.8% over the previous year. However, the drop is entirely attributable to private labels in the modern distribution sector.

Foreign sales also decreased slightly (-3.3%) compared with 2022.

Frozen bakery products confirm the growth trend with an overall year-on-year increase of 5.9%.

Sales in the **lunch/snacks** segment grew significantly (+9.2%).

Products	2023	2022	% diff
Total ice cream - Italy	757.4	771.1	(1.8)%
Horeca Bar Brand	108.7	103.8	4.8%
Modern distribution brand	317.7	337.7	(5.9)%
Private labels (Modern distribution)	331.0	329.6	0.4%
Total Ice Cream - abroad	77.1	79.8	(3.3)%
Total Ice Cream	834.5	850.9	(1.9)%
Total frozen Bakery products - Italy	540.8	512.6	5.5%
Horeca Bar Brand	453.4	425.7	6.5%
Modern distribution brand	77.2	79.1	(2.4)%
Private labels (Modern distribution)	10.2	7.8	30.6%
Total frozen Bakery products - abroad	8.9	6.6	34.8%
Total frozen Bakery products	549.7	519.2	5.9%
Total Lunch/snacks	53.1	48.6	9.2%
Total	1,437.3	1,418.7	1.3%

Gross sales increased significantly compared to the previous year, mainly due to the rise in sales prices.

All product lines rose sharply: **ice cream** +12.2% over the previous year, **frozen bakery products** 15.4% and **lunch/snacks** +17.3%.

Gross sales (which differ from “Revenues from sales and services” in the income statement since

they are gross of invoice discounts and credit notes issued) amount to €871.0 million, up by €100 million (+13.6%) compared with the previous year.

Gross sales, less invoice discounts and credit notes, show the balance of **revenues from sales and services**, which amount to approximately €548.8 million in 2023, up €64.5 million compared to 2022 (+13%).

GROSS SALES 2023 (in millions of euros)

Products	2023	2022	% diff
Total Ice Cream - Italy	486.8	434.3	12.1%
Horeca Bar Brand	113.4	103.3	9.7%
Modern distribution brand	294.5	266.4	10.5%
Private labels (Modern distribution)	79.0	64.6	22.2%
Total Ice Cream - abroad	18.2	15.6	16.8
Total Ice Cream	505.0	449.9	12.2%
Total frozen Bakery products - Italy	324.7	282.1	15.1%
Horeca Bar Brand	279.0	239.9	16.3%
Modern distribution brand	43.5	40.6	7.1%
Private labels (Modern distribution)	2.2	1.6	35.8%
Total frozen Bakery products - abroad	3.7	2.5	35.8%
Total frozen Bakery products	328.4	284.6	15.4%
Total Lunch/snacks	37.5	32.0	17.3%
Total	871.0	766.5	13.6%

COSTS

The table below shows the main cost items (in millions of euros).

Description	2023	2022	Changes
Raw materials and goods	235.7	207.5	28.2
Services	167.3	156.4	10.9
Use of third-party assets	11.7	10.9	0.8
Personnel expenses	82.0	76.6	5.3
Amortisation and write-downs	35.8	34.8	1.0
Change in raw materials	(3.6)	1.2	(4.7)
Provisions	0.0	0.6	(0.6)
Other operating costs	3.6	5.9	(2.2)
Total	532.5	493.8	38.7

The trend of some cost items is directly linked to that of sales revenues (specifically, raw materials and services).

Personnel expenses increased mainly in connection with the rise in production requirements.

For information about changes in amortisation, reference should be made to the previous section on

investments in this report and the note to "Amortisation of fixed assets" in the notes to the financial statements.

In contrast, provisions and other operating costs decreased slightly compared to the previous year.

For additional information about the trend of the main costs, reference should be made to the notes to the financial statements.

NON-RECURRING ITEMS

The following tables show the main non-recurring income and charges.

Items are classified in the financial statements according to the section next to the relevant balance and are shown in millions of euros.

NON-RECURRING CHARGES 2023

Description	Amount	Classification in the financial statements
Prior year items not pertaining to the year	1.15	IS B7) - Services
Settlement costs	0.10	IS B14) - Other operating costs
Non-recurring personnel expenses	0.46	IS B9e) - Other personnel expenses
Other items	0.19	IS B14) - Other operating costs
Total	1.90	

Non-recurring charges include costs for items pertaining to previous years (approximately €1.15 million) and Non-recurring personnel expenses (about €0.46 million). These costs mainly relate to leaving incentives paid to employees during the year.

The above charges are essentially attributable to the Parent Company Sammontana S.p.A. - Benefit Corporation.

NON-RECURRING INCOME 2023

Description	Amount	Classification in the financial statements
Prior year items not pertaining to the year	1.49	IS A5) - Other income
Prior year settlements	0.50	IS A5) - Other income
Other items	0.01	IS A5) - Other income
Total	2.00	

Non-recurring income is mainly comprised of prior year items not pertaining to the year.

The above income is essentially attributable to the Parent Company Sammontana S.p.A. - Benefit Corporation.

INCOME TAXES

The tax charge of the year may be analysed as follows:

Description	In millions of euros
IRES (corporate income tax) / Consolidation charge	(7.10)
IRAP (regional production tax)	(2.26)
Taxes relative to previous years	(1.81)
Changes in deferred tax assets/liabilities	(0.75)
IMU (local municipal tax)	(0.43)
Advertising tax	(0.33)
Total	(12.68)

The IRAP tax charge of the year amounts to approximately €2.26 million. The IRES tax is about €7.10 million. The group companies participate in the national tax consolidation scheme (pursuant to article 117 et seq. of the Consolidated Income Tax Act (TUIR). Consequently, they transfer their taxable base to the ultimate Parent Company Sammontana Finanziaria S.r.l.. In 2023, the charge relating to the

national tax consolidation scheme amounted to €7.10 million. Indeed, the positive result obtained is recognised both at operating and tax level.

Changes in deferred tax assets/liabilities show a cost of approximately €0.68 million.

The IMU and Advertising tax charges together are less than €1 million.

FINANCIAL POSITION

In 2023, financial charges amounted to approximately €4.6 million and are considerably higher than the balance for the previous year (+€2.9 million). The increase was mainly due to the significant rise in interest rates by the banking system.

Financial income totals €1.8 million, up by approximately €600 thousand on the previous year, mainly due to the higher interest income received as part of the cash pooling arrangement.

The total NFP decreased to €50.7 million (€74.2 million at 31 December

2022), improving by approximately €23.5 million.

The average cost of money from the banking system alone is 4.30%.

The ratio of financial charges (net of income) to revenues from sales was 0.50%, up on the previous year (approximately 0.20% in 2022).

In 2022, the average monthly gross debt to banks stood at about €93.3 million, compared with €109.4 million in the previous year.

The financial position is negatively affected by the technological investments made by the Group during the year. However, these investments in industrial and IT innovation, above all, aim both to keep the Group in step with the main competitors in the sectors where it operates and to “make the most” of the “Industry 4.0” tax benefits.



Indebtedness may be analysed as follows:

SOURCES OF FUNDS	2023	2022	% diff
Short-term bank loans and borrowings	(36,488,576)	(35,708,543)	(780,033)
Medium- and long-term bank loans and borrowings	(53,269,989)	(73,665,235)	20,395,246
Cash and current account balances	40,949,432	37,326,068	3,623,364
TOTAL NET BANK LOANS AND BORROWINGS	(48,809,133)	(72,047,710)	23,238,577
InterCompany financial payables ⁽¹⁾	(1,875,361)	(2,308,261)	432,900
InterCompany financial receivables ⁽²⁾	0	200,000	(200,000)
TOTAL NFP	(50,684,494)	(74,155,971)	23,471,477

Note 1: These are payables relating to the cash pooling arrangement of the Parent Company Sammontana S.p.A. - Benefit Corporation due to the ultimate Parent Company Sammontana Finanziaria S.r.l.. Specifically, the payables relating to the Parent Company Sammontana S.p.A. - Benefit Corporation and Transfrigo S.r.l. amount to €1,845,889 and €29,472, respectively.

Note 2: This is a loan granted by the Parent Company Sammontana S.p.A. - Benefit Corporation to the non-consolidated subsidiary Sammontana Holding Hong Kong which was written off in 2023

The significant seasonality that characterises the business and, therefore, also the monetary cycle of the operations of the Parent Company results in a higher level of debt in the first half of the year, which is covered by using the commercial self-liquidating portfolio and, for the remainder, by agreeing short-term loans. The composition of indebtedness has always ensured the Group's balance and financial strength.

Furthermore, the VAT receivable totals approximately €9.6 million and refers to the Parent Company Sammontana S.p.A. - Benefit Corporation. It will be progressively absorbed against the VAT payable in 2024 and, in part, will be claimed for reimbursement from the tax authorities.





RISKS AND UNCERTAINTIES

Pursuant to article 2428.1 of the Italian Civil Code, the main risks and uncertainties to which the Group is exposed are described below.

2023 was the first year in which the major issues that have affected and continue to affect the economic performance (first the Covid then the major geo-political tensions, such as the conflicts in Ukraine and the Middle East) did not have a significant impact on production and sales.

However, a climate of great uncertainty remains as no glimmer of a solution to Russia's invasion of Ukraine and the Israeli-Palestinian conflict can yet be seen.

On the contrary, these situations are gradually involving further players with observers worrying about the widening of conflicts.

On the macroeconomic front, the inflationary spiral that had been generated and is still having a heavy impact on both purchasing power and the rate curve seems to be coming to a halt. According to all observers, the second half of 2024 should see a gradual reduction in the benchmark rates by the world's major banks.

If, on the one hand, the weather trend is another important risk factor, given the seasonal nature of ice cream sales, this, in 2023,

enabled the Group to achieve important results, in quantitative terms, in the sales of all product lines.

Potential cyber-attacks are a risk factor that is becoming increasingly important. This could cause the possible disruption of production and sales support activities or compromise the confidentiality, integrity and availability of personal data managed by the Group. In order to mitigate such risks, the Group has implemented a centralised control system, which is constantly updated, aimed at improving IT security.

With respect to financial risks, the following positions with medium-term maturities are outstanding:

- Mediobanca unsecured loan with a residual value of €10 million, due in 2025 and repayable in half-yearly instalments.
- Banca Intesa unsecured loan worth €16.6 million, due in 2025 and repayable in half-yearly instalments.
- UniCredit unsecured loan with a residual value of €3.9 million, due in 2024 and repayable in quarterly instalments.
- BNL/BNP unsecured loan (ESG Loan) with a residual value of €3.3 million, due in 2025 and repayable in half-yearly instalments.

- BPM unsecured loan with a residual value of €2.8 million, due in 2024 and repayable in half-yearly instalments.
- BNL unsecured loan (ESG Loan) worth €7.7 million, due in 2027 and repayable in half-yearly instalments.
- Credit Agricole unsecured loan (ESG Loan) worth €12.5 million, due in 2026 and repayable in half-yearly instalments.
- Credem unsecured loan worth €3.6 million, due in 2026 and repayable in quarterly instalments starting from 2023.
- Banca MPS unsecured loan, with a residual value of €4.4 million, due


in December 2025 and repayable in half-yearly instalments.

- Unsecured Deutsche Bank loan worth €8.7 million, due in 2027 and repayable in quarterly instalments.
- Unsecured C.D.P. loan with a residual value of €15 million, due in 2029, repayable in quarterly instalments.

The analysis of future cash flows shows that Sammontana Group will be able to generate sufficient liquidity to repay the instalments envisaged by the agreed repayment plans.

The loans bear interest at a variable rate based on the 1, 3 or 6 month





Euribor, plus a spread. Part of the total balance is covered by a hedge in order to obtain a fixed rate upon achieving approximately 1%. Given the current situation, the sharp rise in rates indicates that further hedges will be agreed when the curve deflects.

With respect to the general credit risk, the Group is exposed to potential losses arising from the failure to meet the obligations vis-à-vis customers.

This risk is constantly analysed both with respect to the current situation and its foreseeable evolution and the main risks are appropriately managed and prudentially quantified in order to recognise appropriate write-downs in the financial statements. The Parent Company Sammontana S.p.A. - Benefit Corporation selects its customers also on the basis of solvency criteria and has internal procedures to assess their exposure. Adequate provisions are also accrued. The terms with which the customers fulfil their payment obligations are not expected to deteriorate.

With respect to the currency risk, the ultimate Parent Company Sammontana S.p.A. - Benefit Corporation, as part of its international operations, uses its domestic currency (euro) as the contractual currency for almost all sales, thereby significantly reducing the currency risk arising from the

currencies of the various countries in which it operates. Nonetheless, also in view of the expansion strategy, it cannot be ruled out that possible fluctuations in currencies other than the euro could have negative effects on the Parent Company's operating performance and, consequently, on its financial position and results of operations.

Finally, with respect to input price risks, production costs are exposed to the above-mentioned risk of fluctuations in energy and commodity prices.

The Company has long since embarked on a path to mitigate this risk by implementing plans to reduce energy consumption and specific training activities on energy saving. Several tools have also been adopted to partially cover the cost of energy factors whenever they fall below the budgeted amount. At the reporting date, more than 45% of the requirements for 2024 was covered.

The other risks to which the Group may be exposed in the future include the environmental risks, specifically climate risks.

The scientific community unanimously attributes the cause for climate change to human activities, especially due to the increase in greenhouse gases released into the atmosphere.

The concentration of these gases in the atmosphere has hit record levels in recent years: for example, carbon dioxide has increased by almost 150% compared with pre-industrial levels.

The concentration of CO₂ causes the global temperature to rise, which, in turn, results in floods, droughts, hydrogeological disruption, the spread of diseases, crises in agricultural systems, water crises and the extinction of animal and plant species increasingly more frequent.

The Sammontana Group, therefore, can be affected directly or indirectly by these climate change risks, both in terms of difficulties in the supply of water,

the procurement of some raw materials and the availability of energy resources.

For additional information and for a description of the actions taken to mitigate these risks, reference should be made to the Parent Company's Sustainability Report.



TRANSACTIONS WITH NON-CONSOLIDATED SUBSIDIARIES, ASSOCIATES, PARENT COMPANIES AND SUBSIDIARIES MANAGED BY PARENT COMPANIES

Already in 2005, the ultimate Parent Company Sammontana Finanziaria S.r.l. began operating as a holding Company, providing the Group with qualified services.

These include, in particular:

- the cash pooling arrangement open to all group companies, except for Sammontana Holding Hong Kong and its subsidiary, which significantly improved the integrated cash management of member companies;
- the framework contract agreed with a leading national insurance broker for risk management from a group perspective;
- the contract to participate in the national tax consolidation scheme pursuant to article 117 et seq. of the TUIR which, by providing for specific rules for determining

the consolidated tax base, optimises, in general, the income tax payments of the participating companies.

With its sister company Immobiliare Industriale S.r.l., the Group has in place several property leases used for logistics and corporate activities.

No significant transactions were carried out with the non-consolidated subsidiary Gelfrigo S.r.l., the subsidiary Sammontana Holding Hong Kong and the indirect subsidiary Bagnoli Ice-Cream.

All transactions with these companies were carried out on an arm's length basis.

The intercompany transactions carried out in 2023 may be summarised as follows:

	Receivables	Payables	Revenues	Costs
Sammontana Finanziaria S.r.l.	467,164	10,782,685(*)(**)	1,664,140	65,554
Gelfrigo S.r.l.	-	-	600	-
Immobiliare Industriale S.r.l.	232,210	475,309	2,915,336	1,597,950
Fattoria La Leccia S.agr. a r.l.	0	56,674	4,800	121,667
Bagnoli Ice Cream Ltd. (Shanghai) (***)	-	-	-	-
Sammontana Holding Hong Kong (***)	-	-	-	-
Total	699,374	11,237,345	4,584,876	1,785,171

* of which €1,845,889 relating to cash pooling arrangement w/Sam Fin, €7,101,810 for IRES payable as per the tax consolidation scheme and €1,821,497 for taxes relative to previous years.

** of which €29,472 relating to the cash pooling arrangement of Transfrigo w/Sam Fin.

*** for information about the reasons for exclusion from the consolidation scope, reference should be made to the "Consolidation scope" section of these notes.

SHARES OF PARENT COMPANIES AND OWN SHARES

The group companies do not and did not hold own shares or shares of the Parent Company (including through trustees or nominees). Furthermore, no share transactions were carried out during the year.

STATUTORY AUDIT

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

OTHER INFORMATION

Pursuant to article 2427.22 bis and 22-ter of the Italian Civil Code, it is noted that no transactions with related parties of a significant amount were carried out at other-than-market conditions. Furthermore, there are no off-balance sheet arrangements with a financial or economic impact.

The VAT receivable amounts to approximately €9.6 million, and refers to the Parent Company. It will be progressively offset against the VAT payable of 2023, and part of it may be claimed for reimbursement from the Italian tax authorities.

POST-BALANCE SHEET EVENTS

On 3 February 2024, the ultimate Parent Company Sammontana Finanziaria S.r.l. entered into an agreement whereby:

- the shares of Sammontana S.p.A. - Benefit Corporation will be transferred to a holding company (Sammontana Holding S.p.A.).
- Sammontana Holding S.p.A. will be subject to a capital increase subscribed by a vehicle of the Investindustrial Fund and by management.
- A financial provision will be set up with a bridge loan and a revolving facility in order to purchase the Forno d'Asolo Group from the vehicle (Piave Investment) of the BC Partners Fund.

The closing of this transaction is expected to take place in early May 2024.

The new group resulting from this transaction will have a turnover of more than €1 billion and will operate with directly controlled companies not only in Italy, but also in the US, France, Germany and Switzerland.

Furthermore, the Company will apply to become a B-Corp by March 2024. This certification is expected to be obtained by the end of 2024.



OUTLOOK

The above-mentioned acquisition does not envisage a merger of the different entities in 2024. Therefore, the Company will remain a separate legal entity, despite the change in the "chain of control". The more than satisfactory results achieved in 2023 are expected to be confirmed in 2024 with increasing turnover and profit margins, by exploiting the synergies that may arise from a larger group scope.

The first few months of the year recorded excellent results from the sales of Frozen Bakery Products (in both channels) and products in the Lunch/Snacks segment. At present, it is not yet possible to identify a trend for ice cream, whose sales begins from the Easter period onwards.

With respect to costs, energy prices are progressively reducing, while raw material prices show a more irregular trend (butter and cocoa up sharply, other commodity categories down slightly).

Overall, no negative impacts are expected on profit margins in a year which indicates the marginal role of price adjustments.

Empoli, 27 March 2024

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

Marco BAGNOLI





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**CONSOLIDATED
FINANCIAL
STATEMENTS**

55% %

2050
77

56







FINANCIAL STATEMENTS



BALANCE SHEET ASSETS

(Figures in Euros)	2023 Consolidated	2022 Consolidated	Change 2023/2022
B) Fixed assets			
<i>I. Intangible fixed assets</i>			
2) Development costs	457,260	829,429	(372,169)
3) Industrial patents rights	3,273,722	3,295,014	(21,292)
4) Concessions, licences, trademarks	30,626,636	32,879,627	(2,252,991)
5) Goodwill	6,027,778	6,014,194	13,584
7) Other assets	275,115	457,259	(182,144)
	40,660,511	43,475,523	(2,815,012)
<i>II. Tangible fixed assets</i>			
1) Land and buildings	47,769,024	48,469,766	(700,742)
2) Plant and machinery	41,833,025	43,157,803	(1,324,778)
3) Industrial and commercial equipment	27,811,412	28,169,400	(357,988)
4) Other assets	2,771,127	2,756,418	14,709
5) Assets under construction and advance payments	14,772,726	6,658,146	8,114,580
	134,957,314	129,211,533	5,745,781
<i>III. Financial fixed assets</i>			
1) Equity investments in:			
a) subsidiaries	0	65,079	(65,079)
d-bis) other companies	41,195	41,195	0
	41,195	106,274	(65,079)
2) Financial receivables			
d-bis) from others			
- due after one year	1,377,517	1,221,774	155,743
	1,377,517	1,221,774	155,743
	1,377,517	1,421,774	(44,257)
4) Derivative financial instruments	1,066,421	2,675,264	(1,608,843)
	1,066,421	2,675,264	(1,608,843)
	2,485,133	4,203,311	(1,718,179)
Total fixed assets	178,102,958	176,890,367	1,212,591

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>> BALANCE SHEET ASSETS

	2023 Consolidated	2022 Consolidated	Change 2023/2022
C) Current assets			
<i>I. Inventory</i>			
1) Raw materials, consumables and supplies	22,471,903	18,887,333	3,584,570
2) Products under construction	341,606	280,746	60,860
4) Finished products and goods	46,160,640	32,813,663	13,346,977
	68,974,149	51,981,742	16,992,407
<i>II. Receivables</i>			
1) Trade receivables			
- due within one year	70,550,518	63,883,004	6,667,514
- due after one year	1,847,320	1,961,370	(114,050)
	72,397,838	65,844,373	6,553,464
4) From parent companies			
- due within one year	609,248	697,538	(88,290)
	609,248	697,538	(88,290)
5) From subsidiaries managed by parent companies			
- due within one year	232,210	0	232,210
	232,210	0	232,210
5-bis) Tax receivables			
- due within one year	10,844,931	10,166,532	678,399
	10,844,931	10,166,532	678,399
4-ter) Deferred tax assets	7,680,264	7,850,741	(170,477)
5-quater) From others			
- due within one year	5,149,697	5,524,002	(374,305)
	5,149,697	5,524,002	(374,305)
	96,914,188	90,083,186	6,831,002
<i>IV. Cash and cash equivalents</i>			
1) Bank and postal accounts	40,207,127	36,967,400	3,239,727
3) Cash-in-hand and cash equivalents	742,305	358,668	383,637
	40,949,432	37,326,068	3,623,364
Total current assets	206,837,769	179,390,996	27,446,773
D) Prepayments and accrued income			
- sundry	807,072	1,414,766	(607,694)
	807,072	1,414,766	(607,694)
Total prepayments and accrued income	807,072	1,414,766	(607,694)
Total assets	385,747,799	357,696,129	28,051,670

BALANCE SHEET LIABILITIES

(Figures in Euros)	2023 Consolidated	2022 Consolidated	Change 2023/2022
A) Net equity			
<i>I. Capital</i>	21,600,003	21,600,003	0
<i>III. Revaluation reserves</i>	48,954,647	48,954,647	0
<i>IV. Legal reserve</i>	4,320,003	4,320,003	0
<i>VI. Other reserves</i>	67,693,512	65,530,578	2,162,934
- Extraordinary reserve	65,730,142	63,326,574	2,403,568
- Merger reserve	1,963,371	2,204,004	(240,633)
<i>VII. Hedging reserve</i>	(622,523)	2,033,201	(2,655,724)
<i>IX. Net profit for the year</i>	23,736,809	5,190,016	18,546,793
Total net equity	165,709,535	147,628,448	18,081,087
B) Provisions for risks and charges			
1) Pension and similar provisions	2,496,197	2,455,889	40,308
2) Tax provisions, including deferred tax liabilities	322,806	654,215	(331,409)
3) Provision for derivative financial instruments	1,885,530	0	1,885,530
4) Other provisions	1,312,925	1,391,316	(78,391)
Total provisions for risks and charges	6,017,457	4,501,420	1,516,037
C) Employees' leaving entitlement	5,628,127	5,862,178	(234,051)
D) Payables			
4) Bank loans and borrowings			
- due within one year	36,488,576	35,708,543	780,033
- due after one year	53,269,989	73,665,235	(20,395,246)
	89,758,565	109,373,778	(19,615,213)

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>> BALANCE SHEET LIABILITIES

(Figures in Euros)	2023 Consolidated	2022 Consolidated	Change 2023/2022
7) Trade payables			
- due within one year	63,027,614	49,662,627	13,364,987
	63,027,614	49,662,627	13,364,987
11) Payables to parent companies			
- due within one year	10,782,685	2,304,330	8,478,355
	10,782,685	2,304,330	8,478,355
11-bis) Payables to subsidiaries managed by parent companies			
- due within one year	532,983	341,977	191,006
	532,983	341,977	191,006
12) Tax payables			
- due within one year	3,850,725	4,519,491	(668,766)
	3,850,725	4,519,491	(668,766)
13) Social security charges payable			
- due within one year	4,200,214	3,828,278	371,936
	4,200,214	3,828,278	371,936
14) Other payables			
- due within one year	36,239,895	29,673,603	6,566,292
	36,239,895	29,673,603	6,566,292
Total payables	208,392,681	199,704,084	8,688,597
Total liabilities	385,747,799	357,696,130	28,051,670

INCOME STATEMENT

(Figures in Euros)	2023 Consolidated	2022 Consolidated	Change 2023/2022
A) Production revenues			
1) Revenues from sales and services	548,761,983	484,263,531	64,498,452
2) Change in finished products and goods	13,301,255	1,269,178	12,032,077
5) Other revenues and income:			
- sundry	8,806,865	13,483,347	(4,676,482)
- grants related to income	136,225	201,144	(64,919)
	8,943,090	13,684,491	(4,741,401)
Total production revenues	571,006,328	499,217,200	71,789,128
B) Production cost			
6) Raw materials, supplies and goods	(235,662,631)	(207,489,344)	(28,173,287)
7) Services	(167,272,490)	(156,375,216)	(10,897,274)
8) Use of third-party assets	(11,694,477)	(10,910,799)	(783,678)
9) Personnel expenses			
a) Wages and salaries	(52,943,516)	(48,028,920)	(4,914,596)
b) Social security contributions	(17,399,879)	(15,556,897)	(1,842,982)
c) Employees' leaving entitlement	(3,547,734)	(3,753,449)	205,715
e) Other costs	(8,087,351)	(9,305,746)	1,218,395
	(81,978,480)	(76,645,012)	(5,333,468)
10) Amortisation and write-downs			
a) Amortisation of intangible fixed assets	(8,779,447)	(7,371,365)	(1,408,082)
b) Amortisation of tangible fixed assets	(26,046,987)	(24,862,884)	(1,184,103)
d) Write-downs of receivables	(1,010,972)	(2,563,229)	1,552,258
	(35,837,406)	(34,797,478)	(1,039,928)
11) Change in raw materials and goods	3,584,570	(1,175,882)	4,760,452
12) Provisions for risks	0	(550,000)	550,000
14) Other operating costs	(3,635,525)	(5,859,554)	2,224,029
Total production cost	(532,496,439)	(493,803,285)	(38,693,154)

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>> INCOME STATEMENT

(Figures in Euros)	2023 Consolidated	2022 Consolidated	Change 2023/2022
Difference between production revenues and cost (A-B)	38,509,889	5,413,915	33,095,974
C) Financial income and charges			
15) Income from equity investments:			
e) in other companies	221	182	38
	221	182	38
16) Other financial income:			
d) other income:			
i) from third parties	77,629	259,921	(182,292)
iv) from parent companies	1,704,256	482,457	1,221,799
	1,781,884	742,378	1,039,506
17) Interest and other financial charges:			
i) to third parties	(4,607,728)	(1,678,748)	(2,928,980)
iv) to parent companies	(2,056)	(579)	(1,477)
	(4,609,784)	(1,679,327)	(2,930,457)
17-bis) Exchange rate gains and losses			
- gains	45,399	23,822	21,576
- losses	(284)	(58,728)	58,444
	45,115	(34,905)	80,020
Total financial income and charges	(2,782,564)	(971,672)	(1,810,892)
D) Adjustments to financial assets			
19) Write-downs:			
a) of equity investments	(68,079)	0	(68,079)
b) of financial fixed assets which are not equity investments	(200,000)	0	(200,000)
	(268,079)	0	(268,079)
Total adjustments to financial assets	(268,079)	0	(268,079)
Profit before taxes (A-B+C+D)	35,459,246	4,442,243	31,017,003
20) Income taxes			
- current taxes	(4,083,614)	(842,517)	(3,241,097)
- deferred taxes	(677,717)	1,041,237	(1,718,954)
- income/(charge) from tax consolidation	(6,961,419)	549,053	(7,510,159)
	(11,722,749)	747,773	(12,470,210)
21) Net profit for the year	23,736,497	5,190,016	18,546,793

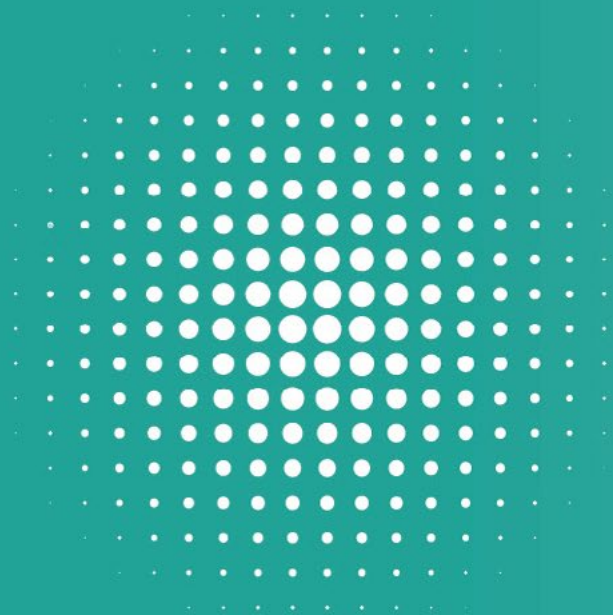
CASH FLOW STATEMENT

(Figures in Euros)	2023	2022
A. Cash flows from operating activities		
<i>Net profit for the year</i>	23,736,809	5,190,016
Income taxes	11,722,437	(747,773)
Interest expense (income)	2,827,900	936,949
Dividends	(221)	(182)
(Gains)/losses on the sale of assets	172,136	773,271
1. Profit for the year before income taxes, interest, dividends and gains/(losses) on the sale of assets	38,459,061	6,152,281
<i>Adjustments for non-monetary items that did not affect net working capital</i>		
Accruals to provisions	3,547,734	4,303,449
Amortisation	34,826,434	32,234,249
Write-downs for impairment losses	268,079	
Other adjustments for non-monetary items	(78,391)	
2. Cash flows before changes in net working capital	77,022,918	42,689,979
<i>Change in net working capital</i>		
Decrease/(increase) in inventory	(16,992,407)	(93,296)
Decrease/(increase) in trade receivables	(6,553,465)	(12,412,208)
Increase/(decrease) in trade payables	13,364,987	(1,855,498)
Decrease/(increase) in prepayments and accrued income	607,694	(785,512)
Increase/(decrease) in accrued expenses and deferred income	-	(832)
Other changes in net working capital	4,769,479	5,964,892
3. Cash flows after changes in net working capital	72,219,205	33,507,524
<i>Other adjustments</i>		
Interest received/(paid)	(2,827,900)	(936,949)
Income taxes paid	(1,283,082)	(13,202)
Dividends received	221	182
Use of provisions	(3,781,785)	(3,936,427)
4. Cash flows after other adjustments	64,326,658	28,621,128
Cash flows from operating activities (A)	64,326,658	28,621,128

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>> CASH FLOW STATEMENT

(Figures in Euros)	2023	2022
B. Cash flows from investing activities		
<i>Tangible fixed assets</i>		
(Investments)/Disinvestments	(35,092,558)	(27,285,167)
Proceeds from disposal	3,127,655	9,011,055
<i>Intangible fixed assets</i>		
(Investments)/Disinvestments	(5,964,434)	(2,562,226)
<i>Financial fixed assets</i>		
(Investments)/Disinvestments	(158,743)	(100,000)
Proceeds from disposal	-	255,052
(B) Cash flows used in investing activities	(38,088,080)	(20,681,286)
C. Cash flows from financing activities		
<i>Third-party funds</i>		
Increase (decrease) in short-term bank loans and borrowings	891,815	(2,849,982)
New loans	15,000,000	20,000,000
Repayment of loans	(35,507,029)	(20,907,738)
<i>Net equity</i>		
Dividends and interim dividends	(3,000,000)	(2,000,000)
(C) Cash flows used in financing activities	(22,615,214)	(5,757,720)
Increase (Decrease) in cash and cash equivalents (A+B+C)	3,623,364	2,182,122
Opening cash and cash equivalents (D)	37,326,068	35,143,946
Closing cash and cash equivalents (E)	40,949,432	37,326,068
Total cash flows (D-E)	(3,623,364)	(2,182,122)





NOTES TO THE CONSOLIDATED FIANANCIAL STATEMENTS





BASIS OF PREPARATION

The consolidated financial statements as at and for the year ended 31 December 2023 and the notes thereto 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 EU Directive 2013/34).

They consist of a balance sheet (prepared in accordance with the layout set out in articles 2424 and 2424-bis of the Italian Civil Code), an income statement (prepared in accordance with the format set out in articles 2425 and 2425-bis of the Italian Civil Code), a cash flow statement (prepared in accordance with article 2425-ter of the Italian Civil Code and the provisions of OIC 10) and these notes, drawn up pursuant to articles 2427 and 2427-bis of the Italian Civil Code.

These notes analyse and supplement the financial statements figures with the information deemed necessary for a true and fair view of the data presented. No departures were made pursuant to articles 2423 and 2423-bis of the Italian Civil Code.

These consolidated financial statements have been prepared by the Board of Directors on a going concern basis pursuant to article 2423-bis.1.1 of the Italian Civil Code and the new OIC 11, published in its final version on 22 March 2018.

For additional information on the Group's financial position and results of operations, as a whole and in the various sectors in which it operates, specifically with respect 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 Report on Operations.

Pursuant to article 2423 of the Italian Civil Code, the financial statements have been prepared clearly and give a true and fair view of the Group's financial position and results of operations.

Pursuant to article 2423-bis of the Italian Civil Code, the following principles were complied with in the preparation of the consolidated financial statements:

- items were measured in accordance with the prudence principle and considering the economic function of the relevant asset or liability;
- items have been recognised and presented in accordance with the substance over form principle;
- only the profits realised before the reporting date were recognised;

- the income and charges pertaining to the year were recognised, regardless of when the associated collections and payments occur;
- risks and losses are recognised on an accruals basis, even when they become known after the reporting date;
- the heterogeneous elements included in the individual items are measured separately.

No exceptional events took place during the year, which would have led the Parent Company to depart from the accounting policies, as permitted by article 2423.5 of the Italian Civil Code.

Pursuant to article 2423-ter.5 of the Italian Civil Code, each item in the balance sheet and income statement is accompanied by prior year corresponding figures. Where the items are not comparable, those of the previous year are adjusted accordingly. The non-comparability and the adjustment or inability thereof are disclosed and commented on in these notes.

CONSOLIDATION SCOPE

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. - Benefit Corporation controls directly or indirectly through the majority of votes that can be exercised in the ordinary shareholders' meeting, the companies over which it has sufficient votes to exercise a dominant influence in the ordinary shareholders' meeting, the companies over which it has a dominant influence by virtue of a contract or the by-laws - where allowed by legislation - and the companies over which it has independent control of the majority of voting rights based on agreements with other shareholders.

The consolidation scope at 31 December 2023 includes the following companies:

Sammontana S.p.A. - Benefit Corporation

Parent Company

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

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

Production and marketing of ice cream and bakery products.



Transfrigo S.r.l.

Wholly owned

Consolidated on a line-by-line basis

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

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

Food transport activities.

The consolidation scope is unchanged from the previous year.

Sammontana S.p.A. - Benefit Corporation also wholly owns Gelfrigo S.r.l., with registered office in Vinci and quota capital of €10,000, whose purpose is the production, distribution and sale of fresh, preserved food products, chilled, frozen, deep-frozen and other ancillary activities. To date, the Company is still dormant.

Pursuant to article 28 of Legislative decree no. 127/1991, the company was not consolidated as it was immaterial for the purposes of clarity and the true and fair view of the Group's financial position and results of operations.

Sammontana S.p.A. - Benefit Corporation also wholly owns Sammontana Holding Hong Kong Ltd and Bagnoli Icecream Shanghai Co Ltd (indirectly controlled). To date, both companies have carried out only few immaterial transactions.

Pursuant to article 28 of Legislative decree no. 127/1991, these companies were excluded from the consolidation scope as they are immaterial for the purposes of clarity and the true and fair view of the Group's financial position and results of operations.

BASIS OF CONSOLIDATION

The financial statements used for consolidation purposes are those covering 2023. They were duly reclassified and adjusted to bring them into line with the accounting policies of the Parent Company.

In the preparation of the consolidated financial statements, assets and liabilities and income and charges of the companies included in the consolidation are recognised in full. Receivables and payables, income and charges and gains and losses arising from transactions between consolidated companies are eliminated.

The carrying amount of consolidated investments is eliminated against the corresponding portion of the investees' net equity.

The difference between the carrying amount of the equity investments and the corresponding portion of net equity is allocated to the assets and liabilities of the companies included in the consolidation scope based on the current amount determined at the date of purchase, i.e., the “consolidation difference”, in goodwill in the balance sheet of the consolidated financial statements and taken to the income statement in accordance with the criteria applicable to goodwill.

The effects of the above procedures are summarised in the table showing the reconciliation between the Parent Company's net equity and net profit for the year and those as per the consolidated financial statements.

ACCOUNTING POLICIES


The accounting policies comply with the provisions of article 2426 of the Italian Civil Code and have been supplemented, where the law is silent, by those promulgated by the OIC. The most significant accounting policies are as follows:

INTANGIBLE FIXED ASSETS

Intangible fixed assets are recognised at historical cost, including the related transaction costs. They are stated net of accumulated amortisation which is charged to the individual items with the prior consent of the Board of Statutory Auditors, where required.

Development costs, if any, are capitalised when they relate to a specific product or process, are identifiable and measurable and relate to a feasible project, i.e., technically feasible, for which the Company has or can have the necessary resources. They must also be recoverable. Development costs are amortised over not more than five years. Research costs are expensed when incurred.

Start-up and capital costs, recorded with the consent of the Board of Statutory Auditors, are stated under the relevant asset item and amortised over their useful life, however over not more than five years.



Industrial patents and intellectual property rights are amortised over their residual useful life, however over not more than the contractual term.

Concessions, licences, trademarks and similar rights are amortised over their expected useful life, however over not more than the contractual term. If their useful life cannot be determined or no contract exists, they are amortised over five years.

When preparing the consolidated financial statements, a consolidation difference emerges when the carrying amounts of the equity investments are eliminated against the corresponding portion of the investees' net equity. Any excess amount, which cannot be allocated to the individual assets of the consolidated companies, is recognised as an adjustment to consolidated net equity or, if the necessary conditions are met, it is recognised as an asset under "Goodwill". This item is amortised over the period of time during which it is expected to generate economic benefits. Reference should be made to the relevant note for additional information.

If, regardless of the amortisation already charged, an impairment loss is identified, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down cease to exist, the original value is reinstated, adjusted only for amortisation. Write-downs of goodwill cannot be reversed.

Intangible fixed assets are amortised using the following rates:

Description	Rate
Software	33.33%
Goodwill	5%-10%
Trademarks, patents, licences	5%-20%
Development costs	20%-33.33%

TANGIBLE FIXED ASSETS

Tangible fixed assets are recognised at purchase cost, including the related transaction costs and adjusted accumulated amortisation.

Assets were revalued pursuant to the law (special, general or sector laws). No discretionary or voluntary revaluations were carried out and the revaluations carried out were limited to the objectively determined value in use of asset.

The amortisation rates, taken to the income statement, were calculated considering the use, destination and economic-technical life of the assets, based on their residual useful life. These rates are unchanged from the previous year and are halved in the year the asset comes into use. They are as follows:

Description	Rate for the first year	Rates for subsequent years
Buildings	1.5%-2%	3%-4%
Plant and machinery	7.5%	dal 7.5%-al 15%
Refrigerators	12.5%	25%
Sundry and small equipment	20%	40%
Office furniture and machines	6%	12%
Electronic equipment	10%	20%
Vehicles	12.5%	25%
Lorries	10%	20%

The different rates used depend on the heterogeneity of the production activities carried out by the group companies. Therefore, they entail a different degree of utilisation of the assets to be amortised based on the activity carried out.

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

In the year the asset is acquired, the amortisation rate is charged on a lump-sum basis (50%) as this represents a reasonable approximation of the allocation of purchases during the year.

If, irrespective of the amortisation already charged, an impairment loss is defined, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down cease to apply, the original value is reinstated, adjusted only for amortisation.

INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

Equity investments in subsidiaries and non-consolidated companies that are not material are measured at purchase or subscription cost adjusted, where necessary, for impairment.



INVENTORY

Inventory is initially recognised when the risks and rewards associated with the acquired asset are transferred. The transfer of risks and rewards usually occurs when title is transferred in accordance with the contractually agreed terms. Inventory is initially recorded at purchase or production cost and subsequently measured at the lower of cost and the estimated realisable value based on market trends. [article 2426.9 of the Italian Civil Code].

Purchase cost is the actual cost paid upon purchase including related charges, except for financial charges. The purchase cost of materials includes their price, transport cost, customs and other duties and other directly attributable costs. Returns, trade discounts, rebates and bonuses are deducted from costs.

Production cost includes purchase and industrial costs and all direct costs and the reasonably attributable portion of indirect costs incurred from production up to when the asset is available for use, based on normal production capacity. Production cost excludes 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 estimated realisable value based on market trends of raw materials, consumables, supplies, finished products and goods, semi-finished products and products under construction is the estimate of ordinary sales prices of goods and finished products, net of estimated completion costs and direct sales costs, based on market information. Obsolescence and turnover are also taken into account in calculating the estimated realisable value based on market trends.

Therefore, inventory items whose estimated realisable value based on market trends is lower than their carrying amount are written down.

Should the reasons for the write-down applied as an adjustment to the realisable value based on market trends cease to exist, in whole or in part, the write-down is reversed to the extent of the originally incurred cost.

RECEIVABLES (INCLUDING FINANCIAL RECEIVABLES)

Receivables are recognised at amortised cost, considering the time value of money and their estimated realisable value. The receivables from the Parent Company arising from cash pooling arrangements, which, as per relevant arrangement, are not collectible, are recognised under the current financial asset item “Cash pooling arrangements” pursuant to the provisions of the new OIC 14.

Receivables arising from the sale of goods are recognised on an accruals basis when both of the following conditions are met: the production process for the goods has been completed and the substantial transfer of title has taken place, with the transfer of risks and benefits being the key parameter.

Receivables are rights to receive fixed or determinable amounts of cash from customers or other third parties.

Receivables are initially recognised at their nominal amount, net of all bonuses, discounts and allowances and including any directly attributable transaction costs. Transaction costs, commissions paid between the parties and any other difference between original and settlement amounts at the due date are included in the calculation of the amortised cost, using the effective interest method, which implies that they are amortised over the expected life of the receivable. Their amortisation supplements or adjusts interest income calculated at the nominal amount (following the same classification in the income statement), so that the effective interest rate can remain constant over the life of the receivable.

The bad debt provision is estimated by analysing the receivables individually, determining the estimated losses for each irregularity already identified or reasonably foreseeable, and estimating, based on experience and any other useful information, the additional losses that are expected to be incurred on the receivables outstanding at the reporting date.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are positive balances of bank and postal accounts and cheques, as well as the cash-in-hand and cash equivalents at year end. Bank and postal account deposits and cheques are recognised at their estimated realisable value, cash and revenue stamps at their nominal amount, while foreign currency is measured at the closing rate.

PAYABLES

Payables are recognised at amortised cost, considering the time value of value and expected settlement amount. Specifically, payables are initially recognised at their nominal amount, net of transaction costs and all bonuses, discounts and allowances directly attributable to the transaction that generated the payable. The transaction costs, any commission income and expense and any other difference between the initial carrying amount and the nominal amount at the payable's due date are included in the calculation of the amortised cost using the effective interest method.



PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised to cover specific liabilities that are certain or probable, but whose amount or due date is unknown at the reporting date. Specifically, provisions for risks relate to specific liabilities whose occurrence is probable and amount estimated, while provisions for charges relate to specific liabilities whose occurrence is certain and amount or due date estimated, that arise from obligations already taken on at the reporting date but which will be paid in subsequent years.

Accruals to provisions for risks and charges are recognised in the income statement section to which the transaction relates, privileging the classification of costs by nature. The amount of the accruals to the provisions is based on the best estimate of costs, including the legal expenses, at each reporting date. If the measurement of the accruals gives a range of values, the accrual represents the best possible estimate between the upper and lower thresholds of the range.

The provisions are subsequently used directly and solely for those costs and liabilities for which they were originally set up. If they are not sufficient or are redundant, the shortfall or surplus is recognised in the income statement in line with the original accrual. If the surplus arises from the positive development of situations involving a Company's operations, the elimination or reduction of the excess provision is recognised as a positive income component of the item of the same nature.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments, including embedded derivatives, are recognised at fair value, both upon initial recognition and at each subsequent reporting date pursuant to article 2426.1.11-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 forecast transaction, directly to a positive or negative net equity reserve. This reserve is reclassified to the income statement to the extent of and over the period during which the cash flows of the hedged instrument arise or are modified or the hedged transaction occurs. If the fair value is positive at the reporting date, it is recognised under the asset item "derivative financial instruments", under financial fixed assets or current financial assets. If the fair value is negative, it is recognised under the item "derivative financial instruments" in the provisions for risks and charges. If the transaction qualifies for hedge accounting, the Company recognises the cash flow hedge in the balance sheet at fair value with a balancing entry under item A) VII "Hedging reserve" which reflects the effective hedge (net of

deferred tax effects), whereas the ineffective portion, calculated for hedging relationships that are not simple hedges, is taken to section D) of the income statement. Pursuant to article 2426.11-bis of the Italian Civil Code, this reserve is not considered in the calculation of net equity for the purposes of articles 2412, 2433, 2442, 2446 and 2447.

If the transaction does not qualify (or is not designated) as a hedge, fair value changes are recognised in the income statement in Section D) "Adjustments to financial assets and liabilities". The gains from the measurement of derivative financial instruments not designated as hedges are taken to undistributable net equity reserves.

A derivative financial instrument qualifies for hedge accounting when:

- a) the hedging relationship consists only of eligible hedging instruments and eligible hedged items under OIC 32;
- b) there is a close and documented relationship between the characteristics of the instrument or the hedged transaction and those of the hedge under article 2426.11-bis of the Italian Civil Code. The documentation covers the formalisation of the hedging relationship, the objectives of the Company in managing the risk and the hedging strategy;
- c) the hedging relationship meets all the following requirements:
 - 1) there is an economic relationship between the hedged item and the hedging instrument;
 - 2) the effect of the credit risk of the counterparty of the derivative and hedged item, if the credit risk is not the risk being hedged, does not prevail over the value changes resulting from the economic relationship;
 - 3) the hedging ratio is determined as the ratio between the quantity of derivative financial instruments used and the quantity of hedged items (without implying the ineffectiveness of the hedge ex ante).

The Company checks that the eligibility criteria are still met regularly and at each reporting date checks that the effectiveness requirements are still met.

The Company discontinues hedge accounting prospectively when:

- a) the hedging instrument expires, is sold or has ceased to exist (without replacement already envisaged by the original hedging strategy);
- b) the hedging 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 it leads to the termination of the hedging relationship and the risk management objective for the designated hedging relationship remains the same, the Company assesses the possibility of revising the hedging relationship.



CASH FLOW HEDGES

Cash flow hedges are triggered when the objective of the hedge is to limit the exposure to the risk of variability in cash flows that is attributable to a recognised asset or liability, firm commitments or highly probable forecast transactions.

In a cash flow hedge related to a recognised asset or liability or a highly probable forecast transaction or a firm commitment, the amount of the reserve is taken to the income statement in the same years in which the hedged cash flows have an effect on the net profit (loss) for the year and in the same item impacted by the cash flows. In a cash flow hedge associated with a highly probable forecast transaction or a firm commitment that subsequently results in the recognition of a non-financial asset or non-financial liability, the Company, upon recognising the asset or liability, derecognises the amount from the hedging reserve and includes it directly in the carrying amount of the asset (to the extent of the recoverable amount) or the liability. If, however, a negative reserve exists, and the Company does not expect to recover all or part of the loss in one or more future years, the Company immediately recognises the reserve (or the part of the reserve) that it does not expect to recover in the income statement for the year.

FOREIGN CURRENCY AMOUNTS

Foreign currency monetary items are translated using the closing spot rates. Any resulting gains or losses are taken to the income statement and any net profit is recognised in an undistributable reserve until realisation. Non-monetary foreign currency assets and liabilities are recognised at the transaction-date exchange rate.

EMPLOYEES' LEAVING ENTITLEMENT ("TFR")

This is the effective amount due to employees in accordance with the law and applicable employment contracts, considering any type of continuous remuneration.

This provision is equal to the total amounts due to the individual employees at the reporting date, net of any advance payments, and reflects the benefit to which the employees are entitled in any case of termination of employment on that date.

Following the changes in legislation introduced by Law no. 196 dated 27 December 2006 (the "2007 Finance Act") and subsequent implementing decrees and regulations, the accounting treatment governing the portions of TFR accrued until 31 December 2006 and those accrued as of 1 January 2007, changed in 2007, in accordance with the procedures set forth in the applicable legislation. Following the coming into force of the reform of supplementary pensions (Legislative decree no. 252/2005) for companies with at least 50 employees, the portions of TFR accrued up to 31 December 2006 remained with the Company, while those accruing as of 1 January 2007, as elected by the employees, are allocated to supplementary pension funds or transferred by the Company to the INPS (Italy's social security institution) Treasury Fund.

PREPAYMENTS AND ACCRUED INCOME AND ACCRUED EXPENSES AND DEFERRED INCOME

Accrued income and expenses are respectively portions of income and expenses pertaining to the year but that will be collected/paid in subsequent years.

Prepayments and deferred income are respectively portions of expenses and income collected/paid during the year or in previous years but pertaining to one or more subsequent years.


Accordingly, these items comprise only portions of expense and income relating to two or more years, whose amount varies on a time or economic accruals basis.

At each year end, the Company analyses the conditions underlying their initial recognition and makes any necessary adjustments. Specifically, the balance of accrued income varies not only over time, but is also based on its expected realisable value, whereas that of prepayments is based on the existence of future economic benefits matching the deferred costs.

FACTORING

Receivables assigned to factors without recourse are derecognised when:

- a) the contractual rights to the cash flows from the receivable are extinguished (in part or in full); or
- b) title to the contractual rights to the cash flows deriving from the receivable is transferred, and all risks inherent to the receivable are substantially also transferred.



When the receivable is derecognised as a result of a factoring transaction involving the transfer of substantially all risks, the difference between the consideration and the carrying amount of the receivable at the time of assignment is recognised in the income statement under financial charges.

RISKS, COMMITMENTS AND GUARANTEES

The guarantees disclosed in the notes are stated at their nominal amount.

REVENUE RECOGNITION

Revenues from the sale of products are recognised upon transfer of title, which normally coincides with the delivery or shipment of the goods and/or transfer of the sale and related risks to the buyer.

Revenues of a financial nature and those from the provision of services are recognised on an accruals basis.

INCOME TAXES

Current income taxes for the year are calculated on the basis of a realistic forecast of the taxable profit under the relevant tax legislation and applying the enacted tax rates at the reporting date.

The related tax payable is stated at its nominal amount in the balance sheet, net of advance payments, withholding taxes and tax receivables which may be offset and have not been claimed for reimbursement. A tax asset is recognised for advances, withholding taxes and receivables exceeding the taxes payable.

TAX CONSOLIDATION SCHEME

The group companies participate in the national tax consolidation scheme pursuant to article 117 et seq. of the TUIR. Accordingly, the tax base for IRES purposes is transferred to the parent Company. The transferred amount results in the recognition of consolidation income or expense in the financial statements of each participating company.

DEFERRED TAXES

Deferred tax assets and liabilities are calculated on the temporary differences between carrying amounts of assets and liabilities and their tax base. They are calculated at the tax rates that will be applicable in the year in which the temporary differences reverse and are updated to reflect the rate in use at each reporting date.

Deferred tax assets are recognised only when their future recoverability is reasonably certain, through the availability of future taxable profits.

POST-BALANCE SHEET EVENTS

These events modify conditions existing at the reporting date. They require adjustments to the carrying amounts of assets and liabilities, in accordance with the relevant accounting policy. They are recognised on an accruals basis to present their reporting date effect on the Company's financial position, financial performance and cash flows.

The post-balance sheet events that modify situations existing at the reporting date but do not require adjustments to the carrying amounts under the relevant accounting policy as they relate to the subsequent year are not recognised but are disclosed in the report on operations if necessary to give a more complete view of the Company's position.

The date within which an event shall be considered a post-balance sheet event is the date on which the Directors prepare the draft financial statements, unless events that take place during the period from such date and the date on which the financial statements are expected to be approved by the Shareholders have a significant impact on the financial statements.

TRANSACTIONS WITH PARENT COMPANIES, SUBSIDIARIES, ASSOCIATES AND RELATED COMPANIES

Transactions with parent companies, subsidiaries, associates and related companies and post-balance sheet events are described in the Report on Operations. They may be summarised as follows:

	Receivables	Payables	Revenues	Costs
Sammontana Finanziaria S.r.l.	467,164	10,782,685(*)(**)	1,664,140	65,554
Gelfrigo S.r.l.	-	-	600	-
Immobiliare Industriale S.r.l.	232,210	475,309	2,915,336	1,597,950
Fattoria La Leccia S.agr. a r.l.	0	56,674	4,800	121,667
Bagnoli Ice Cream Ltd. (Shanghai) (***)	-	-	-	-
Sammontana Holding Hong Kong (***)	-	-	-	-
Total	699,374	11,237,345	4,584,876	1,785,171

* of which €1,845,889 relating to cash pooling arrangement w/Sam Fin, €7,101,810 for IRES payable as per the tax consolidation scheme and €1,821,497 for taxes relative to previous years.

** of which €29,472 relating to the cash pooling arrangement of Transfrigo w/Sam Fin.

*** for information about the reasons for exclusion from the consolidation scope, reference should be made to the "Consolidation scope" section of these notes.

BALANCE SHEET

INTANGIBLE FIXED ASSETS

Intangible fixed assets	2023	2022	Changes
Development costs	457,260	829,429	(372,169)
Industrial patents and intellectual property rights	3,273,722	3,295,014	(21,292)
Concessions, licences, trademarks and similar rights	30,626,636	32,879,627	(2,252,991)
Goodwill	6,027,778	6,014,194	13,584
Other assets	275,115	457,259	(182,144)
Total	40,660,511	43,475,523	(2,442,843)

The annex to these notes show the changes in intangible fixed assets and accumulated amortisation during the year (Annex 1).

No development costs were capitalised during the year.

“Industrial patents and intellectual property rights” include the cost incurred to purchase (ownership) and obtain the user licences relating to the new Microsoft Dynamics AX integrated system. The increase in the year is entirely due to that stated above.

“Concessions, licences, trademarks and similar rights” include the Tre Marie brand, amortised over 20 years and with a residual value of €12.5 million at 31 December 2023. It was recognised following the allocation of the goodwill arising from the merger of GranMilano S.p.A. into Sammontana S.p.A. in 2010 for an initial amount of €43.5 million.

The annual amortisation charge for this brand amounts to €2.1 million. In addition, this item includes the Sammontana brand which was revalued in 2020, for an initial amount of €23.5 million. At the reporting date, the residual amount is equal to €19.97 million.

The annual amortisation charge for this brand amounts to €1.18 million.

“Goodwill” may be analysed as follows:

- €4.45 million relating to the residual value of the goodwill which arose in 2010 (totalling €15.02 million) from the merger of GranMilano S.p.A. into Sammontana S.p.A.. Annual amortisation charge: €750 thousand;
- €176 thousand relating to the residual value of the goodwill which arose in 2010 (totalling €589 thousand) from the merger of GranMilano Distribuzione S.r.l. in Sammontana S.p.A.. Annual amortisation charge: €30 thousand;

- €240 thousand relating to the residual value of the goodwill which arose in 2017 (totalling €360 thousand) from the acquisition of the Bassignani S.r.l. business unit. Annual amortisation charge: €20 thousand;
- €645 thousand relating to the residual value of the goodwill which arose in 2020 (totalling €830 thousand) from the acquisition of the Ocris S.r.l. business unit. Annual amortisation charge: €46 thousand;
- €311 thousand relating to the residual value of the goodwill which arose in 2020 (totalling €400 thousand) from the acquisition of the Pittigell S.r.l. business unit. Annual amortisation charge: €22 thousand.

Goodwill is amortised over 20 years. This period is deemed to represent the time horizon within which the asset is expected to be recovered based on the cash flows from the merged companies. This period also considers the valuations made by the Company at the time of the acquisition.

“Other assets” refer to leasehold improvements.

The amortisation charge of the year amounts to €8.8 million.

TANGIBLE FIXED ASSETS

Tangible Fixed Assets	2023	2022	Changes
Land and buildings	47,769,024	48,469,766	(700,742)
Plant and machinery	41,833,026	43,157,803	(1,324,777)
Industrial and commercial equipment	27,811,412	28,169,400	(357,988)
Other assets	2,771,126	2,756,418	14,708
Assets under construction and advance payments	14,772,726	6,658,146	8,114,580
Total	134,957,314	129,211,533	5,745,781

The annex to these notes show the changes in tangible fixed assets and accumulated amortisation during the year (Annex 2).

Reference should be made to the Report on Operations for information and a breakdown of the investments of the year.

The main disposal of the year refers to the Pomezia industrial complex which was sold at the beginning of 2023, generating a gain of €243 thousand. For additional information, reference should be made to the section on investments in the Report on Operations.

The amortisation charge of the year amounts to €26 million.

“Land and buildings” include all buildings where industrial activities are carried out.

Revaluations of assets made in previous years

The tangible fixed assets recognised at 31 December 2023 which were subject to monetary revaluations in previous years and the departures from the accounting polices are shown below.

	Revaluation pursuant to Law no. 576/1975	Revaluation pursuant to Law no. 72/1983	Revaluation pursuant to Law no. 413/1991	Law no. 2/2009
Land and buildings	15,037	347,488	2,409,940	50,277,514
Plant and machinery	25,733	891,229	0	0
Other assets	737	62,200	0	0
Total	41,507	1,300,917	2,409,940	50,277,514

FINANCIAL FIXED ASSETS

Financial fixed assets	2023	2022	Changes
Equity investments	41,195	106,273	(65,078)
Receivables from others	1,377,517	1,421,774	(44,257)
Total	1,418,712	1,528,047	(109,335)

Equity investments

Equity investments	2023	2022	Changes
Unconsolidated subsidiaries	0	65,078	(65,078)
Gelfrigo S.r.l.	0	0	0
Sammontana Holding Hong Kong	0	65,078	(65,078)
Other companies	41,194	41,194	0
Consorzio Italia del Gusto	2,500	2,500	0
Golf La Vecchia Pievaccia S.p.A.	12,395	12,395	0
Golf Club Alta Badia	10,329	10,329	0
Conai	4,047	4,047	0
Consorzio 8 Gallery	519	519	0
Banco Popolare	11,405	11,404	0
Total	41,195	106,272	(65,078)

The equity investments listed above are held by the Parent Company Sammontana S.p.A. - Benefit Corporation.

Investments in non-consolidated subsidiaries

As mentioned earlier, Gelfrigo S.r.l., wholly owned by the Parent Company Sammontana S.p.A., is still dormant.

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

Pursuant to article 28 of Legislative decree no. 127/1991, the company was not consolidated as it was immaterial for the purposes of clarity and the true and fair view of the Group's financial position and results of operations.

This investment was recognised at cost. At 31 December 2023, it was written off.

In 2019, the Parent Company Sammontana S.p.A. set up a wholly-owned subsidiary, Sammontana Holding Hong Kong Ltd, in Hong Kong. The Company's business object is the holding and trading of equity investments. Pursuant to article 28 of Legislative decree no. 127/1991, the Company was not consolidated as it was immaterial for the purposes of clarity and the true and fair view of the Group's financial position and results of operations.

This investment was recognised at cost. At 31 December 2023, it was written off.

Again in 2019, and for the sake of completeness, a company wholly owned by Sammontana Holding Hong Kong Ltd was incorporated in Shanghai, China. The business purpose of Bagnoli Icecream Ltd is the marketing of frozen bakery products and ice cream products on the Chinese market.

For information about the reasons for the exclusion of the Chinese companies from the consolidation scope, reference should be made to the "Consolidation scope" section of these notes.

Company name	City	Share/ quota capital	Net equity/ (deficit)	Net loss for the year	% investment	Carrying amount
Gelfrigo S.r.l.		10,000	10,052	(1,583)	100.00%	0
Sammontana Holding	(Hong Kong)	52,553	(18,485)	(134,024)	100.00%	0

Investments in other companies

Investments in other companies	2023
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	11,405
Total	41,195

These are low-value equity investments which were recognised at cost.

Receivables from subsidiaries	2023	2022	Change
Loan to Sammontana Hong Kong	0	200,000	(200,000)
Total	0	200,000	(200,000)

The receivable from Sammontana Hong Kong consists of a €200,000 loan granted to the subsidiary. During the year, it was written off, also considering the performance of the Company.

Receivables from others

Sundry receivables from customers relate to advance payments to customers on the portion of the discount to be accrued on the volume of purchases made. The amount relating to branches and ho.re.ca customers is periodically offset against the year-end discount due to the customer as contractually agreed. This balance, which is directly proportional to the turnover of the year, cannot be forecast accurately.

The balances almost entirely refer to the Parent Company Sammontana S.p.A. - Benefit Corporation.

DERIVATIVE FINANCIAL INSTRUMENTS

Information about derivative financial instruments

“Derivative financial instruments” include the mark-to-market value of the IRSs agreed by the Company with Mediobanca, BNL, Credit Agricole and UniCredit. For additional information on derivative financial instruments, reference should be made to the note to “Provisions for risks and charges”.

Derivative financial instruments	2022	Increases	Decreases	2023
Derivative financial instruments	2,675,264	0	(1,608,843)	1,066,421
Total	2,675,264	0	(1,608,843)	1,066,421

INVENTORY

Inventory	2023	2022	Change
Raw materials and supplies	16,361,545	12,355,435	4,006,110
Technical material	11,971,432	9,992,972	1,978,460
Raw materials, consumables and supplies	28,332,978	22,348,407	5,984,571
Inventory provision for raw materials	(5,861,075)	(3,461,075)	(2,400,000)
Finished products and goods	53,052,246	39,644,409	13,407,837
Inventory provision for finished products and goods	(6,550,000)	(6,550,000)	0
Total	68,974,149	51,981,741	16,992,408

For information about the accounting treatment applied to raw materials and finished products and goods, reference should be made to the accounting policies described at the beginning of these notes.

The increase in this item is essentially due to the rise in the price of raw materials and energy, which accounted for approximately 7% thereof, and the rise in closing inventory (about +25%).

As mentioned earlier, given the increase in the gross balance of inventory and the variability of the market environment also described in the Report on Operations, the Group decided to adjust the carrying amount of inventory in order to accurately measure closing inventory.

Inventory is entirely attributable to the Parent Company Sammontana S.p.A. - Benefit Corporation.

RECEIVABLES

Receivables	2023	2022	Changes
Trade receivables	72,397,838	65,844,373	6,553,465
From subsidiaries	0	0	0
From associates	0	0	0
From parent companies	609,248	697,538	(88,290)
From subsidiaries managed by parent companies	232,210	0	232,210
Tax receivables	10,844,931	10,166,532	678,399
Deferred tax assets	7,680,264	7,850,741	(170,477)
From others	5,149,697	5,524,002	(374,305)
Total	96,914,188	90,083,186	6,831,002

The balance may be broken down as follows:

Receivables	Due within one year	Due after one year	Due after 5 years	Total
Trade receivables	70,550,518	1,847,320	0	72,397,838
From parent companies	609,248	0	0	609,248
Tax receivables	10,844,931	0	0	10,844,931
Deferred tax assets	7,680,264	0	0	7,680,264
From others	5,149,697	0	0	5,149,697
Total	95,066,868	1,847,320	0	96,914,188

Trade receivables

Trade receivables	2023	2022	Changes
Customers	77,411,599	71,548,845	5,862,754
Provision for bad debts	(5,013,761)	(5,704,471)	690,711
Total	72,397,838	65,844,373	6,553,465

During the year, the provision for bad debts changed as follows:

Provision for bad debts	Provision pursuant to article 2426 of the Italian Civil Code	Provision pursuant to article 71 of Pres. decree no. 917/1986	Total
Balance as at 31.12.2022	5,391,242	313,229	5,704,471
Utilisation of the year	(1,388,453)	(313,229)	(1,701,682)
Accrual of the year	650,000	360,972	1,010,972
Balance as at 31.12.2023	4,652,789	360,972	5,013,761

Specifically, the provision is made up of accruals of approximately €4.6 million, subject to taxes, recognised in previous and current years on a prudent basis pursuant to article 2426 of the Italian Civil Code and in line with the outcome of the specific credit quality analyses performed. The residual balance of €360 thousand is due to the accrual recognised pursuant to article 106 of Presidential decree no. 917/1986 and is equal to 0.50% of the total gross amount of trade receivables recognised at 31 December 2023. This difference was maintained in order to ensure a better understanding of the calculation of deferred tax assets.

For a more complete analysis of trade receivables and the related risk, the financial receivables recognised under financial fixed assets as sundry receivables from customers worth approximately €1.01 million should also be considered.

For a better understanding, it is noted that the provision is entirely related to the Parent Company.

In addition, revolving assignments of receivables to factoring companies amounting to approximately €63.1 million were made during the year.

At 31 December 2023, factored receivables still to be collected amounted to approximately €4.8 million.

Receivables from parent companies

Receivables from parent companies	2023	2022	Changes
Trade receivables:			
- <i>Sammontana S.p.A. - Benefit Corporation</i>	467,164	143,355	323,809
- <i>Transfrigo S.r.l.</i>	0	0	0
Other receivables			
- <i>Sammontana S.p.A. - Benefit Corporation</i>	0	503,583	(503,583)
- <i>Transfrigo S.r.l.</i>	142,084	50,599	91,485
Total	609,248	697,538	(88,290)

This item includes approximately €467 thousand relating to formal commercial relationships and roughly €140 thousand relating to IRES receivable from the tax consolidation scheme in place with Sammontana Finanziaria S.r.l..

Receivables from subsidiaries managed by parent companies

This item has a nil balance.

Tax receivables

Tax receivables	2023	2022	Changes
VAT receivables	9,690,398	6,232,465	3,457,933
IRAP receivable	12,909	12,597	312
Other receivables	1,141,624	3,921,470	(2,779,846)
Total	10,844,931	10,166,532	678,399

Also in 2023, the Parent Company had a significant VAT receivable of approximately €9.7 million.

Other receivables mainly consist of tax receivables that the Company will use for offsetting purposes in the first few months of the subsequent year.

Deferred tax assets

Deferred tax assets	2023	2022	Changes
Deferred tax assets - IRES	6,963,218	7,067,890	(104,672)
Deferred tax assets - IRAP	717,046	782,851	(65,805)
Total	7,680,264	7,850,741	(170,477)

Deferred tax assets are recognised using the tax rates in force which correspond to the rates that are expected to apply at the time these differences reverse, in accordance with the principle whereby deferred tax assets are recognised only if their recoverability is reasonably certain in subsequent years.

For additional information on deferred taxes, reference should be made to the relevant note to the income statement.

Receivables from others

This item amounts to €5.1 million and may be analysed as follows:

Receivables from others	2023	2022	Changes
From employees	19,425	-2,447	21,873
Advances to suppliers	47,514	43,004	4,509
From Conai	69,357	113,632	(44,275)
From agents	21,380	23,657	(2,278)
From factors	4,842,944	5,002,986	(160,042)
From social security institutions	25,259	218,169	(192,911)
Other receivables	123,819	125,000	(1,181)
Total	5,149,697	5,524,002	(374,305)

CURRENT FINANCIAL ASSETS

This item has a nil balance at the reporting date.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents	2023	2022	Changes
Bank and postal accounts	40,207,127	36,967,400	3,239,727
Cash-in-hand and cash equivalents	742,305	358,668	383,637
Total	40,949,432	37,326,068	3,623,364

The balance represents cash and cash equivalents and cash-in-hand at the reporting date.

“Cash-in-hand” mainly refers to payments made by branches in the last few days of 2023 and credited by the banks in the first few days of 2024.

Reference should be made to the cash flow statement for additional information.

PREPAYMENTS AND ACCRUED INCOME

Prepayments and accrued income	2023	2022	Changes
Prepaid commercial costs	747,822	1,401,758	(653,936)
Sundry prepayments	2,374	0	2,374
Accrued income	56,876	11,091	45,785
Total	807,072	1,414,766	(605,777)

Prepaid commercial costs include the portion of contributions paid in advance to customers for multi-year contracts.

There are no prepayments or accrued income relating to more than 5 years.

NET EQUITY

Changes in net equity (Amounts in thousands of Euros)

Description	Share capital	Revaluation reserve	Legal reserve	Other reserves	Merger reserve	Hedging reserve	Reserve for undistributed earnings	Net profit for the year	Net equity
31 December 2022 consolidated financial statements	21,600	48,955	4,320	63,327	1,550	2,033	654	5,190	147,628
Allocation of the net profit for 2022				2,403			(213)	(5,190)	(3,000)
Net profit for the year								23,737	23,737
Hedging reserve						(2,656)			(2,656)
31 December 2023 consolidated financial statements	21,600	48,955	4,320	65,730	1,550	(623)	441	23,737	165,710

The capital consists of 21,600,000 ordinary shares with a unit nominal amount of €1 and 3 special shares subscribed in 2019 with a unit nominal amount of €1.

On 25 May 2023, in their ordinary meeting, the Shareholders decided to distribute a dividend of €3,000,000 to be drawn from the extraordinary reserve.

The hedging reserve includes the changes in the fair value of derivative financial instruments which arose as part of expected cash flow hedges, net of the tax effect. Pursuant to article 2426.1.11-bis of the Italian Civil Code, this reserve, which is negative by approximately €620 thousand, is not considered in the calculation of net equity for the purposes of articles 2412, 2433, 2442, 2446 and 2447.

Reconciliation of net equity (Amounts in thousands of Euros)

Description	NE 2023	Net profit for 2023
Net equity and net profit for the year as per the financial statements of the Parent Company	170,649	24,347
Reversal of the carrying amount of consolidated equity investments	(3,845)	
Share of net equity and net profit (loss) of consolidated equity investments	2,206	(324)
Consolidation difference + Brand net of amortisation	(4,330)	(360)
Deferred tax liabilities on brand	1,029	73
Reversal of intra-group profit margins, net of the tax effect	0	0
Total consolidation entries	165,710	23,736
Net equity attributable to minority interests	0	0
Net equity attributable to the Parent Company	165,710	23,736
Total net equity	165,710	23,736

PROVISIONS FOR RISKS AND CHARGES

“Provisions for risks and charges” may be broken down as shown in the table below which also includes the changes of the year.

Provisions for risks and charges	2023	2022	Change
Pension and similar provisions	2,496,197	2,455,889	40,308
Tax provision	322,805	654,215	(331,410)
Provision for derivative financial instruments	1,885,530	0	1,885,530
Other provisions	1,312,925	1,391,316	(78,391)
Total	6,017,457	4,501,420	1,516,037

Pension and similar provisions	2022	Increases	Decreases	2023
For agents	2,223,389	275,191	234,883	2,263,697
For the Board of Directors	232,500	0	0	232,500
Total	2,455,889	275,191	(234,883)	2,496,197

The provision for agents' termination indemnity includes the amount due by the Parent Company to its agents, determined in accordance with the national collective bargaining agreement for agents and representatives.

This provision includes the amount due by the Parent Company to the members of the Board of Directors should their term of office cease.

The tax provision may be analysed as follows:

Tax provision	2022	Increases	Decreases	2023
Deferred IRES	652,517	47,065	386,122	313,459
Deferred IRAP	1,698	7,648	0	9,346
Total	654,215	54,713	386,122	322,805

The tax provision includes the deferred tax liabilities calculated on an accruals basis.

Deferred tax liabilities were determined by applying the rates in force to deferred gains subject to taxation and accelerated amortisation. The decrease of the year is due to the deferred liabilities calculated based on the positive Mark-to-Market value of the derivatives related to outstanding bank loans, which were recognised as cash flow hedges.

At the previous reporting date, the “Provision for derivative financial instruments” included the Mark-to-Market value of the IRSs entered into by the Company with BNL, UniCredit and Mediobanca in 2020 and with Credit Agricole in 2021:

Provision for derivative financial instruments	2022	Increases	Decreases	2023
Derivative financial instruments	0	1,885,530	0	1,885,530
Total	0	1,885,530	0	1,885,530

The following information about derivative financial instruments is provided pursuant to article 2427-bis of the Italian Civil Code and OIC 32:

Hedges in place	BNL	Unicredit
Type	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
Purpose	Hedging against the interest rate variability risk	Hedging against the interest rate variability risk
Original amount (euro)	10,000,000	13,000,000
Start date	30-Apr-20	06-Jul-20
Expiry date	30-Apr-25	31-Jul-24
Mark-to-market value at 31 December 2023	(63,000)	(191,118)

Hedges in place	Mediobanca	Credit Agricole
Type	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
Purpose	Hedging against the interest rate variability risk	Hedging against the interest rate variability risk
Original amount (euro)	25,000,000	15,000,000
Start date	11-Dec-20	27-Oct-21
Expiry date	11-Dec-25	31-Dec-26
Mark-to-market value at 31 December 2023	447,013	619,408

“Other provisions” may be analysed as follows:

Other provisions	2022	Increases	Decreases	2023
Provision for risks and charges	1,391,315	0	(78,391)	1,312,924
Total	1,391,315	0	(78,391)	1,312,924

The “Provision for risks and charges” protects the Company from losses resulting from pending litigation, insufficient insurance coverage and contingent liabilities.

The increases for the year relate to prudential allocations for pending litigation.

All balances relate to the Parent Company.

EMPLOYEES' LEAVING ENTITLEMENT (“TFR”)

Employees' leaving entitlement	Total
1 January 2023	5,862,177
Utilisations for the year	(394,235)
Transfers to funds/Category/Treasury	(3,393,365)
Accrual of the year	3,547,734
TFR provision/release on deferred charges	5,816
31 December 2023	5,628,127
Net change for the year	(234,050)

PAYABLES

Payables are measured at their nominal amount and may be analysed as follows. For additional information, reference should be made to the Report on Operations.

Payables	2023	2022	Changes	Changes %
Bank loans and borrowings	89,758,565	109,373,778	(19,615,213)	-18%
Trade payables	63,027,614	49,662,627	13,364,987	27%
Payables to parent companies	10,782,685	2,304,330	8,478,355	368%
Payables subsidiaries managed by parent companies	532,983	341,977	191,006	56%
Tax payables	3,850,725	4,519,491	(668,766)	-15%
Social security charges payable	4,200,214	3,828,278	371,936	10%
Other payables	36,239,895	29,673,602	6,566,293	22%
Total	208,392,681	199,704,083	8,688,598	4%

Below is a breakdown of payables by due date:

Payables	Due within one year	Due after one year	Due after 5 years	Total
Bank loans and borrowings	36,488,576	51,769,989	1,500,000	89,758,565
Trade payables	63,027,614	0	0	63,027,614
Payables to parent companies	10,782,685	0	0	10,782,685
Payables subsidiaries managed by parent companies	532,983	0	0	532,983
Tax payables	3,850,725	0	0	3,850,725
Social security charges payable	4,200,214	0	0	4,200,214
Other payables	36,239,895	0	0	36,239,895
Total	155,122,692	51,769,989	1,500,000	208,392,681

Bank loans and borrowings

Medium- to long-term bank loans and borrowings may be analysed as follows:

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium- to long-term portion
INTESA SAN PAOLO	2020	2025	16,666,667	8,333,333	8,333,333
Total			16,666,667	8,333,333	8,333,333

The €25 million loan agreement was entered into in 2020 for ordinary corporate financing needs. It is to be repaid in six instalments of €4.2 million in 2024 and 2025.

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium/long-term portion
Mediobanca	2020	2025	10,000,000	5,000,000	5,000,000
Total			10,000,000	5,000,000	5,000,000

The €25 million loan agreement was entered into in 2020 for ordinary financing needs.

It is to be repaid in four instalments in 2024 (€5 million) and 2025 (€5 million).

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium-to long-term portion
Credit Agricole	2021	2026	12,500,000	3,500,000	9,000,000
Total			12,500,000	3,500,000	9,000,000

The €15 million loan agreement was entered into in 2021 for ordinary corporate financing needs. Repayment will take place in four instalments in 2024 (for €3.5 million); 2025 (for €4.3 million) and 2026 (for €4.7 million).

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium-to long-term portion
MPS	2020	2025	4,444,444	2,222,222	2,222,222
Total			4,444,444	2,222,222	2,222,222

The €10 million loan agreement was entered into in 2020 to support the Company's ordinary sources and application of funds due to its business activities. The next principal repayments are scheduled for 2024 (€2.2 million) and 2025 (for the residual €2.2 million).

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium-to long-term portion
CREDEM	2021	2026	3,659,746	1,252,552	2,407,194
Total			3,659,746	1,252,552	2,407,194

The €4.8 million loan agreement was entered into in the previous year for ordinary corporate financing needs. The next principal repayments are scheduled for 2024 (€1.2 million), 2025 (€1.2 million) and 2026 (for the remaining €1.2 million).

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium-to long-term portion
BPM	2020	2024	2,883,928	2,883,928	0
Total			2,883,928	2,883,928	0

In 2020, the Company obtained, via BPM, a loan from the European Investment Bank for a total of €10 million. The Company plans to use this amount to support its capital expenditure despite the Covid period. According to the repayment schedule, this loan is to be repaid in 2024.

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium-to long-term portion
BPM	2022	2027	7,777,778	2,222,222	5,555,556
Total			7,777,778	2,222,222	5,555,556

The €10 million loan agreement was entered into during the year for ordinary corporate financing needs. It is to be repaid in two annual instalments of €1 million each until it expires in 2027.

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium-to long-term portion
UNICREDIT	2020	2024	3,900,000	3,900,000	0
Total			3,900,000	3,900,000	0

This loan was entered into with Unicredit in 2020 for ordinary corporate financing needs. According to the repayment schedule, this loan is to be repaid in 2024.

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium-to long-term portion
BNL - BNPP	2020	2025	3,333,333	2,222,222	1,111,111
Total			3,333,333	2,222,222	1,111,111

Also this loan was entered into with BNL in 2020 for ordinary corporate financing needs. According to the repayment plan, the loan is to be repaid in 2024 (approximately €2.2 million every year) and in 2025 (residual €1.1 million).

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium-to long-term portion
DEUTSCHE BANK	2022	2027	8,750,000	2,500,000	6,250,000
Total			8,750,000	2,500,000	6,250,000

The €10 million loan agreement was entered into in the previous year for ordinary corporate financing needs. The next principal repayments are scheduled for the period 2024-2026 (€2.5 million every year) and 2027 (residual €1.3 million).

	Year of disbursement	Year of expiry	2023	Short-term portion	Medium-to long-term portion
C.D.P.	2023	2029	15,000,000	1,500,000	13,500,000
Total			15,000,000	1,500,000	13,500,000

The €15 million loan agreement was entered into during the year for ordinary corporate financing needs. The next principal repayments are scheduled for 2024 (€1.5 million) and 2029 (€3 million every year) and 2029 (residual €1.5 million).

The tables above show the nominal amount of the loans. For some of them, a lower amount is shown in the financial statements due to the application of the amortised cost method.

Bank loans and borrowings also include Interest expense on loans pertaining to the year but due in subsequent years amounting to approximately €1 million.

Covenants

In line with market practice for borrowers of similar credit standing, the main loan agreements require compliance with the following covenants:

- financial covenants under which the Company undertakes to comply with certain contractually agreed financial ratios, the most significant of which, relate to net financial debt to gross operating profit/loss (EBITDA), based on Sammontana Group's consolidation scope as per the definition set out with the relevant lending counterparties;
- negative pledge commitments under which the Company shall not create collateral or other liens on corporate assets;
- *pari passu* clauses, under which the loans will have the same priority in repayment as other financial liabilities, and change of control clauses, which are triggered in the event of loss of corporate control by the majority shareholder;
- limitations on extraordinary transactions that the Company may carry out.

Furthermore, for three loans (Credit Agricole, BNL and BPM), the interest rate is linked to the measurement of certain KPIs - sustainability indicators - relating to the reduction of CO₂ emissions and plastic packaging in the total amount of packaging used.

The Group constantly measures the financial covenants and other contractual commitments.

All the above transactions refer to the Parent Company Sammontana S.p.A..

Trade payables

They are recognised net of trade discounts. Cash discounts are recognised upon payment. Their nominal amount was adjusted for returns or allowances (billing adjustments) to the extent of the amount agreed with the counterparty. This item increased by approximately €13.4 million compared to €63 million at 31 December 2022.

Payables to parent companies

The payable to the ultimate parent Company Sammontana Finanziaria S.r.l. due by Sammontana S.p.A. - Benefit Corporation and Transfrigo S.r.l. is broken down as follows:

Payables to parent companies	2023	2022	Changes
Financial payables:			
- Sammontana cash pooling arrangement	1,845,889	2,260,210	(414,321)
- Transfrigo cash pooling arrangement	29,472	44,121	(14,649)
Trade payables			
- Sammontana business relations	1,367	0	1,367
Tax payables:			
- IRES (corporate income tax) relating to Sammontana	8,923,308	0	8,923,308
- IRES relating to Transfrigo	(17,350)	0	(17,350)
Total	10,782,685	2,304,331	8,478,355

The payable due to Sammontana Finanziaria S.r.l. mainly refers to the negative balance of the cash pooling arrangement of approximately €1.8 million pertaining to Sammontana S.p.A. - Benefit Corporation.

Payables to subsidiaries managed by parent companies

Payables to subsidiaries managed by parent companies	2023	2022	Change	Change %
Immobiliare Ind.le	475,309	216,980	258,329	100%
Fattoria la Leccia Arl	57,674	124,997	(67,323)	100%
Total	532,983	341,977	191,006	100%

These payables relate to amounts of a trade nature due to Immobiliare Industriale S.r.l. and Fattoria La Leccia Soc. Agricola r.l.

Tax payables

This item only includes liabilities for taxes that are certain and of a specified amount. Indeed, those for taxes that are probable or of an uncertain amount or due date, and recognised under liability item B.2 (Provision for taxes).

The balance of approximately €3.9 million consists of withholding taxes on wages and salaries and professional fees paid in January 2024 of about €2.2 million, substitute taxes payable and other residual withholdings of roughly €342 thousand, and IRAP payables of €1.3 million.

Tax payables	2023	2022	Changes
Sammontana S.p.A. - Benefit Corporation	3,836,428	4,504,849	(668,421)
Transfrigo S.r.l.	14,297	14,642	(345)
Total	3,850,725	4,519,491	(668,766)

Social security charges payable

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

Other payables

Other payables	2023	2022	Changes
Trade payables	26,524,966	22,851,728	3,673,237
Due to employees	8,750,281	6,696,937	2,053,345
Other payables	964,648	124,937	839,711
Total	36,239,895	29,673,602	6,566,293

Trade payables refer to year-end bonuses linked to the achievement of sales targets. During the year, they were partially recognised in order to reduce both the effective exposure of customers and the year-end accruals.

This item also includes the reclassification of "debit" balances relating to customers (€5.6 million).

Due to employees mainly consist of:

- approximately €3.1 million relating to deferred remuneration (additional months' pay, accrued and untaken holidays) and related contributions;
- €2.4 million relating to December 2023 wages and salaries paid in January 2024.

ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income	2023	2022	Changes
Accrued expenses	0	0	0
Total	0	0	0

There are no accrued expenses relating to more than five years.

INCOME STATEMENT

PRODUCTION REVENUES

Production revenues	2023	2022	Changes
Revenues from sales and services	548,761,983	484,263,531	64,498,452
Change in finished products and goods	13,301,255	1,269,178	12,032,077
Other revenues and income	8,943,090	13,684,491	(4,741,401)
Total	571,006,328	499,217,200	71,789,128

Revenues from sales and services

Revenues from sales and services	2023	2022	Changes
Sale of goods	545,714,118	481,282,727	64,431,391
Sale of accessories	2,941,466	2,874,404	67,062
Supply of services	106,400	106,400	0
Total	548,761,983	484,263,531	64,498,453

The sale of accessories essentially refers to advertising material. InterCompany services are virtually unchanged from 2022.

Revenues by geographical area	Sales	Services	Total
Italy	527,199,658	106,400	527,306,058
Abroad	21,455,925	0	21,455,925
Total	548,655,583	106,400	548,761,983

The turnover achieved in Italy accounts for about 96% of the total turnover. The turnover achieved with foreign customers amounts to approximately €2.1 million and refers to sales in Germany and Austria, roughly €3.1 million relating to sales in the United Kingdom, and about €8.2 million relating to sales to Eastern European countries. Sales in Australia are just under €1 million.

Changes in products under construction, semi-finished and finished products and goods

At the reporting date, changes in inventory decreased considerably by approximately €12 million.

Other revenues and income

This item may be analysed as follows:

Other revenues and income	2023	2022	Changes
Leases	45,355	42,272	3,083
Gains on the sale of assets	331,147	46,597	284,550
Recovery of distribution costs and overheads	507,929	575,772	(67,843)
Insurance recoveries	625,189	107,058	518,131
Revenues from the sale of other materials	1,213,282	978,903	234,379
Grants related to income	136,225	201,144	(64,919)
Revenues from energy balances	660,723	716,860	(56,137)
Prior year income	1,932,201	2,837,466	(905,266)
Other	3,491,039	8,178,419	(4,687,379)
Total	8,943,090	13,684,491	(3,779,999)

For information about prior year income, reference should be made to the section in the Report on Operations covering non-recurring charges/income. "Other" mainly includes tax credits for energy, training, operating assets, etc., and logistics contributions from suppliers.

PRODUCTION COST

Production cost	2023	2022	Changes
Raw materials, consumables and supplies	235,662,631	207,489,344	28,173,287
Services	167,272,490	156,375,216	10,897,274
Use of third-party assets	11,694,477	10,910,799	783,678
Due to personnel	81,978,480	76,645,012	5,333,468
Amortisation of intangible fixed assets	8,779,447	7,371,365	1,408,082
Amortisation of tangible fixed assets	26,046,987	24,862,884	1,184,103
Write-down of current receivables	1,010,972	2,563,229	(1,552,257)
Change in raw materials	(3,584,570)	1,175,882	(4,760,452)
Provisions for future risks and charges	0	550,000	(550,000)
Other operating costs	3,635,525	5,859,554	(2,224,029)
Total	532,496,439	493,803,285	38,693,154

Costs for raw materials, consumables, supplies and goods

Raw materials, consumables and supplies	2023	2022	Changes
Raw materials	187,149,616	166,091,525	21,058,091
Goods	34,538,505	27,132,156	7,406,348
Consumables	7,996,211	6,333,777	1,662,434
Advertising material	3,650,652	4,550,351	(899,700)
Other purchases	2,327,647	3,381,534	(1,053,887)
Total	235,662,631	207,489,344	28,173,287

These are mainly costs incurred for the purchase of raw materials for the production of ice cream and frozen bakery products.

Costs for goods mainly relate to the purchase of ice cream, bakery products, savoury snacks and meals ready to eat from third parties.

The total cost, which increased compared to the previous year in relation to raw materials and goods, is directly related to "revenues from sales". For additional information, reference should be made to the Report on Operations.

Costs for services

Services	2023	2022	Changes
Utilities	12,114,529	19,837,088	(7,722,559)
Administrative services	2,431,467	2,538,826	(107,358)
Transport and storage	50,968,327	42,842,243	8,126,084
Commercial services and consultancy	1,273,713	1,124,929	148,784
Agents' fees and commissions	10,342,150	9,434,172	907,977
Commercial costs - Agents	20,820,598	18,198,541	2,622,057
Advertising costs	10,768,205	7,776,407	2,991,798
Commercial costs - other distribution channels	38,889,268	33,881,245	5,008,024
Sundry commercial contributions	176,143	137,985	38,158
Industrial services	10,173,016	13,193,136	(3,020,119)
Maintenance	2,783,697	2,701,641	82,055
Other services	6,531,377	4,709,002	1,822,375
Total	167,272,490	156,375,216	10,897,274

“Commercial costs - Agents” refer to the contributions paid to our sales network for distribution services.

Advertising costs account for approximately 6.3% of the total costs for services. They are down 4.9% from the previous year.

Administrative services include Directors' fees (approximately €394 thousand), Board of Statutory Auditors' fees (€47 thousand) and audit fees (roughly €95 thousand).

“Industrial services” include costs for technical consultancy (€1.1 million) and costs for waste disposal and other environmental charges (approximately €1.3 million).

Almost all the above costs refer to the Parent Company.

Costs for the use of third-party assets

Use of third-party assets	2023	2022	Changes
Lease instalments	6,006,719	5,353,598	653,121
Lease of industrial equipment	0	28,800	(28,800)
Lease of vehicles	1,633,180	1,630,872	2,308
Leases of sundry assets	3,054,139	2,847,672	206,466
Leases	0	2,636	(2,636)
Other costs	1,000,439	1,047,220	(46,781)
Total	11,694,477	10,910,799	783,678

This item increased slightly compared to the previous year.

“Lease of vehicles” essentially relates to the long-term lease of cars, while “other costs” relate to the royalties costs incurred to use third-party trademarks and software licence fees. “Lease of sundry assets” recorded a more noticeable increase. At 31 December 2023, there were no finance leases.

These charges are almost entirely attributable to the Parent Company.

Personnel expenses

Personnel expenses	2023	2022	Changes
Wages and salaries	52,943,516	48,028,920	4,914,596
Social security contributions	17,399,879	15,556,897	1,842,982
Employees' leaving entitlement	3,547,734	3,753,449	(205,715)
Other costs	8,087,351	9,305,746	(1,218,395)
Total	81,978,480	76,645,012	5,333,468

This item includes all wages and salaries and social security contributions relating to employees, including bonuses, merit-based raises, promotions, seniority increases, charges borne by the Company in connection with the supplementary pension fund (Alifond), the cost of untaken holidays and provisions required by law and by collective agreements.

“Wages and salaries”, “Social security contributions” and “Employees' leaving entitlement” rose on the previous year, due to increased production requirements, such as “Temporary work”.

Workforce and employee training

Employees	2023	2022
Managers	25	26
White collars	432	408
Blue collars	651	613
Total	1,108	1,047

Average number of employees	2023	2022
Managers	25	26
White collars	432	418
Blue collars	795	734
Total	1,252	1,178

At 31 December 2023, the workforce comprised 49 employees operating across the branches located all over the country, while the remaining employees operated at the Empoli headquarters (approximately 578) and Colognola ai Colli (241) and Vinci (225) facilities.

Due to the seasonal nature of sales and, therefore, of production, 341 people were hired under fixed-term contracts during the year, mainly blue collars. In addition to employees, there were nine interns.

Furthermore, there were 14 employees of Transfrigo S.r.l..

The national employment contract applied is that of the food industry and that for industrial managers.

Breakdown of personnel	Managers	Junior managers	White collars	Blue collars
Men	24	38	230	476
Women	1	1	163	175
Average age	55	54	43	47
Work seniority < 2 years	0	1	78	129
Work seniority 2 < 5 years	3	1	78	70
Work seniority 6 < 12 years	4	1	74	83
Work seniority > 12 years	18	36	163	369

Days	Illness (days)	Maternity (days)
Employees with a permanent contract	8,093	2,857
Employees with a fixed-term contract	1,237	1

Amortisation of tangible and intangible fixed assets

Amortisation has been calculated based on the useful life of the assets, their use in production and the related obsolescence process.

The balance at 31 December 2023 amounts to €34.8 million.

It may be analysed as follows:

Amortisation	2023	2022	Changes
Tangible fixed assets	8,779,447	7,371,365	1,408,082
Intangible fixed assets	26,046,987	24,862,884	1,184,103
Total	34,826,434	32,234,249	2,592,185

Write-downs of current receivables and cash and cash equivalents

As discussed in the note to receivables, at the reporting date, 0.50% of the trade receivables was provided for pursuant to article 106 of Presidential decree no. 917/1986 (i.e., roughly €360 thousand).

Furthermore, the Parent Company prudently recognised an additional provision of approximately €0.65 million.

The write-down of receivables is entirely attributable to the Parent Company.

Change in raw materials, consumables and supplies

In 2023, the closing inventory of raw materials and supplies increased by approximately €3.5 million. This item includes a prudential write-down of €2.4 million.

Provisions for risks

This item has a nil balance in 2023.

Other operating costs

Other operating costs	2023	2022	Changes
Membership fees	320,346	314,645	5,701
Donations	200,342	45,000	155,342
Entertainment expenses	331,834	282,932	48,902
IMU (local municipal tax)	424,481	524,899	(100,418)
Other taxes and duties	1,021,502	923,163	98,339
Penalties, fines and sanctions	23,433	45,941	(22,508)
Other charges	1,313,588	3,722,974	(2,409,387)
Total	3,635,525	5,859,554	(2,224,028)

“Membership fees” comprise several items, mostly related to specific tax charges and costs related to trade associations (approximately €320 thousand). Other taxes and fees mainly consist of the advertising tax (approximately €300 thousand) and stamp and registration fees.

“Other charges” essentially include tax charges of approximately €1.2 million and losses on the sale of assets of €0.7 million (of these, about €250 thousand related to the sale of the Pomezia building).

The above items essentially relate to the parent Company.

FINANCIAL INCOME AND CHARGES

Financial income and charges	2023	2022	Changes
Investment income	221	182	38
Other financial income	1,781,884	742,378	1,039,506
Interest and other financial charges	(4,609,784)	(1,679,327)	(2,930,457)
Exchange rate gains and losses	45,115	(34,905)	80,020
Total	(2,782,564)	(971,672)	(1,810,892)

Other financial income may be analysed as follows:

Other financial income	2023	2022	Changes
Bank and postal interest income	77,628	259,921	(182,293)
Other income	1,704,256	482,457	1,221,799
Total	1,781,884	742,378	1,039,506

“Other income” essentially includes the interest income on the Group’s cash pooling arrangement.

“Interest and other financial charges” may be analysed as follows:

Interest and other financial charges	2023	2022	Changes
Bank interest expense	589,528	57,609	531,919
Interest on loans	3,827,648	1,529,554	2,298,094
Other charges	192,609	92,165	100,445
Total	4,609,784	1,679,327	2,930,457

The balance of this item rose slightly, mainly due to the rise in interest expense on the loans taken out by the Parent Company in the current and previous years.

In 2023, foreign currency items generated the following exchange rate differences:

Exchange rate gains and losses	2023	2022	Changes
Exchange rate gains	45,399	23,822	21,576
Exchange rate losses	(284)	(58,728)	58,444
Net exchange rate gains (losses)	45,115	(34,905)	80,020

INCOME TAXES

In 2023, the “negative” IRAP tax charge amounted to approximately €2.3 million. In contrast, the IRES tax charge is positive by approximately €8 million. By participating in the national tax consolidation scheme (pursuant to article 117 et seq. of the TUIR), the Parent Company transfers a negative taxable base to the ultimate Parent Company Sammontana Finanziaria S.r.l.. Consequently, a tax consolidation charge of €6,961,106, was recognised, while Transfrigo decreased this charge with a positive balance of €141,854.

DEFERRED TAXES

Deferred taxes were calculated based on the cumulative amount of all temporary differences, using the effective tax rate of the most recent year.

Deferred tax assets have been recognised as there is a reasonable certainty of the existence, in the years in which the relevant temporary differences will reverse, of taxable income not less than the amount of the differences that will be reversed.

Net deferred tax assets amount to approximately €0.8 million.

OTHER INFORMATION

Off-balance sheet commitments, guarantees given and contingent liabilities.

MEMORANDUM ACCOUNTS

Guarantees given	2023	2022	Changes
Sureties issued by third parties in the interest of the Company	34,295,039	33,076,983	1,218,056
Total	34,295,039	33,076,983	1,218,056

The main sureties issued by third parties on behalf of the Group were issued by banks and insurance companies and related to the collection of VAT reimbursements.

Revenues or costs of a significant amount or impact

Pursuant to article 2427.13 of the Italian Civil Code, it is noted that no revenue or cost items of a significant amount or impact were recognised.

Information pursuant to article 1.125 of Law no. 124 dated 4 August 20174

Pursuant to article 1.125 of Law no. 124/2017 which requires companies to disclose in the notes to their financial statements any amounts received during the year as grants, contributions, paid positions and any economic benefits received from public administrations and the parties listed in paragraph 125 of the above decree, the following is noted:

Grants related to income SAMMONTANA	2023
G.S.E. grants	49,592
Total	49,592

Grants related to income	2023
Carbon tax contributions	86,633
Total	86,633

Code for corporate crisis and insolvency

Pursuant to the legislation governing corporate crisis and insolvency (Legislative decree no. 14/2019), the Directors of the Parent Company appointed a department to monitor compliance with the parameters set out in the law. The supporting documentation is also provided to the Parent Company's control body within the applicable deadlines.

Directors' and statutory auditors' fees

2023	
Board of Directors	404,000
Board of Statutory Auditors	47,000
Independent Auditors	100,000

Statutory audit

<i>Company</i>	<i>Term of the engagement</i>
PricewaterhouseCoopers S.p.A.	approval of 2024 financial statements

The fees for the statutory audit of the individual and consolidated financial statements amount to €100 thousand (of which €5 thousand relates to the financial statements of Transfrigo S.r.l.). The tables annexed to these notes (Tables 1 and 2) show the changes in tangible and intangible fixed assets.

POST-BALANCE SHEET EVENTS

On 3 February 2024, the ultimate Parent Company Sammontana Finanziaria S.r.l. entered into an agreement whereby:

- the shares of Sammontana S.p.A. - Benefit Corporation will be transferred to a holding Company (Sammontana Holding S.p.A.).
- Sammontana Holding S.p.A. will be subject to a capital increase subscribed by a vehicle of the Investindustrial Fund and by management.
- A financial provision will be set up with a bridge loan and a revolving facility in order to purchase the Forno d'Asolo Group from the vehicle (Piave Investment) of the BC Partners Fund.

The closing of this transaction is expected to take place in early May 2024.

The new group resulting from this transaction will have a turnover of more than €1 billion and will operate with directly controlled companies not only in Italy, but also in the US, France, Germany and Switzerland.

Furthermore, the Company will apply to become a B-Corp by March 2024. This certification is expected to be obtained by the end of 2024.

CONCLUSIONS

These consolidated financial statements, comprising a balance sheet, an income statement, a cash flow statement and the notes thereto, give a true and fair view of the Group's financial position and results of operations and are consistent with the accounting records.

Empoli, 27 March 2024

The Deputy Chairman of the Board of Directors
of the Parent Company Sammontana S.p.A.
Benefit Corporation

Marco BAGNOLI



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ANNEXES



ANNEX 1

CHANGES IN INTANGIBLE FIXED ASSETS

Intangible fixed assets	2022	Increases 2023	Decreases 2023	Amortisation 2023	2023
Development costs	829,429	0	0	(372,169)	457,260
Industrial patents and intellectual property rights	3,295,013	3,208,664	0	(3,229,955)	3,273,722
Concessions, licences, trademarks and similar rights	32,879,627	1,357,002	0	(3,609,993)	30,626,636
Goodwill	6,014,194	1,092,836	0	(1,079,252)	6,027,778
Deferred costs	184,670	300,060	0	(362,471)	122,259
Leasehold improvements	272,590	5,873	0	(125,606)	152,857
Other assets	457,260	305,933	0	(488,077)	275,116
Assets under development	0	0	0	0	0
Total	43,475,523	5,964,434	0	(8,779,446)	40,660,511



ANNEX 2

CHANGES IN TANGIBLE FIXED ASSETS

Tangible fixed assets	2022	Increases 2023	Decreases 2023	Amortisation 2023	Uses 2023	2023
Land and buildings	48,469,766	3,273,948	(6,568,349)	(1,662,261)	4,255,920	47,769,024
Plant and machinery	43,157,803	10,422,714	(22,498,505)	(11,601,343)	22,352,356	41,833,025
Industrial and commercial equipment	28,169,400	12,330,073	(9,047,962)	(11,903,853)	8,263,754	27,811,412
Other assets	2,756,418	951,243	(376,313)	(879,530)	319,308	2,771,126
Assets under construction	6,658,147	8,114,579	0	0	0	14,772,726
Total	129,211,534	35,092,557	(38,491,129)	(26,046,987)	35,191,338	134,957,313





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SAMMONTANA
ITALIA



Concept, Graphic Design and Creation:



April 2024



