Exor

2022 Annual Report

Board Report

Exor N.V.

Corporate Seat: Amsterdam, the Netherlands
Principal Office: Gustav Mahlerplein 25 - 1082 MS Amsterdam, The Netherlands
Share Capital: €7,398,685 (as of 31 December 2022)
Amsterdam Dutch Commercial Register under number 64236277

Dear Shareholders,

I finalised this year's Letter while nearing the end of a trip to Asia, which I last visited in 2019. During these past four years, we have faced many adversities and, rather than easing, these have continued to intensify with the ongoing war in Ukraine, the geopolitical tension between America and China and global inflation rising to 9%, triggering significant losses in both bonds and stocks.

As I depart India, the wisdom of Mahatma Gandhi is very much on my mind. He is often quoted to have said: "Peace is not the absence of conflict, but the ability to cope with it".

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EXOR IN 2022

In 2022, Exor's Net Asset Value per share, or NAV per share, decreased by 7.6% outperforming by 6.6 p.p. our benchmark, the MSCI World Index (both denominated in EUR).

EXOR NAV PER SHARE PERFORMANCE vs. THE MSCI WORLD INDEX (in EUR)

Annual percentage change

Year	1 - Exor NAV per share in EUR	2 - MSCI World Index in EUR	Relative results (1-2)
2009	87.1	37.8	49.3
2010	44.2	17.2	27.0
2011	(23.8)	(4.5)	(19.3)
2012	19.3	11.4	7.9
2013	15.8	18.7	(2.9)
2014	14.5	17.2	(2.7)
2015	20.8	8.3	12.5
2016	13.2	8.5	4.7
2017	37.9	5.5	32.4
2018	(9.5)	(5.9)	(3.6)
2019	37.1	27.5	9.6
2020	3.5	4.6	(1.1)
2021	29.7	29.3	0.4
2022	(7.6)	(14.2)	6.6
Compound annual rate	**17.6**	**10.8**	**6.8**

Note: data in 2009 starts from March 1st, the date before Exor's listing on Borsa Italiana (Euronext Milan).

The main driver of our outperformance this year has been our cash, which made up around 20% of our Gross Asset Value (GAV) in July 2022 after we sold PartnerRe to Covéa for a total cash consideration of €8.6 billion.

On the closing date, we received cash proceeds of $3.9 billion paid in USD (net of our investment in the reinsurance vehicles managed by PartnerRe for $0.7 billion and net of the extraordinary dividend received for $0.2 billion) and €3.8 billion paid in EUR.

The €10.1 billion decrease in the value of our Companies was mainly driven by the sale of PartnerRe together with the negative market performance of our listed Companies.

The doubling in the size of our Investments resulted from our redeployment of some of the cash from the PartnerRe sale. Given that Investments now makes up a greater share of our GAV, it has a dedicated section both in our NAV breakdown and this Letter to provide more details on what is a growing part of Exor. Investments primarily represents the funds directly managed by our colleagues Matteo Scolari (Public), Nikhil Srinivasan (Private) and Noam Ohana (Ventures).

Most of the remaining PartnerRe proceeds are held in Others, including mainly liquidity, reinsurance vehicles and other assets.

NET ASSET VALUE AT 31 DECEMBER 2022

€ million	31-Dec-2022	31-Dec-2021	Change vs. 31-Dec-2021	
			Amount	%
Companies	24,262	34,336	(10,074)	(29.3)%
Investments	1,782	826	956	115.7%
Others	6,443	985	5,458	554.1%
Gross Asset Value (GAV)	**32,487**	**36,147**	**(3,660)**	**(10.1)%**
Gross Debt	(4,234)	(4,307)	73	(1.7)%
Bonds and bank debt	(3,625)	(4,219)	594	(14.1)%
Other financial liabilities	(609)	(88)	(521)	592.0%
Other Liabilities	(20)	(771)	751	(97.4)%
Net Asset Value (NAV)	**28,233**	**31,069**	**(2,836)**	**(9.1)%**
NAV per Share (EUR)	**122.3**	**132.4**	**(10.1)**	**(7.6)%**

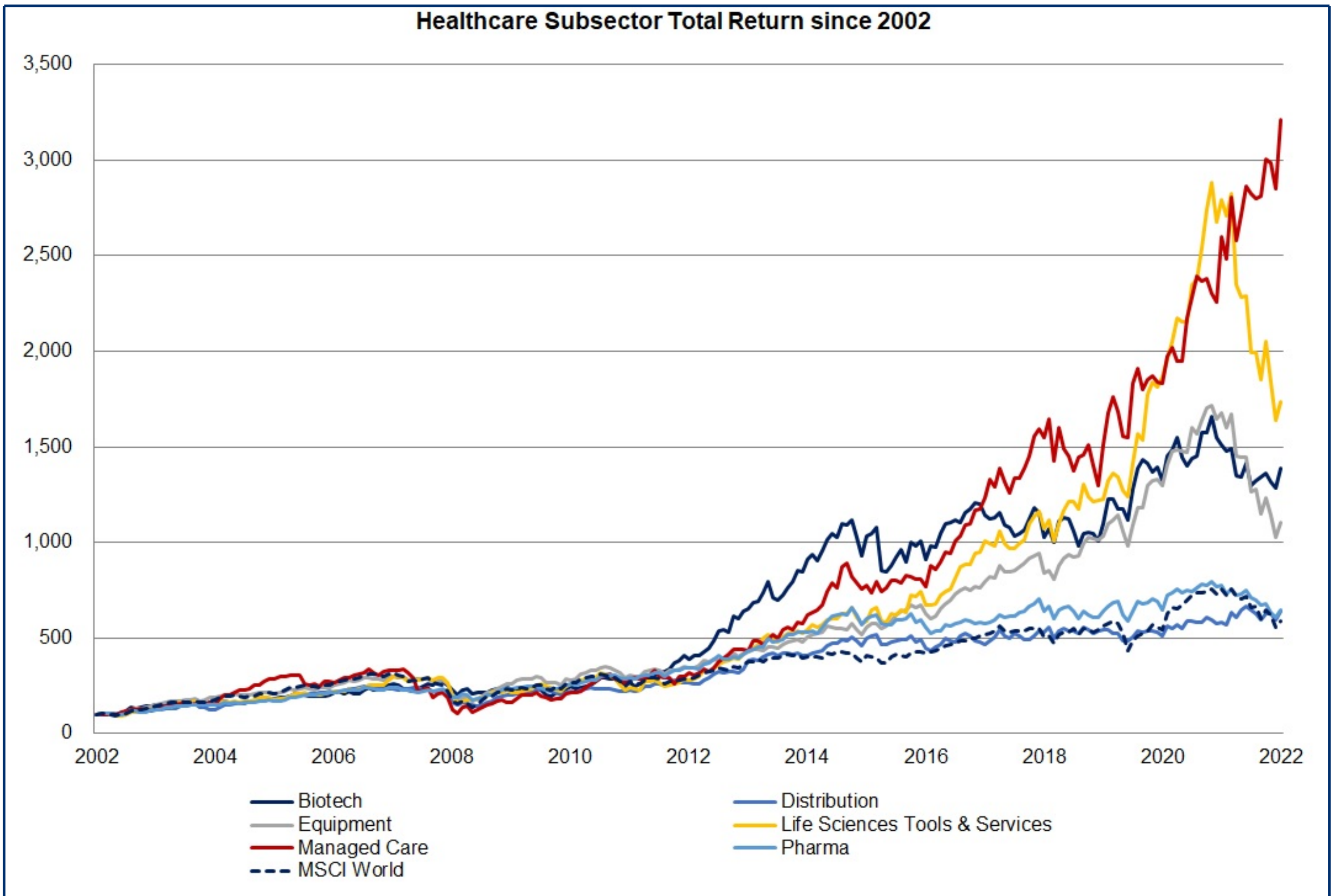
Companies (75% of GAV)

Entering a new sector: healthcare

We deepened our knowledge of the healthcare sector and invested close to €1 billion in 2022.

This sector will continue to expand over the coming decades as it works to meet the needs of ageing populations across the globe. For example, while US healthcare spending for those aged 0 – 44 is between $3,000 and $5,000 per year, these costs increase eightfold for those aged 85 or above. As we live in a world with a growing population that is also living longer, there is a pressing need to reduce the cost and improve the quality of healthcare systems and this is creating interesting opportunities to deploy capital.

For Exor, not only do investments in healthcare resonate with our sense of purpose, they also reward those with long-term horizons. As the graph below shows, over the last twenty years all healthcare subsectors outperformed the MSCI World Index in terms of annualised total returns.

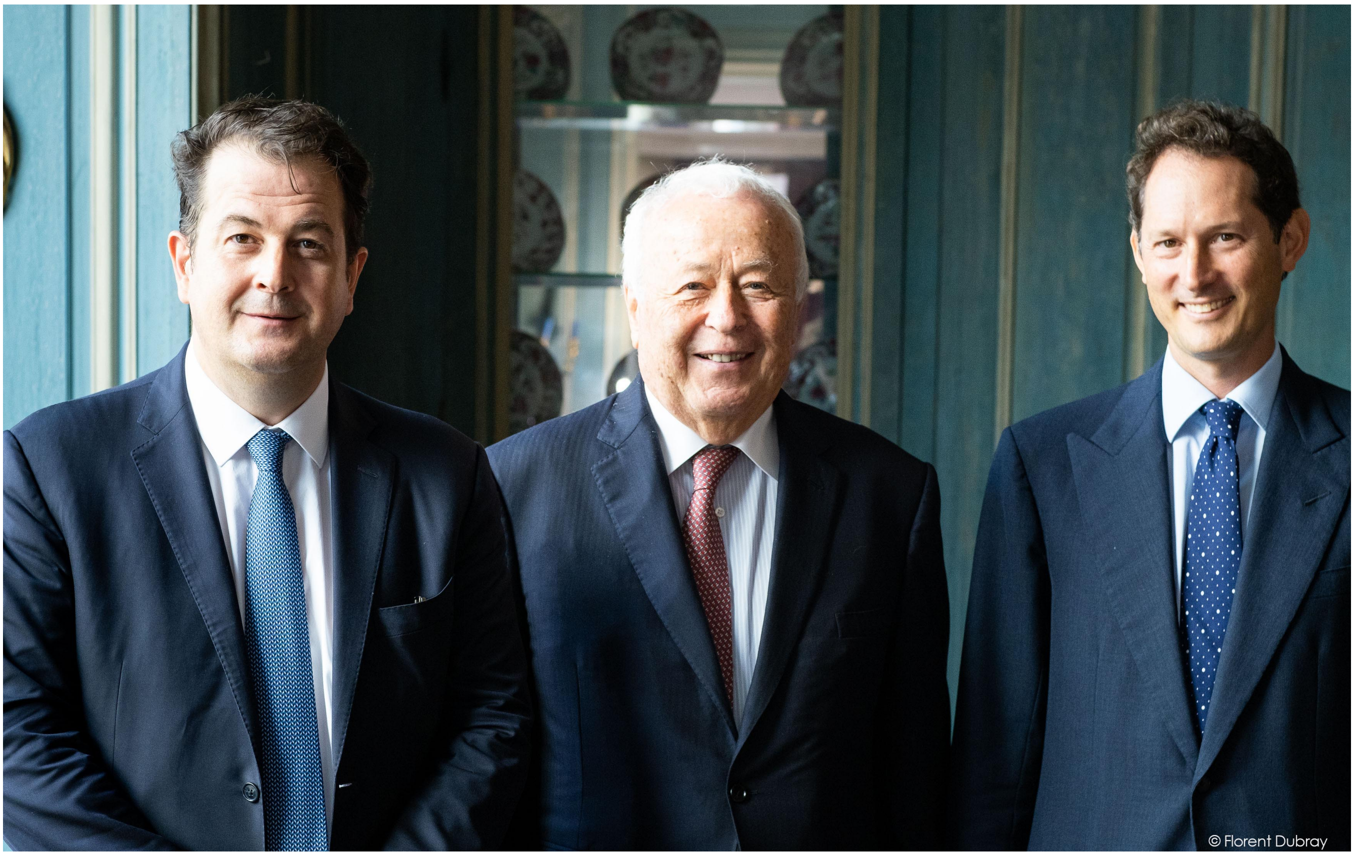


Source: Société Générale data, Exor analysis

Our largest healthcare investment in 2022 was in Institut Mérieux. We were delighted to initiate a privileged partnership with the Mérieux family and our investment of €833 million will represent a 10% shareholding in the company.

When we began our first conversations with the Mérieux family, we were impressed by their purpose which has guided them over the past 125 years in providing solutions and services in the fight against infectious diseases and cancers to improve medicine and public health across the globe.

Their story began in 1894 when Marcel Mérieux joined Institut Pasteur and was inspired by Louis Pasteur's teachings to create Institut Biologique Mérieux in 1897. His son, Charles, would then take over in 1937 and would bring the relatively small-scale virology into the industrial era. Alain would follow in the footsteps of his father, Charles, and lead the international expansion as the company became the world leader in human and veterinary vaccines. In 1994, the company then started a new chapter when it sold its vaccines business, creating a new bio-industrial cluster focused at the beginning on diagnostics with bioMérieux, a company founded in 1963 by Alain Mérieux. The new group next expanded into immunotherapy and food safety. Today Alexandre, his son, is at the helm of bioMérieux, the flagship of the group, and he has very clearly stated his approach as a leader: "We need ambition because the task is immense. And we need humility, because the task is immense".



With Alexandre and Alain

Given the Mérieux family's very successful entrepreneurial journey in the healthcare sector, this is a special opportunity to build a relationship with Alain and Alexandre. We are looking forward to working with them and their colleagues and learning from their considerable expertise and insights on the trends shaping the future of healthcare.

Institut Mérieux consists of a unique collection of five companies: Mérieux NutriSciences is the second largest player in food safety inspection, ABL conducts R&D and contract biomanufacturing in the fields of cancer and infectious diseases, Transgene's immunotherapy products are designed to support the immune response against specific tumours or infected cells and Mérieux Développement invests in innovative entrepreneurs that could be trailblazers in the healthcare of tomorrow.

The majority of Institut Mérieux's Gross Asset Value, however, lies in its fifth company: bioMérieux. This company, a leading in-vitro diagnostics player, focuses on clinical diagnostics for infectious diseases. COVID-19 accelerated innovation in this area and today growth is being driven by three factors: (i) the need for fast diagnostics to fight the "silent pandemic" of antimicrobial resistance that, if unchecked, could cause up to 10 million deaths per year by 2050, (ii) the demand for companion diagnostics to enable individualised treatments and (iii) the requirement for ever more rapid diagnostics will extend beyond the hospital laboratory to all the various points of care, including at home.

Thanks to our close and ever-strengthening relationship with Institut Mérieux and the Mérieux family, we look forward both to supporting the development of their five companies and to benefitting from their deep knowledge and expertise in our search for future healthcare opportunities, in particular within the fields of genomics, proteomics, life science tools, imaging and instruments.

Earlier on in 2022, we also made another healthcare investment, acquiring 45% of Lifenet Healthcare, an Italian company focused on the management of hospitals and outpatient clinics. This company was founded in early 2018 by Nicola Bedin, a young and talented entrepreneur, who decided to take on the challenge of creating a new healthcare provider in Italy, having been CEO of the country's leading hospital group, Gruppo Ospedaliero San Donato, for 12 years.

Lifenet Healthcare has since developed through a combination of acquisitions, reorganisations and organic growth and now comprises ten facilities including hospitals and large outpatient centres in four Italian regions (Lombardy, Piedmont, Emilia-Romagna and Lazio), with a headcount of more than 1,500 people. We see more opportunities, within the next decade, to deploy capital to support the company's growth, as it becomes known within its sector for innovating and improving both healthcare services and the patient journey, and coupling this with good financial results.

Through Exor Ventures (whose evolution from Exor Seeds I will discuss later), we are also developing partnerships with healthcare companies at a much earlier stage in their lifecycle. We believe that emerging companies at the intersection of biology and technology will create significant value by addressing core inefficiencies in the healthcare industry through greater personalisation, improved manufacturing and increased decentralisation of healthcare.

The ability to engineer biology is transforming how human disease is diagnosed and treated, allowing increased personalisation. Next-generation therapies like gene editing and cell therapies will enable us to programme biology with greater precision and sophistication, with applications that go well beyond the initial successes of mRNA vaccines. In 2022, Ventures partnered with a startup that is extending such therapies to areas like rare diseases and oncology.

New challenges created by personalised therapeutics, including complex manufacturing processes that are costly and inaccessible for many, are also creating opportunities within the pharmaceutical industry. We recently partnered with a startup that is developing robotic systems for the mass manufacturing of patient-specific therapies.

Finally, digital tools are enabling the decentralisation of healthcare, through home-based care, improved patient engagement and remote patient monitoring. We have made four early-stage investments in this area and are exploring others.

Reflecting on 2022, I can confidently share with you that our work on healthcare has reinforced our view that there are real opportunities for us in this sector and our interest has only grown. We are excited by what we have learned so far and encouraged by our first investments.

Our biggest Companies

I will now share with you an update on our three biggest Companies – Ferrari, Stellantis and CNH Industrial – all of which presented new strategic plans in 2022.

Ferrari, our most valuable Company, continues to strengthen and the year started spectacularly with the Ferrari Daytona SP3 being awarded the Grand Prize: Most Beautiful Supercar 2022 at the Paris Festival Automobile International. This award highlights the beauty of the works of art that are being so passionately crafted at Maranello.

Ferrari Daytona SP3

Later on in the year, Benedetto Vigna and his team presented Ferrari's new strategic plan for 2022 – 2026: Pushing the Boundaries. The plan outlined their intention to have fifteen new launches, between 2023 and 2026, including the highly anticipated new Supercar and, in 2025, the first fully electric Ferrari. By 2026, internal combustion engines will represent 40% of the powertrains offering, while hybrid and fully electric will make up the remaining 60%. Ferrari's aim is to have an offering that can adapt to consumer preferences while respecting regulations and continuing to be distinctive in terms of performance and sound. As Ferrari races ahead with its evolving portfolio, it anticipates that revenues will increase up to €6.7 billion by 2026 and its adjusted EBITDA margin will reach close to 40%, which is well in line with best in class luxury companies.

Ferrari closed the year with record results including revenues of €5.1 billion (up 19% on the previous year) and an adjusted EBITDA of €1.8 billion (35% margin). While profound change is happening within the walls of Maranello, particularly to strengthen its racing activity on the track and to develop its lifestyle lines on the catwalks, the will to progress that our founder, Enzo Ferrari, held close to his heart continues to keep the people of Ferrari humble and ambitious as they shape the Prancing Horse's future.

After just two years, Stellantis continues to deliver record results. The company closed 2022 with net revenues of €179.6 billion (up 18% on the previous year's pro forma) and excellent profitability with an adjusted operating income of €23.3 billion (13% margin). Stellantis has already established its presence in the automotive world as the third largest player by revenue as well as margin and bearing in mind the disclosure differences across global OEMs, the market leader in absolute operating income. These are all very encouraging indications for a young company with deep roots and a fierce competitive spirit.

As Stellantis pursues its transition, it plans to continue to deliver excellent financial results with ambitions to double net revenues to €300 billion by 2030 (as compared to 2021) while sustaining double-digit adjusted operating income margins throughout the decade.

Since revealing its Dare Forward 2030 strategic plan in March of last year, Stellantis has used both joint ventures and carefully chosen investments to deepen its expertise in technologies that will shape the future of sustainable mobility. These include its partnerships with LG Energy Solution and Samsung SDI to create large-scale lithium-ion battery production plants in North America, its acquisition (through Free2move) of the car sharing company Share Now, and its acquisition of aiMotive to bolster its artificial intelligence and autonomous driving technologies. Stellantis is also looking at mobility above the ground and has agreed to manufacture Archer's flagship electric vertical take-off and landing (eVTOL) vehicle and to further invest up to $150 million. The recent presentation by Carlos Tavares and his team at CES gave a clear idea of the future Stellantis is building.

Last year, I promised that I would share with you more detail about CNH Industrial. This company boasts a rich portfolio of historic brands – Case, New Holland, Fiat and Ford – that trace their origins back to four 19th and 20th century entrepreneurs.

Case was founded in 1842 thanks to Jerome Increase Case's determination to build a more effective threshing machine (a piece of farming equipment that removes seeds from grain) in Racine (Wisconsin, USA). In 1895, Abe Zimmerman started the New Holland Machine Works to develop high-performance freeze-proof stationary engines in New Holland (Pennsylvania, USA) that could stand up to the bitterly cold winters there. On the other side of the world, in 1899, my great, great grandfather Giovanni Agnelli turned his passion for motors into a lifetime endeavour, by founding the Fiat car company (Turin, Italy), which in 1918 created its first tractor, the model 702. Henry Ford founded the Ford Motor Company and would then produce his first tractor, the Model F, in 1917 – the world's first mass-produced tractor. These are four of the company's 'founding fathers' whose ambitions and products became the cornerstones of mechanised agriculture and construction, and the foundation of today's CNH Industrial.

A century later, the powerful machines CNH Industrial produces are equipped with the latest innovations such as industry-leading machine automation, advanced artificial intelligence and machine learning. This marks a shift from building ever-more powerful – and usually ever-bigger – equipment to machines that could make farmers' and builders' lives easier and more comfortable. These advances, alongside the advent of connectivity – linking machines to the farm or site office – mean better informed decisions, often using real-time data, can be automatically implemented in the field to improve operational efficiency.

At the start of 2022, Scott W. Wine and his team presented their 2024 strategic plan, which focuses on marrying Great Iron and Great Tech. Today, CNH Industrial's technology makes full autonomy a reality for certain applications: using endless terabytes of data, its equipment can maximise productivity while respecting the soil.

New Holland T4 E

The company is continuing to develop its digital and precision technologies, explore alternative power sources and create more customised approaches to construction. To support this, in 2021 CNH Industrial acquired the precision agriculture leader, Raven, for $2.1 billion. Raven brings significant expertise in digital agriculture, precision technology and the development of autonomous farming systems. This has helped fast track the company’s ability to support farmers, enabling them to reap more from their land with less time, effort and cost. These autonomous technologies mean that farmers do not even need to be in the cab to operate their machines but can instead use mobile devices to supervise them remotely.

As a result of these innovations, precision technology components generated a $0.9 billion revenue contribution for the company in 2022, with these revenues forecast to grow 10 – 15% annually in the years to come. This promising new growth platform builds upon CNH Industrial’s established foundations: strong global brands supported by a disciplined regional focus, an impeccable reputation for great iron borne out by market-leading harvesting equipment, and over 40,000 employees devoted to serving customers and driving continuous improvement.

Within its construction segment, CNH Industrial has been investing, both organically and through acquisitions such as the purchase of Sampierana (a specialist in excavators and special undercarriages), to bridge historic gaps in its product portfolio. Decisive action has driven the business’s return to profitable growth, including implementing a regional structure to bring it closer to its customers, enhancing its R&D capabilities and optimising its manufacturing footprint.

Alongside these changes, the company is continuing to deliver strong results. In 2022, CNH Industrial reported consolidated revenues of $23.6 billion (up 21% on the previous year) with an adjusted industrial activities operating income up 38% at $2.4 billion (11% margin).

Iveco Group became our newest public Company – and completed the latest step of the simplification of the Fiat Group – when it began its standalone life at the start of 2022 with its shares being listed on Euronext Milan. As I touched on last year, we believe that Iveco Group is well placed to capture the significant opportunities within the transportation and propulsion industries which are undergoing fundamental changes.

The company closed its first year with improving financial results. Gerrit Marx and his team are making consistent progress on the objectives they set at their Investor Day of over €16.5 billion in net revenues and a 5% – 6% operating income margin in 2026.

A difficult year for Juventus

To a greater extent than many of our Companies, Juventus found itself facing increasing internal and external adversities in 2022, which the Club struggled to deal with.

In general, continental European football is failing to keep up with the growing financial power of the Premier League whose revenues are expected to outpace Serie A by threefold by the end of this current season. The effects of this dominance are seen in the transfer market which in turn can play a key role in the success of clubs: in the 2022 summer window, the Premier League gross transfer expenditure was as much as the aggregate spend of Serie A, LaLiga, Bundesliga and Ligue 1 combined and this continued into the winter window with Chelsea alone spending more than the total spend of all the clubs from those four leagues. Football is still in its transition to a fully professionalised industry as there remains a lack of widespread clarity, which is creating financial and regulatory tensions.

Against this backdrop, Juventus had a significant loss of €239 million in the year and for the first time since 2011, the men's Team did not win a title. However, it was legal proceedings against the club that ended up occupying the company's Board, which met 18 times during the year. The level of pressure increased to the point where the Board decided to resign to enable the company to protect itself in the most effective way against charges ranging from allegedly inappropriate accounting to inaccurate communications to the financial markets related to mainly transfers of players and agreements on players' salaries. Juventus denies any wrongdoing.

I would like to thank the Juventus Board for acting with responsibility and particularly its Chairman Andrea Agnelli, who guided Juventus during a transformative and winning era.

The Club has been remarkably successful winning everything in Italy and internationally and has housed 27 men's world champions – more than any club in history. This level of sporting success, which brings great joy to our fans also creates, however, considerable animosity, which can manifest itself when the Club faces challenges.

Juventus now has a new Chairman, Gianluca Ferrero, and a new CEO, Maurizio Scanavino, who is also at the helm of our media company GEDI where he is leading a successful turnaround. At Juventus, Gianluca and Maurizio will be supported by a new Board, and they are off to a good start in ensuring Juventus addresses its many current challenges while safeguarding its reputation to enable it to come back stronger both on and off the pitch.

How we value our Companies

Our Companies represent the majority of our Gross Asset Value and their valuations are key components in assessing how well Exor is performing. We measure our progress in building great companies through tracking Exor's NAV per share, which we compare to the MSCI World Index. In calculating our NAV, we value our listed Companies at the official market price of the relevant stock exchange.

Our private Companies are valued at least annually by an independent expert, based on standard valuation methodologies which reflect the most recent market multiples and the companies' business plans, among other factors. Other ways in which we determine the fair value of a private company is: (i) at cost, if the investment was completed recently (in the last 12 or 18 months) and there are no impairment indicators, or (ii) based on the most recent investment rounds or arms-length transactions which provide clear indications of fair value. All of this work is overseen by our Audit Committee which is composed of only independent Directors.

At the end of 2022, our private Companies constituted around 9% of our GAV.

Our progress on ESG

Last year I outlined how our ESG strategy is focused around three elements: foundations, passions and communication. We have identified one passion within each of the ESG pillars and are pursuing these both at Exor and with our Companies. Our passions are emissions reduction (within the E pillar), using education to decrease inequalities and promote innovation (the S pillar) and increasing diversity and inclusion (the G pillar).

Our Companies have made strong contributions to these passions over the last year and will keep doing so.

Several of our Companies have set ambitious climate targets with clear deadlines that are aligned with global standards such as the Science-Based Targets initiative while others are looking at how to improve their emissions inventories.

In the field of education, The Economist Educational Foundation reached over 200,000 students last year and is on track for its challenging goal of reaching 1,000,000 children globally by 2026 with >50% of the school communities they work with serving high numbers of children from socioeconomically-disadvantaged homes. Iveco Group and CNH Industrial are meanwhile continuing their excellent TechPro2 programme which gives talented young people exposure to real industrial tools and environments. This forms part of Iveco Group’s commitment to increase by more than 50% (vs 2019) the number of students involved in its education activities by 2026.

On the topic of diversity and inclusion, Ferrari received confirmation of the Equal-Salary Certificate in both Italy and North America for providing equal pay to men and women with the same qualifications and positions in the company. Ferrari was the first Italian company to achieve this certification in 2020.

At Exor we were excited to launch Matabì in 2022, an educational initiative run in collaboration mainly with Fondazione Agnelli, with the aim to enhance spatial abilities and reduce the gender gap in STEM subjects at schools via construction play with LEGO bricks. After a trial from September 2022 to January 2023 with seventeen classes, this programme is being rolled out to almost eighty classes from eighteen schools in four Italian regions: Piedmont, Veneto, Tuscany and Campania.

Matabì – imparare un mattoncino alla volta (learning one little brick at a time)

We are proud of the many ESG activities across our Companies as well as of the strong ESG network we have grown over the last few years. We use this network to facilitate conversations between our Companies so that we can share expertise and amplify our impact.

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Investments (5% of GAV)

As noted above, following the sale of PartnerRe, and the subsequent increase in the size of our Investments by approximately €1 billion in 2022, we are now presenting them separately from Companies and Others. I would like to use this section to share with you more details about the funds managed by Matteo Scolari (Public) and Nikhil Srinivasan (Private) as well as Noam Ohana's Ventures activities.

Public funds

The largest part of our Investments is managed by Matteo and his team. Their portfolio has delivered a cumulative gross return of 191.9% in USD or 19.3% annualised with no down years, thanks to hedging activity. In comparison, the performance of the MSCI World Total Return index over the same period was 68.8% or 9.0% annualised (with negative returns in 2018 and 2022).

Matteo's investments in the oil services sector were the biggest winners in 2022. He had originally started investing in the sector at the end of 2019 and was able to increase his positions significantly over 2020, making it the largest strategy in his portfolio.

On the other hand, the biggest detractor to performance in 2022 was Ocado. Having performed strongly during the pandemic, the company continued to experience headwinds as online grocery shopping normalised with consumers returning to work. Notwithstanding this challenging environment, the company unveiled a series of bold innovations, which together result in a notable reduction in cost, improved flexibility and increased productivity, putting Ocado's solution far ahead of competition. Matteo has taken this opportunity to add to his investment at what he believes are attractive prices.

Currently the team's largest investment is in the gold mining sector. After a prolonged period of low capital investment and negligible new deposit discoveries, the supply and demand picture looks very supportive for gold prices. At the same time, gold mining companies are priced at multi-decade lows on a number of valuation metrics. This is particularly true for junior gold development companies, which are the primary investment target. In addition to being attractive on a standalone basis, the gold position serves as a hedge for the broader portfolio should financial stability and/or geopolitical risks flare up.

Private funds

Turning to Nikhil, despite the general drawdowns across private markets, he and his team have seen fundraising rounds at higher valuations for their investments and a few examples are highlighted below.

Founded in 2015 and based in London, ClearBank is the UK's first digital clearing bank and the first to receive a new clearing license in the UK in more than 250 years. Thanks to its industry first cloud-based system, that is much more flexible than competitor legacy systems, it has received £3.8 billion in customer deposits at the Bank of England and has a stable of well-known clients. Acquiring large-scale customers and scaling up its technology have seen ClearBank revenues grow nearly three times year-over-year to close to £60 million in FY2022 and these are expected to keep increasing for FY2023. In March 2022, ClearBank raised £175 million from Apax Digital Partners at a valuation of well over £400 million.

India has also continued to provide us with yet more interesting opportunities. Last year we highlighted TVS Supply Chain Solutions (TVS SCS) which is part of TVS, the diversified Indian conglomerate. This year we invested in myTVS, which has grown to become the country's largest offline-to-online digital platform in automotive aftermarket parts & services. Nikhil's conviction arises from myTVS having a full stack offering for consumers for services along with parts and digital solutions for retailers and garages. All the services and parts data records are stored on its captive service and parts applications and hosted on its cloud. myTVS is also disrupting the traditional supply chain for multi-brand parts with its e-catalogue (85+ brands) and 200k SKUs. In December 2022, Castrol (a subsidiary of British Petroleum) invested $60 million in myTVS for a 7% stake and their retail network will increase engagement and the market penetration of myTVS service and parts platforms.

Exor Ventures

2022 also saw Exor Seeds continue to establish itself within the VC ecosystem. Noam Ohana and his team rebranded to Exor Ventures, reflecting our ambition to partner with the best founders from early to later stages. We have invested around $500 million across 75 companies to date through Exor Ventures, primarily in mobility, fintech, and healthcare (which is increasingly a priority for us today as I discussed earlier). We also began exploring opportunities in climatetech, primarily focused on reducing greenhouse gas emissions where we believe companies in the space can benefit from Exor's knowledge of scaling industrial assets. As I noted last year, ESG is not only important in how we operate; it is also an interesting angle for investment opportunities.

An exciting milestone in 2022 for the Ventures team was the launch of Vento, our Italian founder-focused seed stage and company-building effort, which funded over 30 startups in the last year and is now one of the most active VCs in Italy. We have seen encouraging results so far and expect to produce some breakout successes in the years ahead.

While only two of our companies in the Ventures portfolio had down rounds last year, we proactively marked down our portfolio by around 25% (assessing each position individually) to reflect the changing market environment of higher rates, less liquidity, and lower valuations. After this adjustment, we remain approximately at a 10% gross IRR and 1.2x MOIC since inception.

Looking back on 2022 as a whole, Ventures made twelve new investments and led three deals. We have remained disciplined, adapting to the current environment while actively seeking to invest in the best companies at reasonable valuations. Our approach resonates with ambitious founders more than ever today: we are patient investors with permanent capital that can steward the best long-term outcome for our companies.

Last year, we also graduated Casavo from our Ventures portfolio to become one of our Companies. It followed the footsteps of Via and proves that the Ventures portfolio has the potential to nurture early-stage businesses that can transition into our Companies. As I mentioned last year, we define Companies as those situations where: we have significant ownership, we play a role within their governance and work with management to support their path to greatness.

Casavo simplifies real-estate transactions via an end-to-end digital journey. The company enables home sellers to get an instant offer or sell through Casavo's qualified broker network, while providing additional services such as renovations, mortgages and insurance. We originally invested in Casavo in early 2021, which gave us both a minority ownership stake and a Board seat. Following this, we continued to build conviction in Casavo's business model, the market outlook and its management team. In July 2022, we led the €100 million Series D round through which we increased our ownership to nearly 20% and gained a second Board seat.

In early 2023, we supported the company in approving a revised business plan to accelerate their path to profitability and their transition to a more asset-light business model. We are excited to continue partnering with Giorgio Tinacci, Casavo's CEO, and his passionate team.

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Others (20% of GAV)

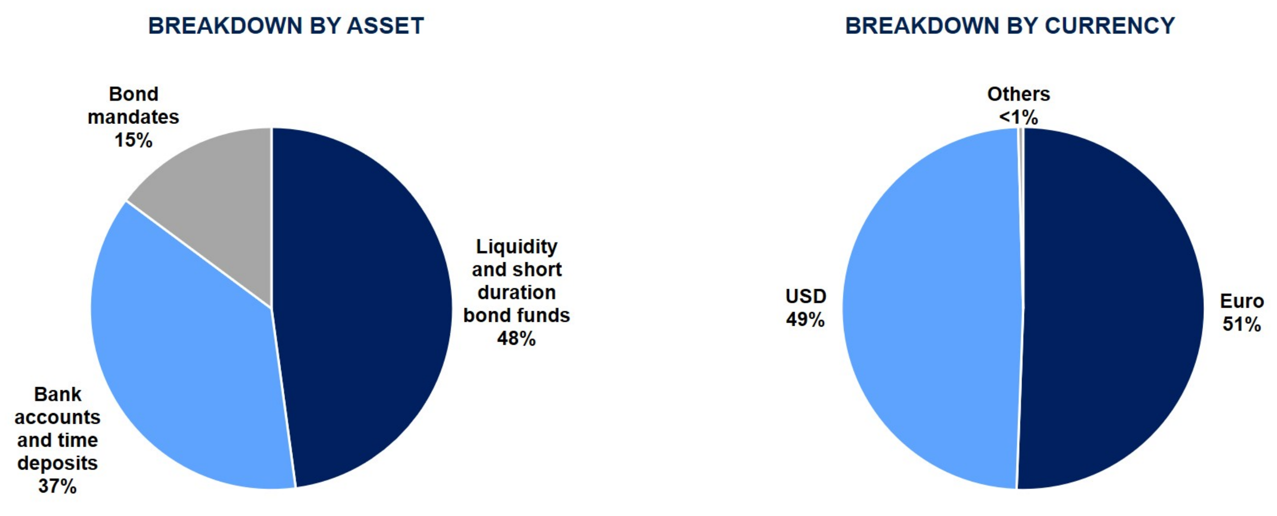
At 31 December 2022, the single largest component of our GAV outside our largest three Companies was cash and cash equivalents, equal to 15% of our GAV or €5.0 billion, deriving from the PartnerRe sale proceeds received in July.

As we identify opportunities to deploy our cash resources into Companies and Investments, our goal is to manage cash conservatively to preserve its principal amount and prioritise liquidity while generating a positive return.

Our cash investments were highly diversified among asset classes, counterparties and duration:

- Cash invested in liquidity and short duration bond funds managed by globally recognised asset managers, represented 48% or €2.4 billion of the total balance with weighted average duration around 4 months and high liquidity requirements;
- Cash in bank accounts and time deposits represented 37% or €1.9 billion of the total cash balance, spread across maturities between 1 and 6 months and diversified across global banking institutions with strong credit ratings;
- Bond mandates focused on capital preservation represented 15% or €0.7 billion of the total balance, investing in investment grade securities with a duration below 24 months and average portfolio duration at year-end of 15 months.

CASH AND CASH EQUIVALENTS
at 31 December 2022



Our cash was also diversified across currencies, with 51% of the total cash balance held in EUR and the remaining 49% in USD.

As we moved out from a decade of low interest rates in many parts of the world, yields have risen significantly above zero following four rate hikes by the ECB and seven rate hikes by the Fed in 2022. As a result, there has been exceptional volatility in 2022 with bonds having their worst annual performance in a century. For this reason, we have decided to keep the duration of our cash investments in funds and bond portfolios short (the weighted average duration is below 12 months) to minimise mark-to-market volatility while benefiting from rising yields.

At year-end, the average yield to maturity of our cash investments was approximately 2% in EUR and 4% in USD.

The remaining 5% of our GAV under Others consisted of reinsurance vehicles (€0.6 billion) and other assets (€0.8 billion).

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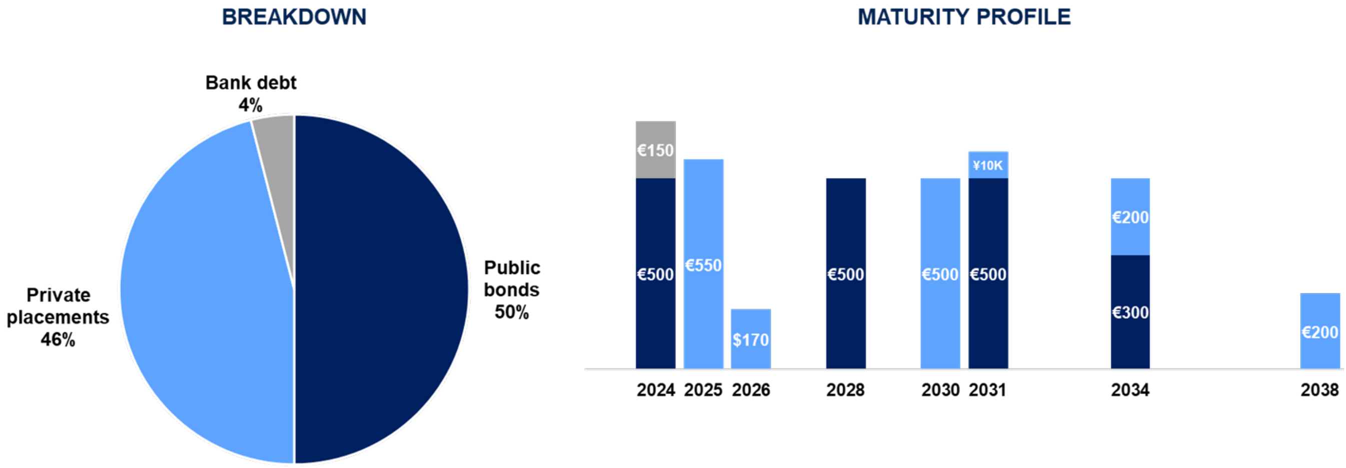
GROSS DEBT AT 31 DECEMBER 2022

In 2022, we also used a portion of the PartnerRe proceeds to deleverage by €0.6 billion by redeeming the bond maturing in December 2022, using our pre-maturity call option.

GROSS DEBT – BONDS AND BANK DEBT
at 31 December 2022



Note: Gross Debt composition including bonds (public and private) and bank debt. All figures are expressed in millions and in the original currency of issuance

At 31 December 2022, our Gross Debt was equal to €4.2 billion, of which €3.6 billion consisted of bonds (96%) and bank debt (4%) while the remaining €0.6 billion was the outstanding commitment in Institut Mérieux. Bonds were balanced between public bonds (50%) and private placements (46%) with an average maturity of close to seven years and an average fixed cost of 2.5%, while bank debt included a €0.2 billion term loan with 2024 maturity. In addition, we had available committed credit lines of €0.5 billion, and uncommitted credit lines of €0.6 billion, all of which were undrawn.

We now have a net cash position and bond maturities spread out between 2024 and 2038. We intend to continue to manage debt efficiently, stay disciplined and keep a stable and strong credit rating.

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2023

We have continued evolving our organisation in 2023, a process that we started in 2022 to enable us to manage more effectively our growth and scope of activities while keeping our organisation efficient, with operating costs below 10bps of our GAV.

Suzanne Heywood was promoted to COO taking on more responsibilities with our Companies after having managed many adversities with courage and success over the last few years.

Enrico Vellano, our CFO, has become the new CEO of Lingotto. I am very grateful to Enrico for all that he has done and the difficult issues he solved during his seventeen years as our CFO.

Under Enrico's leadership, Lingotto will start its life this year as a fully owned alternative asset management company with around €2.5 billion in assets under management, contributed equally by Covéa and Exor. This will provide a home for our colleagues Matteo, Nikhil and their teams who have already demonstrated the dedication that Adam Smith noted to be rare when he said that "managers of other people's money rarely watch over it with the same anxious vigilance with which they watch over their own". The creation of a company is a very special moment and I know Enrico is determined to build a great one based on accountability and cooperation, welcoming talented investment professionals who want to act as principals rather than agents.

Staying on the theme of founding new companies, we look forward to supporting our former colleague Mario Bonaccorso (previously Managing Director at Exor and then CFO of PartnerRe) to become an entrepreneur as he starts Investlinx. In creating Investlinx, Mario is determined to fight the inefficiency of the traditional investment management industry: according to S&P Global, more than 70% of actively managed funds in the United States have underperformed their comparison index in 38 out of 39 categories of asset classes over a 15-years period. This market inefficiency is something that both Lingotto and Investlinx, in different ways, intend to address.

Within Exor, I would also like to welcome two new colleagues. Following our listing in Amsterdam and inclusion in the AEX index, Guido de Boer has succeeded Enrico, who passed to him a strong corporate organisation and a solid balance sheet, as our new CFO. Benoît Ribadeau-Dumas has also joined us last year as a Managing Director for our Companies. Since his arrival, Benoît has focused on increasing our knowledge and finding interesting opportunities within the Healthcare and ESG sectors, where his background in both the public and private sectors is proving very useful.

We have also evolved our governance structure. As I described in my 2018 Letter, we have developed a set of governance principles that we use for our Companies: "We prefer to keep the roles of Chair and CEO separate within our operating companies as we believe that this creates the space for healthy challenge and support […] We will continue to evaluate and improve our governance framework, while ensuring that we don't become bureaucratic, complacent and rigid in the process."

These principles apply not only to our Companies but also to Exor itself. I was therefore delighted to welcome Ajay Banga as our new Chair last year. It has been a pleasure to work with Ajay since then and I am grateful for all the contributions he has made. However, unfortunately for us – but fortunately for the world – Ajay has now become the sole nominee to lead the World Bank and will therefore not be standing for re-election to our Board. We will miss him and wish him the best for his new role.

To succeed Ajay, I am thrilled that Nitin Nohria has agreed to join our Board at our next AGM and become our new Chair. Nitin served as Harvard Business School's tenth dean from 2010 to 2020. He is the Chairman of Thrive Capital and sits on the Boards of several other companies, including Anheuser-Busch InBev. It will be a privilege for me and my colleagues to work with Nitin on our next phase of growth and I am sure he will chair our Board with wisdom, providing us with challenge in good times and care in hard ones.

With the structural changes we have made this year, our Investments are now concentrated within Lingotto and our Ventures team. With our Companies headed by talented leaders who have clear plans and resources to pursue their paths to greatness, at Exor we are focusing on deploying our capital within the healthcare, luxury and technology sectors, although we remain open to opportunities outside those industries where we can build great companies with great people. We believe there are many interesting companies, particularly in the public markets, for Exor to become their reference shareholder seeking to align ownership, governance and leadership to go from good to great.

Our ability to apply a long-term and committed perspective, being active within the governance of our Companies, while not being an activist, is proving to be both differentiating and welcomed by them.

Lingotto – "Certainly one of the most impressive spectacles of the industry" (Le Corbusier)

We look forward to discussing all of this with you in Torino on November 30th. We will be meeting this year in Lingotto, the Fiat gigafactory that was inaugurated a century ago in 1923. We are conscious that Lingotto means "ingot", which hopefully makes this historic name an auspicious choice for our asset management company. The magnificent building itself, which was praised by the world-renowned architect Le Corbusier, has become a symbol of renewal over the past decades, so we look forward to sharing its beautiful story and its future with you.

See you at Lingotto!

John Elkann

Exor

Board of Directors

Chairman	Ajay Banga
Chief Executive Officer	John Elkann
Non-independent Non-executive Directors	Andrea Agnelli
	Ginevra Elkann
	Alessandro Nasi
Independent	
Non-executive Directors	Melissa Bethell
	Marc Bolland
	Laurence Debroux
	Axel Dumas

Compensation and Nominating Committee

Marc Bolland (*Chair*), Axel Dumas and Melissa Bethell

Audit Committee

Laurence Debroux (*Chair*), Ajay Banga and Marc Bolland

ESG Committee

Ajay Banga *(Chair)*, Melissa Bethell and Laurence Debroux

Independent Auditors

Ernst & Young Accountants LLP

Expiry of term of office
The Board's appointment will expire concurrently with the shareholders' meeting that will approve the 2022 annual financial statements, hence in 2023.

2022 HIGHLIGHTS

KEY FIGURES

€ million	Years ended 31 December 2022	2021	2020
Gross Asset Value	**32,487**	36,147	28,151
Gross Debt	**(4,234)**	(4,307)	(4,110)
Net Asset Value	**28,233**	31,069	24,041
Net Asset Value per share - €	**122.34**	132.41	102.08
Net Asset Value per share (% change)	**(7.6)%**	29.7 %	(3.4)%
Net Financial Position of Exor Holdings System	**795**	(3,924)	(3,251)
Loan-to-Value ratio (%)	**n.a.**	13.1 %	11.9 %
Net profit from continuing operations	**4,836**	3,350	(230)
Net profit	**6,203**	3,454	1
of which attributable to owners of the parent	**4,227**	1,717	(30)
Dividends received during the year	**839**	1,592	94
Dividends paid during the year	**(99)**	(100)	(100)
Dividends per share paid during the year - €	**0.43**	*0.43*	*0.43*
Market capitalization	**16,460**	19,029	15,959
Share Price - €	***68.30***	*78.96*	*66.22*
Discount to Net Asset Value (%)	**(44.2)%**	(40.4)%	(35.1)%
Total Shareholder Return (%)	**(12.9)%**	20.0 %	(3.3)%

Earnings per share (€)[a]	Years ended 31 December 2022	2021	2020
Profit (loss) attributable to owners of the parent – basic	**18.376**	7.803	(0.13)
Profit (loss) attributable to owners of the parent – diluted	**18.103**	7.792	(0.13)
Earnings per share (€) from continuing operation			
Profit (loss) attributable to owners of the parent – basic	**12.416**	7.409	(0.94)
Profit (loss) attributable to owners of the parent – diluted	**12.225**	7.398	(0.95)

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 13 to the Consolidated Financial Statements.

KEY EVENTS

Key events below refer to Exor N.V. and the Holdings System, presented in chronological order and related to the second half of 2022.

Investment in Lifenet

On 22 April 2022 Exor announced the signing of an agreement to acquire a 45% shareholding in Lifenet, an Italian company active in the healthcare sector, particularly in the management of hospitals and outpatient clinics. The transaction entailed a total investment by Exor of €71 million in the company of which €67 million contributed at closing to acquire a 45% shareholding, and the remaining in the second half of the year.

Creation of a long-term partnership between Exor and Institut Mérieux in global healthcare

On 1 July 2022 Exor and Institut Mérieux, the privately held global healthcare holding company of the Mérieux family, signed a long-term partnership agreement under which Exor would obtain, by way of a reserved capital increase, a 10% shareholding in Institut Mérieux. The partnership with Exor will provide further resources to support Institut Mérieux's growth as it continues its work to provide ever more innovative solutions to today's and tomorrow's complex global health issues, with John Elkann and Benoît Ribadeau-Dumas joining Institut Mérieux's Board of Directors.

On 29 July 2022 Exor paid an initial amount of €278 million, corresponding to one third of the €833 million total investment. The remaining amount is expected to be contributed based on Institut Mérieux needs and as investment opportunities are identified, expected within the 12 months following the closing.

Completion of the disposal of PartnerRe

On 12 July 2022 Exor completed the sale of PartnerRe to Covéa, a leading French mutual insurer, for a total consideration of €8.6 billion, generating a gain on disposal of €2.4 billion.

The consideration was split as follows: $4.8 billion in US dollar and €3.8 billion in Euro. The Euro portion of the proceeds was fixed at the signing of the Memorandum of Understanding in October 2021 and the US dollar portion was not hedged.

The consideration in Euro was paid in cash, while the portion in US dollar was collected as follows: $3.9 billion in cash (€3.8 billion), $0.18 billion (€0.2 billion) paid by PartnerRe as a special dividend in March 2022 and $0.7 billion (€0.7 billion) in the form of interests in special purpose reinsurance vehicles managed by PartnerRe that invest in property catastrophe and other short-tail reinsurance contracts underwritten by PartnerRe.

Transfer of stock exchange listing to Euronext Amsterdam

On 29 July 2022, Exor's Board of Directors approved the transfer of the listing of the Company's ordinary shares to Euronext Amsterdam, which hosts some of Europe's leading corporations.

The listing and trading of the Exor's ordinary shares on Euronext Amsterdam commenced on 12 August 2022, after receiving the formal approvals from the Euronext Listing Board and the Dutch Authority for the Financial Markets (the "AFM"). The move aligns the Exor's listing venue with its established legal structure as a Dutch registered holding company. This further simplification of Exor's organisational structure allows Exor to be overseen by a single country regulatory authority, namely the AFM.

The delisting of Exor's ordinary shares from Euronext Milan was effective from 27 September 2022.

On 6 December 2022 Euronext Amsterdam announced the inclusion of Exor in the AEX Index, with the inclusion being effective on 19 December 2022.

The AEX is a leading European index that reflects the performance of the 25 largest companies listed in the Netherlands based on free-float adjusted market capitalization, and is the most widely used indicator of the Dutch stock market.

Exor share buyback program

In the year 2022, Exor purchased 3,862,624 ordinary shares for a total invested amount of €255 million, holding at 31 December 2022 total 13,126,619 ordinary shares in treasury.

The shares repurchased under the second tranche may be used to meet the obligations arising from the Exor's equity incentive plan 2022-2024.

EXOR SHARES

Exor shares are listed on Euronext Amsterdam and trade under the ticker symbol EXO (ISIN: NL0012059018).

The share capital of Exor is composed by 241,000,000 ordinary shares and 124,717,132 Special Voting shares A, with a nominal value of €0.01 per share and €0.04 per share respectively at 31 December 2022. At the same date, Exor holds 13,126,619 ordinary shares in treasury.

Share buyback

In 2022 Exor repurchased 3,862,624 shares under the share buyback programme announced in March 2022, of which 1,524,103 under the first tranche and 2,338,521 under the second tranche.

During the first months of 2023, Exor purchased 1,257,059 ordinary shares for a total invested amount of €92.5 million, completing on 27 March 2023 the second tranche of the Program announced on 29 July 2022.

At the date of this report, Exor holds in total 7,376,214 ordinary shares in treasury (3.15% of total ordinary issued share capital). This corresponds to 1.01% of the total issued share capital including both ordinary shares and special voting shares.

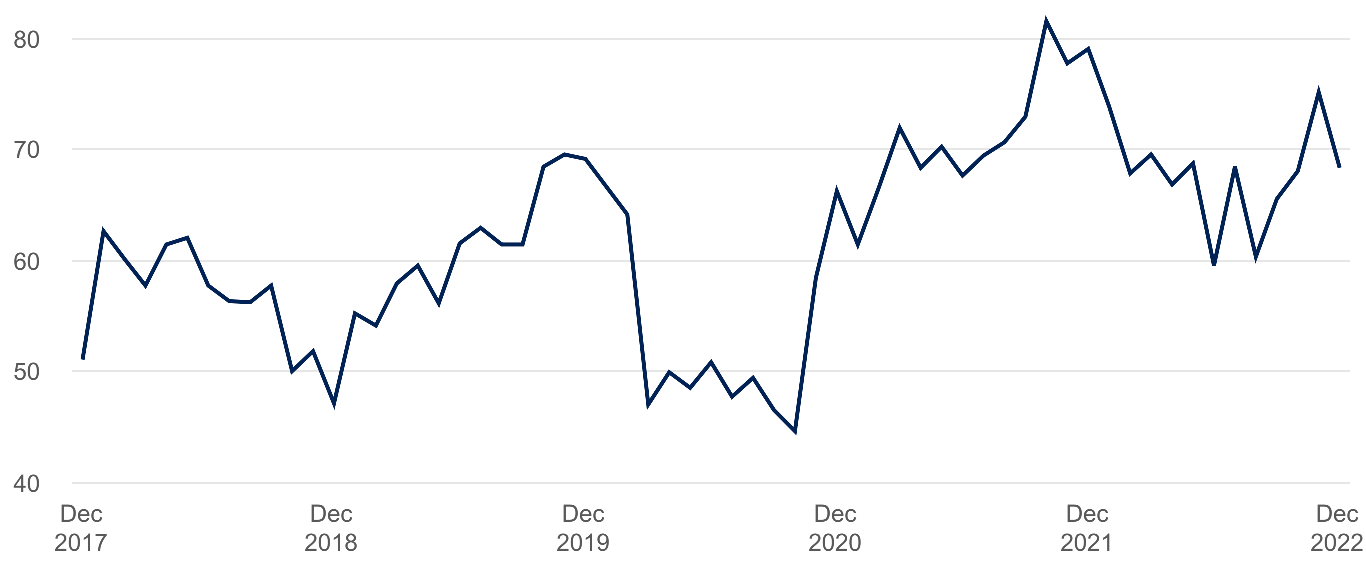
Share cancellation

In December 2022, Exor announced its intention to cancel 7,007,464 ordinary shares held in treasury which had been acquired as part of the 2018-2020 share buyback program and the first tranche of the 2022-2024 share buyback program. The cancellation, completed in March 2023, brings the total number of ordinary shares in the share capital of Exor to 233,992,536.

Stock Market data	**01/01/23 – 23/03/23**	**01/01/22 – 31/12/22**
Share price - At the end of the period (€)	74.22	68.30
Share price - Maximum (€)	80.50	81.22
Share price - Minimum (€)	70.44	57.66
Average daily volume exchanged during the period (shares)	163,361	240,747
Average daily value exchanged during the period (€)[(a)]	12,228,878	16,122,922

(a) Official daily trading price by daily volume, trading on Euronext Milan during the period 01/01/2022-26/09/2022 and on Euronext Amsterdam since 12/08/2022.

Exor share price evolution over 5 years (€)



PROFILE

PROFILE

EXOR N.V. ("Exor" or "the Company") is headquartered in Amsterdam, the Netherlands and is listed on Euronext Amsterdam and included in the AEX.

Exor is one of Europe's largest diversified holding companies, with a Net Asset Value (NAV) of around €28 billion at 31 December 2022.

For over a century, Exor has made successful investments and built great companies worldwide with a culture that combines an entrepreneurial spirit with financial discipline. Exor's portfolio is principally made up of companies in which Exor is the largest shareholder.

Exor is majority owned and controlled by Giovanni Agnelli B.V., the company grouping the descendants of Senator Giovanni Agnelli, the founder of FIAT, which holds approximately 53.6% of its economic rights and 86% of its voting rights.

PURPOSE

Exor's purpose is to build Great Companies. Through doing this it creates opportunities for talented people, makes a positive contribution to society and delivers superior returns to its investors. It defines Great Companies as shown below, with the focus being not only on their short-term performance but also on their longer term growth, renewal and change, as well as on their need to act responsibly.

TO BUILD:		GREAT COMPANIES:
• Create strong governance that allows diversity of thinking • Foster a culture with clarity of purpose • Appoint leaders who embody our values	**BUILD GREAT COMPANIES**	• Are distinctive in what they do • Seek renewal and change • Act in a responsible way • Perform to the highest standards

VALUES

Exor's purpose is underpinned by its values. Each of these is described through two words that are in tension with each other. Finding the right balance between these values is the role of leaders within Exor and its companies.

AMBITION & HUMILITY	CURIOSITY & FOCUS
We set high aspirations but remain grounded	We seek new ideas while prioritising what matters
COURAGE & RESPONSIBILITY	**PATIENCE & DRIVE**
We take bold actions while being mindful of their consequences	We take a long-term perspective but are relentless in getting things done

OUR 10 YEAR PRIORITIES SET IN 2019

COMPANIES	• Continue Building Great Companies • Acquire New Companies
INVESTMENTS	• Develop our Financial and Ventures investment capabilities • Add investments ideas/themes
FINANCIALS	• NAV per share to outperform the MSCI World index • Target Gross Debt of ≤ €2bn keeping Loan-to-Value ratio below 20% • Free Cash Flow in excess of dividends paid • Cash Holding Cost[1] <10bps
ESG	• Define approach to ESG • Deliver on commitments and launch new initiatives

(1) As a % on Gross Asset Value (GAV).

COMPANIES AND INVESTMENTS

Exor ownership benefits our companies

Exor creates an environment where companies can thrive: as a patient and long-term capital provider as well as a challenging but caring partner, Exor works with its companies to help define their respective paths to greatness and support them in the achievement of their objectives.

Exor empowers its leaders to build great companies: Exor challenges and encourages the leaders of its companies as a "critical friend". Exor backs the leaders of its companies as they foster distinctive cultures to build and continue success.

Exor uses governance to steer its companies: Exor takes care in building efficient and effective Boards. These Boards are an essential tool for Exor to support its companies and Exor always seeks to play an active role on the Boards of all its companies. Exor also collaborates with the management of its companies as they plan future leadership successions.

Approach to investments in new companies

Exor's approach to investing in new companies is based around its purpose and values. Exor identifies sectors and themes that are of potential interest and looks for opportunities within them, while not excluding other opportunities. All opportunities are then screened using a clear set of investment criteria:

UNDERSTANDING	PEOPLE	VALUE
We invest only when we understand	**We back talent and look for cultural alignment**	**We decide based on value not only price**
✓ We learn from practitioners who bring deep knowledge ✓ We form our own opinions and strive to be aware of what we don't know	✓ We believe people are what makes the difference ✓ We know that behaviours are as important as skills or knowledge	✓ We assess intrinsic and potential value to invest when the price is right

Focus sectors

Exor has identified three focus sectors for future opportunities: luxury, technology and healthcare. Outside of these three focus sectors, Exor still remains open to opportunities within other sectors and geographies where it can build great companies with great people.

Healthcare is a non-cyclical sector with structural tailwinds. The sector represents a significant portion of global GDP and can benefit from a stable long-term partner like Exor.

Luxury is a sector that has shown high resilience alongside the support of strong demographic tailwinds. Companies in this sector can benefit from Exor's long-term capital, governance approach and experience as a family-owned company.

Technology is a sector which is continuing to grow as the world transitions to more digital solutions. Exor can support entrepreneurs as they nurture the visions of companies that are changing the world of today and tomorrow.

FINANCIALS

Through delivering on its purpose of building great companies, Exor aims to achieve the financial targets below:

		Our Targets	*2022*	*Last 5 years*
OBJECTIVES	NAV / Share growth (%)	Outperform MSCI World Index	~(8)% vs. MSCI: ~(14)%	~54% vs. MSCI: ~39%
OBJECTIVES	TSR (CAGR) (%)	8%	~(13)%	~7%
EXOR KPIs	FCF[1] / Dividend paid	Above 1.0x	~5.5x[2]	~2.7x[3]
EXOR KPIs	Cash holding cost / GAV	Below 10bps	~7bps	~6bps
EXOR KPIs	Loan To Value ratio (%)	Below 20%	N/A[4]	~10%

(1) Free Cash Flow (FCF) defined as Dividend inflow – Net general expenses – Net financial income (expenses).
(2) Based on Ordinary FCF. Including PartnerRe dividend received in March 2022 as part of the sale agreement, the ratio is equal to ~7.0x.
(3) Based on Ordinary FCF. Including extraordinary dividends received between 2018 and 2022 the ratio is equal to ~5.5x.
(4) Net cash position following sale of PartnerRe, therefore Loan To Value ratio not applicable.

ESG

Exor believes that acting in a responsible way is a fundamental attribute of a great company that spans across the other three attributes of greatness (being distinctive in what they do, seeking renewal and change and performing to the highest standards). In order to achieve this objective both Exor and its companies have adopted an ESG framework that is articulated in three elements.

- **Foundations:** the fundamental ESG governance procedures, policies and guidelines that Exor and its companies need to operate with integrity, responsibility and ethics.
- **Passions:** Exor has identified one passion within each ESG pillar that it holds in common at Exor-level and across its companies, enabling it and its companies to work together to increase the total impact. The passions are: emissions reduction (E), education (S) and diversity and inclusion (G).
- **Communication:** Exor expects its companies to communicate their ESG priorities and progress clearly to their stakeholders and Exor facilitates engagement across its companies on the overall framework and on the passions.

The overall aim of this framework is for Exor and its companies to align with best practices and reporting frameworks, identify priorities, set targets and measure as well as report progress. As the topic of ESG becomes more mature, Exor and its companies will continue to raise the bar and aspire to or maintain ESG leadership.

WE DIVIDE OUR PORTFOLIO IN COMPANIES AND INVESTMENTS

Companies (75% of Gross Asset Value): these represent situations where Exor has material influence through its governance rights as a significant shareholder in these companies and in many cases is the reference shareholder.

Company	Description	Economic rights and voting rights
Ferrari	Ferrari is among the world's leading luxury brands focused on the design, engineering, production and sale of the world's most recognisable luxury performance sports cars. Ferrari is listed on the New York Stock Exchange and Euronext Milan and it is part of FTSE MIB Index.	22.9% 36.3%
STELLANTIS	Stellantis is one of the world's leading automakers and a mobility provider, guided by a clear vision: to offer freedom of movement with distinctive, affordable and reliable mobility solutions. Stellantis is listed on the New York Stock Exchange, Euronext Paris and Euronext Milan and it is part of FTSE MIB Index.	14.0% 14.3%
CNH INDUSTRIAL	CNH Industrial is a world-class equipment and services company that sustainably advances the noble work of agriculture and construction workers. CNH Industrial is listed on the New York Stock Exchange and Euronext Milan and it is part of FTSE MIB Index.	26.9% 42.9%
INSTITUT MERIEUX	Institut Mérieux, an independent family-owned company from over a century, is dedicated to the fight against infectious diseases and cancers, with a global and long-term vision. Thanks to five companies – bioMérieux, Transgene, ABL, Mérieux NutriSciences and Mérieux Développement – Institut Mérieux develops complementary approaches to meet today's public health challenges: from prevention of health risks to innovative disease treatment, including the key step of diagnosis.	3.6% 1.8%
Christian Louboutin	Christian Louboutin was founded in 1991 and has grown to become one of the leading names in global luxury, world famous for its signature red sole women's shoes. The company is also recognised for having successfully diversified its business into men's footwear, leather goods & accessories and beauty. Christian Louboutin operates about 150 boutiques around the world.	24.0% 24.0%
Juventus	Juventus was founded in 1897 and is one of the most prominent professional football teams in the world. Juventus is listed on Euronext Milan.	63.8% 77.9%

Company	Description	Economic rights and voting rights
Via	First launched in New York City in 2013, Via is a technology company specialising in the dynamic, data-driven optimisation of public mobility systems in cities all around the world.	18.3% 18.3%
IVECO • GROUP	Iveco Group is a global automotive leader active in the Commercial & Specialty Vehicles, Powertrain and related Financial Services arenas. Iveco Group is listed on Euronext Milan and it is part of FTSE MIB Index.	27.1% 42.5%
The Economist	The Economist Group is a leading source of analysis on international business and world affairs. Based in London and serving a global readership and client base, it delivers its information through a range of formats, from newspapers and magazines to conferences and electronic services.	34.7% 20%[2]
Welltec®	Welltec® services the energy industry with market leading technologies that are used to build and repair oil and gas wells. Its solutions help clients to optimise their production and minimise their environmental footprint. The company was established in 1994 and is based in Denmark.	46.5% 47.6%
GEDI GRUPPO EDITORIALE	GEDI Gruppo Editoriale is a leading media company in Italy, with news brands including La Repubblica, La Stampa, several local newspapers and other periodicals. GEDI is also one of the primary national radio hubs and is the leading Italian producer of digital audio contents through the platform OnePodcast. It operates also the multi-platform advertising business A. Manzoni & C.	89.6% 89.6%
Lifenet Healthcare	Lifenet S.r.l is an Italian company active in the healthcare sector, particularly in the management of hospitals and outpatient clinics. Founded in 2018, the company has presences in four Italian regions (Lombardy, Piedmont, Lazio and Emilia-Romagna).	44.7% 44.7%
SHANG XIA	SHANG XIA is a Chinese luxury company that uses its distinctive combination of contemporary design, hand artisanship and Chinese culture to create an artistic portfolio of apparel, furniture, homeware, leather goods, jewellery and accessories.	82.3% 82.3%

Company	Description	Economic rights and voting rights
CASAVO	Casavo is a leading European next-generation real estate platform that allows, people to sell and buy homes via an end-to-end digital journey. The company offers integrated home-related services such as renovations and mortgage financing, providing a turn-key experience with an inclusive approach towards established real estate operators (brokers, contractors and banks).	18.7% 17.9%
NUO	NUO is a partnership created by Exor and The World-Wide Investment Company Limited (WWICL), Hong Kong's oldest family office, to invest in and support the global development of medium-sized Italian companies specialising in premium consumer goods excellence.	50.0% 50.0%

Note: Percentages at 31 March 2023. The Economist voting rights are limited to 20%. Casavo includes stake held directly (12.28%) and indirectly (6.42%) through Exor Seeds (Ventures).

Investments (5% of Gross Asset Value): Exor's investments are divided into two categories:

- **Funds:** the team under Exor Capital manages two different investment strategies with a thematic approach with a mission to deliver attractive long-term returns to investors while keeping risk under control.
  - **Public Markets**
    - Concentrated Long Fund
    - Long/Short Fund
  - **Private Markets**
    - Co-Investment Fund
- **Ventures (Exor Seeds):** the Ventures team invests in early-stage and late-stage companies, connecting Exor back to its entrepreneurial roots and long history of innovation. The team focuses on discovering exceptional founders who have the ambition to build great companies. Exor Ventures has invested in 75 companies creating a balanced portfolio across different sectors (including Mobility, Fintech and Healthcare) and different geographies (including U.S., EMEA and APAC).

(examples) VENTURES

SaltPay · Crusoe · Lithic · upway

CARS24 · newcleo · TEKION · Brex

EXOR PERFORMANCE MEASURES

Management of the Company has identified a number of Alternative Performance Measures (APM) to measure the Company's financial performance and financial position., which form the basis for capital allocation decisions. Management uses these non-IFRS measures to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions as they provide additional transparency with respect to our core operations.

APM are presented to the financial community to facilitate their understanding of the performance of the Company and of the Group.

To ensure that the APM are correctly interpreted, it is emphasized that these measures are not indicative of future performance. The APM are not part of international reporting standards (IFRS) and are unaudited. They should not be taken as replacements of the measures required under the reference financial reporting standards and may not be consistent and comparable with those used by other companies or groups.

The APM have been consistently calculated and presented for all the reporting periods for which financial information is presented in this report.

This section presents the APM identified by Exor's management to facilitate the understanding of the financial performance of Exor and the Group.

Exor applies the European Securities and Markets Authority (ESMA) guidelines to present financial measures other than a financial measure defined or specified in the applicable financial reporting framework (IFRS), which are defined as Alternative Performance Measures.

Performance Measures identified by Exor

	APM	Definition	Purpose	Reconciliation
1	**Net Asset Value or NAV**	Calculated as the sum of total value of assets (Gross Asset Value or GAV) net of the outstanding gross debt of the Holdings System (Gross Debt of the Holdings System) and other liabilities of the Holdings System	To measure the overall value of the assets and liabilities held by Exor based on market standard methods of valuation.	Refer to page 38: Reconciliation with the IFRS Financial Statements - Issued capital and reserves attributable to owners of the parent
2	**Net financial position of the Holdings System**	Determined using the shortened consolidation criterion	To measure the financial resources and indebtedness directly attributable to Exor	Refer to page 39: Reconciliation with the IFRS Financial Statements - Cash, cash equivalents and financial assets and gross debt
3	**Share of the profit (loss) from investments in subsidiaries and associates**	Determined using the shortened consolidated criterion	To measure the profits or losses directly attributable to Exor's proportionate shareholding in its subsidiaries and associates	Refer to page 40: Reconciliation with the IFRS Financial Statements - Profit (loss) attributable to owners the parent
4	**Loan-to-Value (LTV) Ratio, expressed as a percentage**	Calculated as the sum of the Net financial position of the Holdings System and other liabilities of the Holdings System, divided by the sum of the Gross Asset Value of the Company net of cash, cash equivalents and other financial assets of the Holdings System (as defined by Standard & Poor's)	To measure Exor's indebtedness levels relative to the value of its assets. Credit rating agencies and counterparties use the LTV Ratio to assess the financial risk profile of an Investment Holding Company	Refer to page 41: LTV Ratio calculation

These non-IFRS financial measures (APM) have no standardized meaning under EU-IFRS and are unlikely to be comparable to other similarly titled measures used by other companies and are not intended to be substitutes for measures of financial performance and financial position as prepared in accordance with EU-IFRS.

The APM should be read together with the consolidated financial information prepared applying the "shortened" consolidation method on page 44.

To facilitate the understanding of the economic and financial performance of the Exor Group, and in line with previous years, the Management of Exor has identified an alternative presentation (shortened consolidation criterion) of financial data recognized by the financial community.

Using the shortened consolidation criterion, rather than the line-by-line method of consolidation required by law and under IFRS 10, the data derived from the financial statements or accounting data prepared in accordance with IFRS by Exor and certain subsidiaries (as identified on page 44) are consolidated using the line-by-line method, while the data derived from the financial statements or accounting data prepared in accordance with IFRS by the operating subsidiaries and associates are included using the equity method.

This method does not fully represent, nor should be treated as, the consolidated financial position of the Group prepared in accordance with IFRS. It is not contemplated in the reference accounting standards and is not audited by the independent auditors of the Company. The reconciliation with equivalent IFRS measures is presented below for reference.

1 - Net Asset Value or NAV

Net Asset Value corresponds to the total value of assets (Gross Asset Value or GAV) net of the gross debt of the Holdings System (Gross Debt of the Holdings System) and other liabilities of the Holdings System.

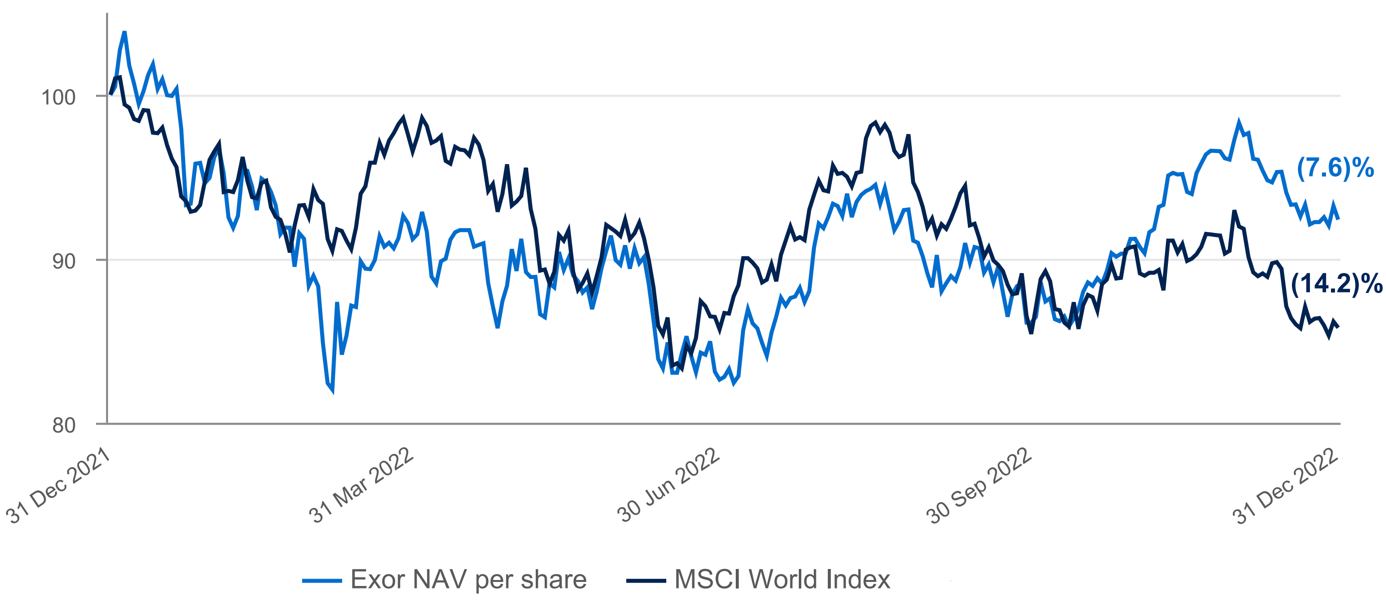
The Company reports on its NAV per share performance, which is tracked against the MSCI World Index. The Company's long-term financial objective is to outperform the MSCI World Index.

2022 Highlights

- At 31 December 2022 Exor's NAV is €28,233 million compared to €31,069 million at 31 December 2021.
- At 31 December 2022 Exor's NAV per share amounts to €122.34 compared to €132.41 at 31 December 2021, a decrease of €10.07/share or 7.6%. This compares to a decrease of (14.2)% for the MSCI World Index in Euro.

NAV per share is based on 230,783,267 shares at 31 December 2022 and 234,645,891 shares at 31 December 2021. At 31 December 2022, this is calculated based on 241,000,000 issued shares excluding (i) the 9,345,985 shares bought back in the context of the share buyback program launched in November 2018 and completed in November 2020 and excluding (ii) the 870,748 shares held in treasury and not allocated to stock option plans.

NAV per share performance compared to MSCI World Index



Breakdown of Net Asset Value

€ million	Asset Type	31/12/2022	31/12/2021	Change vs. 31 December 2021	
				Amount	%
Companies		**24,262**	34,336	(10,074)	(29.3)%
Ferrari	L	8,896	10,109	(1,213)	(12.0)%
Stellantis	L	5,961	7,499	(1,538)	(20.5)%
CNH Industrial	L	5,491	5,481	10	0.2%
Juventus	L	510	556	(46)	(8.3)%
Iveco	L	408	819	(411)	(50.2)%
PartnerRe[(a)]	P	—	8,109	(8,109)	(100.0)%
Other companies[(b)]	P	2,996	1,763	1,233	69.9%
Investments		**1,782**	826	956	115.7%
Funds[(c)]	L/P	1,185	337	848	251.6%
Ventures[(d)]	P	597	489	108	22.1%
Others		**6,443**	985	5,458	554.1%
Reinsurance vehicles	P	622	—	622	n.a.
Other assets[(e)]	P	240	115	125	108.7%
Financial investments[(f)]	P	138	37	101	273.0%
Liquidity[(g)]		5,349	738	4,611	624.8%
Treasury stock[(h)]		94	95	(1)	(1.1)%
Gross Asset Value		**32,487**	36,147	(3,660)	(10.1)%
Gross Debt		**(4,234)**	(4,307)	73	(1.7)%
Bonds and bank debt		(3,625)	(4,219)	594	(14.1)%
Financial liabilities[(i)]		(609)	(88)	(521)	592.0%
Other liabilities[(j)]		**(20)**	(771)	751	(97.4)%
Net Asset Value (NAV)		**28,233**	31,069	(2,836)	(9.1)%
NAV per Share in Euro[(k)]		**122.34**	132.41	(10.07)	(7.6)%

L= Listed Company; P= Private Company.

(a) At 31 December 2021 the fair value was aligned with the price under the terms of the definitive agreement signed with Covéa on 16 December 2021, equal to $9 billion plus a price adjustment of around $328 million.
(b) Other companies at 31 December 2022 include Institut Mérieux (€848 million), Christian Louboutin (€700 million), Via Transportation (€477 million), The Economist (€370 million), Welltec (€217 million), GEDI (€167 million), Lifenet (€71 million), Shang Xia (€67 million), Casavo (€40 million) and NUO (€39 million). Other companies at 31 December 2021 included Christian Louboutin (€541 million), Via Transportation (€449 million), The Economist (€364 million), GEDI (€202 million), Welltec (€101 million), Shang Xia (€84 million) and NUO (€22 million).
(c) At 31 December 2022 it includes public funds (€1,069 million) and private funds (€116 million). At 31 December 2021 it included public funds (€337 million).
(d) At 31 December 2022 Ventures include Exor Ventures (€520 million) and direct investments (€77 million). At 31 December 2021 Ventures included Exor Ventures (€489 million).
(e) Other assets include minor investments and receivables among others. Not included in the net financial position.
(f) The item financial investments includes investments in minority stakes held directly by Exor.
(g) At 31 December 2022 liquidity includes cash and cash equivalents (€4,985 million), listed securities (€320 million) and financial assets (€44 million) included in the net financial position. At 31 December 2021 liquidity included cash and cash equivalents (€283 million), listed securities (€355 million) and financial assets (€100 million) included in the net financial position. Listed securities at 31 December 2022 include Faurecia (€141 million) among others. Listed securities at 31 December 2021 included Faurecia (€320 million) among others. Financial assets are investment-grade and high-yield bonds purchased by Exor.
(h) Treasury stock includes shares held in treasury at the service of stock option plans, valued at the option strike price if less than market price.
(i) At 31 December 2022 financial liabilities corresponds to the outstanding commitment in Institut Mérieux.
(j) At 31 December 2021 other liabilities were mainly related to the Tax claim settled on 18 February 2022.
(k) Based on 230,783,267 shares at 31 December 2022 and 234,645,891 shares at 31 December 2021.

Valuation Methodology

Companies	
Listed Company	Valued at the official market price (last price or fixing price) of the relevant stock exchange multiplied by the number of shares owned by Exor.
Private Company	Valued using the method that better reflects the company's most recent fair value, in accordance with IFRS 13, which can be either: (i) Determined by a third-party, independent valuation expert at least annually (ii) Based on a recent round or arms-length transaction (iii) At cost if the investment has been completed recently and there are no impairment indicators
Investments	
Funds	Valued at NAV or Exor's share of the value reported by the fund. It includes funds invested both in public and private assets.
Ventures	Valued using the method that better reflects the company's most recent fair value (following International Private Equity and Venture Capital Valuation (IPEV) Guidelines), which can be either: (i) Determined based on valuation methods including public market comparables and business performance metrics. Mainly applicable to later stage companies with business metrics, material positions and companies that have not raised financing in the last six months (ii) Based on a recent round or arms-length transaction (iii) At cost if the investment has been completed recently
Others	
Financial investments and other assets	Valued in accordance with the methodologies applied in the consolidated financial statement (amortized cost or fair value). (i) Cash balance held in time deposits, bank accounts (ii) Money market funds, short duration bond funds or bond portfolio mandates are valued at NAV (iii) Financial assets are valued in accordance with the methodologies applied in the consolidated financial statement (amortized cost or fair value) (iv) Listed securities are valued at market price
Treasury shares	Includes only shares held in treasury at the service of 2016 Stock Option Plan, valued at the option exercise price under the plan if this is less than the market price.

Items included in the calculation of Gross Asset Value and Gross Debt which are denominated in foreign currencies are converted at the official exchange rates at the corresponding reporting date.

	31/12/2022	31/12/2021
U.S. dollar	**1.067**	1.133
British pound	**0.887**	0.840
Chinese Renminbi	**7.358**	7.195

Gross Asset Value or GAV components - Performance drivers

	GAV	Listed Companies	Private Companies	Companies	Funds	Ventures	Investments	Others
Value at 31/12/2021	**36,147**	24,464	9,872	**34,336**	337	489	**826**	**985**
Investment (Disposal)	(438)	—	(7,143)	(7,143)	732	172	904	5,801
Fair value adjustment	(3,222)	(3,198)	267	(2,931)	116	(64)	52	(343)
Net Change	**(3,660)**	**(3,198)**	**(6,876)**	**(10,074)**	**848**	**108**	**956**	**5,458**
Value at 31/12/2022	**32,487**	21,266	2,996	**24,262**	1,185	597	**1,782**	**6,443**

Companies

At 31 December 2022, Companies amounted to €24,262 million (€34,336 million at 31 December 2021) composed by Listed Companies for €21,266 million (€24,464 million at 31 December 2021) and by Private Companies for €2,996 million (€9,872 million at 31 December 2021).

The value of Listed Companies at 31 December 2022 decreased by €3,198 million compared to the previous year driven by the market performance of Listed Companies. The value of Private Companies at 31 December 2022 decreased by €6,876 million compared to the previous year mainly due to the disposal of PartnerRe (€8,109 million) partially offset by additional investments made (€966 million) and positive fair value adjustments of Private Companies (€267 million).

Investments

At 31 December 2022, Investments amounted to €1,782 million (€826 million at 31 December 2021) composed by Funds for €1,185 million (€337 million at 31 December 2021) and by Ventures for €597 million (€489 million at 31 December 2021).

The value of Funds at 31 December 2022 increased by €848 million compared to the previous year due to investments made (€732 million) and positive performance (€116 million). The value of Ventures at 31 December 2022 increased by €108 million compared to the previous year due to investments made during the year (€172 million) partially offset by a markdown of the Exor Ventures portfolio (€64 million).

Others

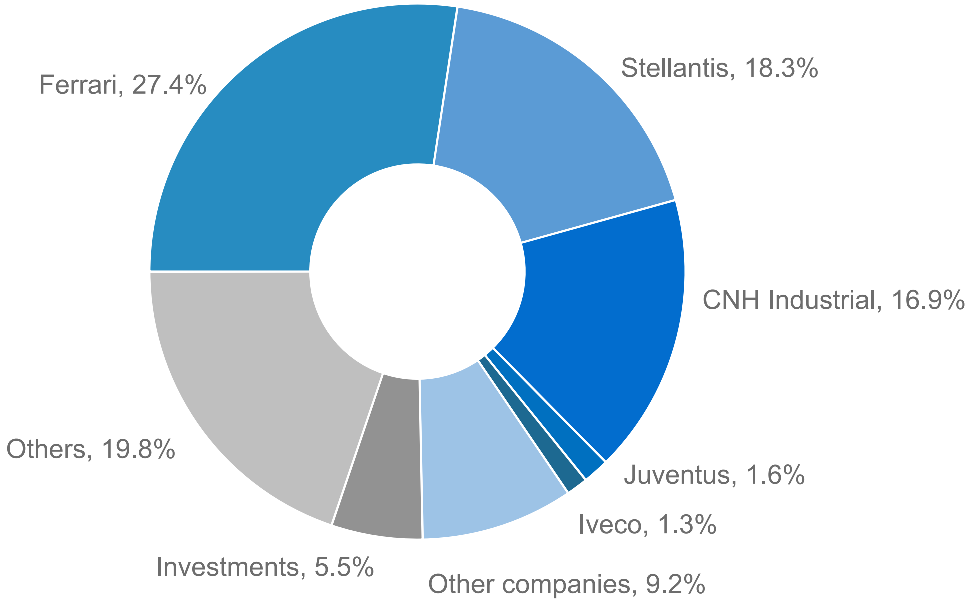
At 31 December 2022, Others including liquidity, reinsurance vehicles, financial investments and other assets amounted to €6,443 million (€985 million at 31 December 2021).

The value of Others at 31 December 2022 increased by €5,458 million compared to the previous year due to an increase in Liquidity (cash and cash equivalents) coming from the PartnerRe sale proceeds net of cash outflows during the year (€5,801 million) partially offset by a decrease in value (€343 million) mainly attributable to listed securities (Faurecia) and reinsurance vehicles.

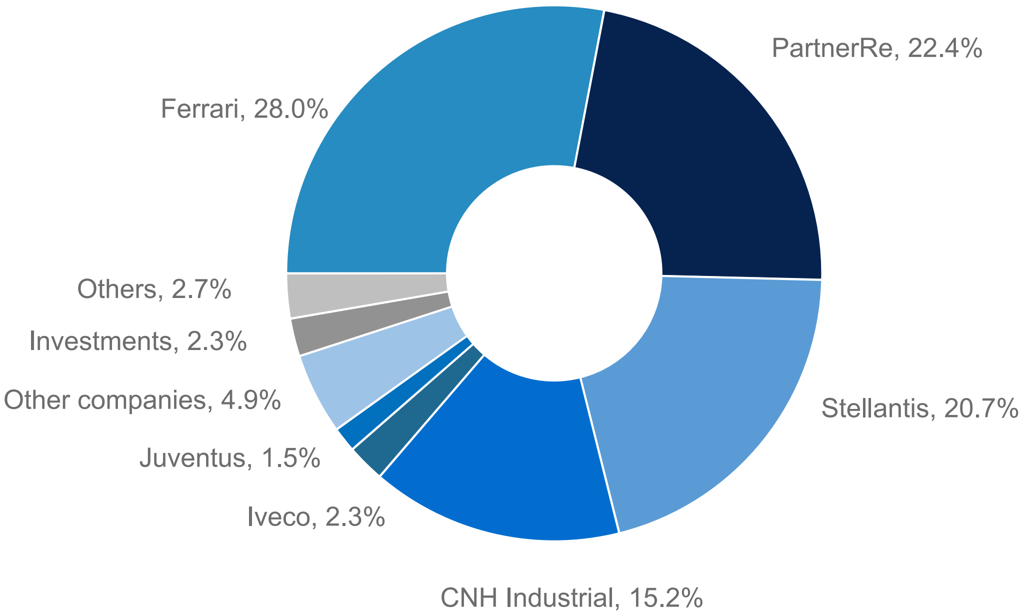
Breakdown

The following chart illustrates the GAV composition at 31 December 2022 (€32,487 million), compared to 31 December 2021 (€36,147 million).

31 December 2022



31 December 2021



Performance of private companies and investments

This section illustrates the 2022 performance and the valuation drivers of private companies and investments held by Exor at 31 December 2022, accounted at fair value in the NAV.

A summary of the 2022 performance of listed companies which are operating subsidiaries or associates of Exor is included in section "Review of the consolidated results of the Exor Group".

Private companies

INSTITUT MERIEUX

Sector: Healthcare **/ Exor's stake:** 3.6%, with agreement to reach 10.0% / **FY ending:** December 31st

Performance:
Institut Mérieux's performance since the initial investment by Exor in July 2022 has been mainly driven by the market performance of bioMérieux (their largest company representing ca. 80% of the portfolio). Other companies include Transgene (listed), Mérieux Nutrisciences, ABL and Mérieux Développement (all private).

bioMérieux reported a solid performance in FY 2022, with full-year sales at €3.6bn and growth of 6.3% (0.2% organic). Contributive operating margin was at 18.5%, with operating income lower than the exceptionally high level of 2021 but significantly higher than pre-pandemic levels. The year was also marked by the strategic acquisition of Specific Diagnostics, that helps to strengthen bioMérieux’s commitment to fight antimicrobial resistance by further supporting clinicians and laboratories in improving patient outcomes.

Valuation:
In July 2022 Exor signed an agreement with Institut Mérieux to acquire a 10% shareholding of the company for a total investment of €833 million. A consideration of €278 million, corresponding to one third of the total investment, was immediately paid at closing by way of a reserved capital increase. The remaining amount will be contributed based on Institut Mérieux needs and as investment opportunities are identified, expected within the 12 months following the closing.

The fair value at 31 December 2022 equal to €848 million includes (i) the €278 million contributed in July 2022, valued at 31 December 2022 based on official market prices for listed assets and fundamental valuation for private assets determined by a third-party, equal to €293 million and increasing by approximately 5% plus (ii) the €555 million corresponding to the remaining capital not yet contributed.

Sector: Luxury **/ Exor's stake:** 24.0% / **FY ending:** August 31st

Performance:
Against the backdrop of raw material shortages and a difficult global economic climate significantly impacted by inflation, Christian Louboutin delivered strong sales growth in FY 2022. While the Chinese market continued to be negatively impacted by lockdowns, other regions performed well and the company now operates around 160 boutiques worldwide. The company continued to deliver top tier profitability levels and positive free cash flow generation.

Valuation:
The fair value at 31 December 2022 of Exor’s shareholding equal to €700 million (€541 million at 31 December 2021) has increased by approximately 29% in 2022 as a result of a strong financial performance and solid outlook.

The fair value has been determined by a third-party valuation and is based on a blended valuation methodology consisting of (i) trading multiple analysis based on a selected group of publicly traded companies operating in the soft luxury segment and (ii) illustrative discounted cash flow analysis based on a two-stage growth model.

Sector: Technology - TransitTech **/ Exor's stake:** 17.4% **/ FY ending:** December 31st

Performance:

Via Transportation had a strong performance in FY 2022, as cities and transit agencies across the world increasingly turned to digital solutions to improve the efficiency of their transportation systems. The company ended 2022 ahead of plan, with annualized revenue run-rate surpassing $200 million and Via's TransitTech products used by more than 600 communities around the world.

Most recently, in February 2023, Via raised $110 million in a new financing round with proceeds to be used to expand its TransitTech portfolio and further its vision of providing the end-to-end digital infrastructure for public mobility. The round values Via at $3.5 billion on a fully diluted basis, at the same price per share as the company's previous financing in November 2021.

Valuation:

The fair value at 31 December 2022 of Exor’s shareholding equal to $509 million ($509 million at 31 December 2021) is based on the price of the latest financing round being a recent transaction of a significant amount and involving third parties not involved in previous rounds.

The fair value in Euro at 31 December 2022 equal to €477 million (€449 million at 31 December 2021) has increased by approximately 6% driven by currency effects.

Sector: Media **/ Exor's stake:** 34.7% **/ FY ending:** March 31st

Performance:
The Economist Group reported H1 FY 2023 revenues equal to £179.3 million, growing by 13% (5% at constant currency) for the six months ending September 30th compared with the prior year. While there was no significant increase in subscriber volumes, subscriber retention remained strong, with churn down substantially and at historically low levels, and there was growth in customers choosing digital formats (52% subscriptions were digital-only, compared with 45% on the previous year).

Economist Impact, the second largest business division after The Economist, focusing on Partnership and Events, grew its revenues by 33% to £53.2m while Economist Intelligence, which brings together the company’s capabilities in datasets, forecasting and analysis saw its revenues increase by 15% to £25.2m.

Operating profit for the six months ending September 30th was £20.1 million, lower than the previous year as expected, reflecting the company's planned investment in technology, editorial and digital capabilities.

Valuation:
The fair value at 31 December 2022 of Exor’s shareholding equal to £328 million (£306 million at 31 December 2021) has increased by approximately 7% and it is based on a third-party valuation including (i) a selected group of publicly traded companies with similar characteristics to the Group including brand, margins, and size and (ii) discounted cash flow analysis.

The fair value in Euro at 31 December 2022 equal to €370 million (€364 million at 31 December 2021) has increased by only 2% due to currency effects.

Welltec

Sector: Technology solutions for energy industry **/ Exor's stake:** 46.5% **/ FY ending:** December 31st

Performance:

Welltec performance in FY 2022 was strong, with the company achieving all-time record revenue and profitability. Revenue and EBITDA grew by 39% and 67% year on year to $348 million and $174 million, representing an EBITDA margin of 50%. Also, net profit increased from $5 to $65 million, only a year after the company delivered its first substantial net profit since 2014. A strong cash flow generation has allowed the company to strengthen its capital structure significantly since 2021, and it has managed to reduce its leverage ratio from 3.0x to 1.5x.

Performance has been driven by favourable market conditions, with increasing spend in the oil and gas business, coupled with Welltec's superior technology offering ensuring revenue and earnings growth significantly higher than peers as clients increasingly select best-in-class products and services.

Valuation:

The fair value at 31 December 2022 of Exor's shareholding equal to $232 million ($115 million at 31 December 2021) has more than doubled as a result of increased profitability and cash generation. The fair value has been determined by a third party valuation and is based on a blended valuation methodology consisting of (i) trading multiple analysis based on a selected group of publicly traded companies operating in the oilfield service industry and (ii) illustrative discounted cash flow analysis based on a steady-growth model.

The fair value in Euro at 31 December 2022 equal to €218 million (€101 million at 31 December 2021) has increased by 116% including currency effects.

GEDI
GRUPPO EDITORIALE

Sector: Media **/ Exor's stake:** 89.6% **/ FY ending:** December 31st

Performance:
GEDI reported FY 2022 revenues equal to €490 million, down by approximately 6% compared to the previous year. Circulation revenue from traditional products and digital subscriptions was €202 million (down by approximately 5% on a comparable basis), while advertising revenue stood at €255 million (down by approximately 2%).

In 2022 the positive trend of digital subscription sales continued, up 26% compared to the previous year, partially driven by the high quality of the content, the expansion of the product range, increased promotional and retention activities, and the development of increasingly sophisticated technology.

Net profit was equal to €2 million in 2022, compared to a net loss of €50 million in the previous year. Net profit in 2022 benefited from the gains on the sale of the La Nuova Sardegna business complex and the L'Espresso publications for a total of €10 million while incurring HR restructuring costs and other non-recurring costs and expenses. Net adjusted loss was equal to €1 million in 2022, compared to a net adjusted loss of €2 million in the previous year.

Valuation:
The fair value at 31 December 2022 of Exor's shareholding in GEDI, equal to €167 million (€202 million at 31 December 2021), has decreased by approximately 17% driven by macroeconomic factors which affected the company performance (more information available in the section "Review of the performance of the main companies").

The fair value is based on a third-party valuation performed using the discounted cash flow method.

Lifenet Healthcare

Sector: Healthcare **/ Exor's stake:** 44.70% **/ FY ending:** December 31st

Performance:
Lifenet Healthcare's revenue performance in FY 2022 was strong compared to the previous year, demonstrating resilience in a year impacted by Covid-19 waves in the initial months of the year, increasing energy costs, high pressure on medical staff cost (following the general shortage on the Italian market) and higher interest rates.

The company's development continued to take place through acquisitions and organically, now comprising of 10 facilities including hospitals and large outpatient clinics in four Italian regions, and over 1,500 employees.

Valuation:
During 2022 Exor invested €71 million in the company of which €67 million contributed at closing to acquire a 44.67% shareholding, and the remaining in the second half of the year.

The fair value at 31 December 2022 of Exor's shareholding equal to €71 million is based on the acquisition cost, being a recent transaction.

Sector: Luxury **/ Exor's stake:** 82.3% **/ FY ending:** December 31st

Performance:
Shang Xia's FY 2022 sales were negatively impacted by the difficult Covid situation in China affecting its operational activities, with overall market traffic dropping on the retail side. The main revenue driver is the home category, while fashion is expected to increase its contribution over time through the launch of new collections.

Valuation:
The fair value at 31 December 2022 of Exor’s shareholding equal to €67 million (€84 million at 31 December 2021) has decreased by approximately 20% as a result of revised expectations in revenue growth to reflect a more cautious and uncertain outlook on China’s macroeconomic environment.

The fair value is based on a third-party valuation including an illustrative 10-year discounted cash flow analysis, by applying an exit multiple for the estimate of the terminal value and using a discount rate representative of an investor’s expected return for a similar asset in terms of company’s life cycle stage and growth targets.

CASAVO

Sector: Prop-tech **/ Exor's (direct) stake:** 17.9% **/ FY ending:** December 31st

Performance:
Casavo closed the year 2022 with 1,000+ homes sold, a strong result driven by increased penetration of existing markets paired with the expansion in France through the acquisition of Proprioo.

In 2022 the company secured more than €90 million in additional equity funding, strengthening its liquidity position to navigate a challenging period for growth equity capital markets, in addition to a €300 million in debt funding.

More recently the company took prompt actions to accelerate profitability and announced a refocused effort into its asset-light model within core markets.

Valuation:
In July 2022 Exor led Casavo's €100 million Series D equity funding round by investing €40 million to acquire a 17.9% shareholding.

The fair value at 31 December 2022 of Exor's shareholding equal to €40 million is based on the acquisition cost, as it was a recent transaction.

N U O

Sector: High-end consumer goods **/ Exor's stake:** 50.0% **/ FY ending:** December 31st

Performance:
Since its inception in July 2021, NUO has invested in 3 mid-size premium consumer companies based in Italy operating in the personal care (Ludovico Martelli), outdoor (Montura) and food (Andriani) space.

The company will continue to pursue opportunities in the above sectors with a highly selective approach.

Valuation:
The fair value at 31 December 2022 of Exor's shareholding equal to €39 million (€22 million at 31 December 2021) has increased as a result of additional capital contributions for €17 million, and it is based on the equity value of the company.

Investments

Exor Ventures

FY ending: December 31st

Performance:
In 2022 Exor Seeds continued to establish itself within the VC ecosystem and rebranded as Exor Ventures to reflect its broader ambition to partner with the best founders from early to later stages. The team expanded and built the internal infrastructure to support this effort, selectively leading deals and serving as a funnel for larger Exor investment opportunities.

In 2022 Exor Ventures made 12 new investments and led 3 deals, remaining disciplined and adapting to the current environment while still actively seeking to invest in the best companies at reasonable valuations. Focus has been on fewer but higher conviction bets and the portfolio has been re-underwritten based on company performance, upside potential and management execution.
Since its inception in 2017, approximately $500 million have been invested across 75 companies to date, primarily in mobility (26%), fintech (25%), and healthcare (17%) with opportunities also being explored in climate tech.

Valuation:
The fair value at 31 December 2022 of Exor's investments via Exor Ventures equal to $555 million ($554 million at 31 December 2021) has remained flat, with additional investments for approximately $100 million being offset by a mark down of the portfolio.

While only two of the portfolio companies had down rounds last year, the portfolio has been proactively marked down by approximately 25% (assessing each position individually) to reflect the changing market environment of higher rates, less liquidity, and lower valuations.

The fair value at 31 December 2022 of Exor's investments via Exor Ventures equal to €520 million (€489 million 31 December 2021) have increased by approximately 6% due to currency effects.

Funds (public and private)

FY ending: December 31st

Performance:
In 2022 the performance of public funds (90% of total amount invested at 31 December 2022) was mainly driven by investments in the oil services sector which was the largest strategy in the portfolio. The main contributing factor to the success of the strategy was the broad recovery in demand for oil services driven by increased investments in new oil fields of close to 40% year on year. Within the strategy our two main holdings, Schlumberger and Weatherford, performed particularly well due to high operating leverage and leaner cost structures. The biggest detractor from performance this year was Ocado. The gradual normalisation of online shopping habits post pandemic and the uncertain economic environment meant that tech companies, and especially those with plans to raise capital, fell out of favour with investors. However, the company unveiled a number of innovations along with cost cutting measures which continue to make this an attractive investment.

In 2022 the performance of private funds (10% of total amount invested at 31 December 2022) was driven by the Co-investment fund which launched in July 2021 and was fully invested by the end of 2022. Despite the general drawdowns across private markets, fundraising rounds at higher valuations were seen. These included ClearBank (the UK’s first digital clearing bank) and Syntony (a French GNSS solutions provider). India has provided some unique investment opportunities, with the fund being an early investor in KiMobility (India’s leading digital automotive platform) where Castrol (British Petroleum) subsequently acquired a strategic stake. Other investments include established, fast growing businesses such as TVS SCS - an integrated supply chain solutions provider. Last year the fund also partnered with JC Flowers in a transaction to buy an NPL portfolio from Yes Bank via an asset reconstruction company.

Valuation:
The fair value at 31 December 2022 of Exor's investments in the funds equal to €1,185 million (€337 million at 31 December 2021) increased by €848 million driven by additional investments for €732 million (of which €615 million in public funds, net of a negative purchase price adjustment of €135 million, and €117 million in private funds) and fair value adjustments for €115 million (including a positive adjustment of €116 million from public funds and negative adjustment of €1 million from private funds).

The fair value at 31 December 2022 includes public funds for €1,068 million (€337 million at 31 December 2021) and private funds for €116 million.

The fair value is based on the NAV reported by the funds, including both listed and private assets.

(22.91% stake and 34.54% of voting rights on issued capital)

Key figures

€ million	Years ended 31 December 2022	2021	Change	
Shipments (in units)	**13,221**	**11,155**	**2,066**	**19 %**
EMEA	5,958	5,492	466	8 %
Americas	3,447	2,831	616	22 %
Mainland China, Hong Kong and Taiwan	1,552	899	653	73 %
Rest of APAC	2,264	1,933	331	17 %
Net revenues	**5,095**	**4,271**	**824**	**19 %**
Car and spare parts	4,341	3,573	768	22 %
Engines	155	189	(34)	(18)%
Sponsorship, commercial and brand	479	431	48	11 %
Other	120	78	42	54 %
EBIT	**1,227**	**1,075**	**152**	**14 %**
Net profit	**939**	**833**	**106**	**13 %**
Net industrial debt[(a)]	**(207)**	**(297)**	**(297)**	
Debt	(2,812)	(2,630)	(182)	—
Cash and cash equivalents	1,389	1,344	45	—
Net debt of financial services activities	(1,216)	(989)	(227)	—

Key highlights

- Shipments totalled 13,221 units in 2022, up 2,066 units or 18.5% versus the prior year. The increase in shipments during the year was driven by the Ferrari Portofino M and the SF90 family, as well as the 296 GTB and the 812 Competizione, which were in the ramp-up phase. All geographies positively contributed and the geographical allocation followed the pace of introduction of new models.
- Net revenues for 2022 were €5,095 million, an increase of €824 million or 19.3% (an increase of 15.5% on a constant currency basis), compared to €4,271 million in 2021. The change in net revenues was attributable to the combination of a €768 million increase in cars and spare parts due to higher volumes and the contribution from personalizations, a €48 million increase in sponsorship, commercial and brand and a €42 million increase in other net revenues, partially offset by a €34 million decrease in engines.
- EBIT for 2022 was €1,227 million, an increase of €152 million, or 14.1%, from €1,075 million in 2021. The increase in EBIT was primarily attributable to the combined effects of: (i) a positive volume impact of €261 million, (ii) a negative product mix impact of €16 million mainly impacted by the effects of lower deliveries of the Ferrari Monza SP1 and SP2 which phase out in the first quarter of 2021, (iii) an increase in industrial costs and research and development costs of €116 million (including the effects of rising energy and raw materials cost inflation), (iv) an increase in selling, general and administrative costs of €80 million mainly reflecting communication and marketing activities, lifestyle and corporate events, and other negative changes of €49 million.

- Net Industrial debt at 31 December 2022 was €207 million, compared to €297 million at 31 December 2021, also reflecting share repurchases of €397 million and €252 million of dividends distribution. At 31 December 2022 the available liquidity was €2,058 million (€2,020 million at 31 December 2021), including undrawn committed credit lines of €669 million.

2023 Outlook

2023 Guidance based on the following assumptions:

– Strong mix sustained by rich product portfolio, Ferrari Daytona SP3 and personalizations;
– Price increase to counterbalance current cost inflation;
– Increasing depreciation and amortization in line with the start of production of new models;
– Revenues from racing and lifestyle activities reflecting a limited improvement;
– Industrial free cash flow generation sustained by strong profitability partially offset by disciplined capital expenditures to fuel long term development and negative working capital.

(Euro billion, unless otherwise stated)	2022 ACTUAL	2023 GUIDANCE
Net revenues	5.1	~5.7
Adjusted EBITDA (margin %)	1.77 34.8%	2.13-2.18 ~38%
Adjusted EBIT (margin %)	1.23 24.1%	1.45-1.50 ~26%
Adjusted diluted EPS (€)	5.09	6.00-6.20
Industrial free cash flow	0.76	Up to 0.90

(13.99% stake, 13.99% of voting rights on issued capital)

Key figures

€ million	Years ended 31 December 2022	2021(a)	Change	
Shipments (in 000 of units)	**5,782**	**5,927**	**(145)**	**(2)%**
EMEA	1,861	1,820	41	2 %
Enlarged Europe	2,626	2,860	(234)	(8)%
Middle East Africa	283	273	10	4 %
South America	859	830	29	3 %
China and India & Asia Pacific	127	120	7	6 %
Maserati	25.9	24.2	1.7	7 %
Net revenues	**179,592**	**152,119**	**27,005**	**18 %**
EMEA	85,475	69,736	15,739	23 %
Enlarged Europe	63,311	59,060	4,251	7 %
Middle East Africa	6,453	5,201	1,252	24 %
South America	15,620	10,681	4,939	46 %
China and India & Asia Pacific	4,505	3,980	525	13 %
Maserati	2,320	2,021	299	15 %
Other	1,908	1,440	468	33 %
Adjusted Operating Income(b)	**23,323**	**18,011**	**5,312**	**29 %**
Net profit	**16,779**	**13,354**	**3,425**	**26 %**
Cash flows from operating activities	**19,959**	**n.a.**	**n.a.**	**n.a.**
Industrial free cash flows(c)	**10,819**	**6,072**	**4,747**	**78 %**

(a) Full year 2021 Pro-forma results are presented as if the merger had occurred on 1 January 2020 and include results of FCA for the period 1 January – 16 January 2021.

(b) Adjusted operating income is a non-GAAP financial measure used to measure performance. Adjusted operating income/(loss) excludes from Net profit/(loss) from continuing operations adjustments comprising restructuring, impairments, asset write-offs, disposals of investments and unusual operating income/(expense) that are considered rare or discrete events and are infrequent in nature, as inclusion of such items is not considered to be indicative of the Stellantis's ongoing operating performance, and also excludes Net financial expenses/(income), Tax expense/(benefit) and Share of the profit of equity method investees.

(c) Industrial free cash flows is a non-GAAP financial measure used to measure performance. Industrial free cash flows is calculated as Cash flows from operating activities less: cash flows from operating activities from discontinued operations; cash flows from operating activities related to financial services, net of eliminations; investments in property, plant and equipment and intangible assets for industrial activities; contributions of equity to joint ventures and minor acquisitions of consolidated subsidiaries and equity method and other investments; and adjusted for: net intercompany payments between continuing operations and discontinued operations; proceeds from disposal of assets and contributions to defined benefit pension plans, net of tax. For the year ended 31 December 2021, Pro Forma Industrial free cash flows includes the Industrial free cash flows of FCA for the period 1 January - 16 January 2021. The timing of Industrial free cash flows may be affected by the timing of monetization of receivables and the payment of accounts payables, as well as changes in other components of working capital, which can vary from period to period due to, among other things, cash management initiatives and other factors, some of which may be outside of the Company's control.

Key highlights

- Net revenues of €179.6 billion, up 18% compared to 2021 Pro Forma reflecting strong net pricing, favourable vehicle mix and positive FX translation effects.
- Adjusted operating income up 29% to €23.3 billion, with 13.0% margin, exceeds 2030 target of >12%; all segments contributing to both top and bottom line growth.
- Industrial free cash flows of €10.8 billion, up 78%, showing early progress toward 2030 objective of >€20 billion.

Debt to Industrial net financial position

(€ million)	31 December 2022	31 December 2021
Debt	(27,153)	(33,582)
Current financial receivables from jointly-controlled financial services company	321	103
Derivative financial assets(liabilities), net and collateral deposits	52	(9)
Financial securities	3,527	1,499
Cash and cash equivalents	46,433	49,629
Industrial Net financial position classified as held for sale	54	—
Net financial position	**23,234**	**17,640**
Less: Net financial position of financial services	(2,471)	(1,450)
Industrial net financial position	**25,705**	**19,090**

2023 Outlook

Based on the following assumptions:

– Industry Outlook(*): North America +5%; Enlarged Europe +5%; Middle East & Africa +5%; South America +3%; India & Asia Pacific +5%; China +2%.

– 2023 Guidance: Adjusted operating income margin of Double-Digit. Industrial Free Cash Flows positive.

(*) Source: China State Information Center (SIC), S&P Global, Ward's Automotive and Company estimates.

(26.89% stake, 41.68% of voting rights on issued capital)

Key figures

$ million	Years ended 31 December 2022	2021[a]	Change
Revenues	**23,473**	**19,474**	**3,999**
Agriculture	17,969	14,754	3,215
Construction	3,572	3,081	491
Eliminations and other	—	—	—
Net revenues Industrial Activities	21,541	17,835	3,706.0
Financial Services	1,982	1,664	318
Eliminations and other	(50)	(25)	(25)
Adjusted EBIT of Industrial Activities[b]	**2,436**	**1,729**	**707.0**
Agriculture	2,460	1,794	666
Construction	119	83	36
Unallocated items, elimination and other	(143)	(148)	5
Net (loss) income	**1,877**	**1,777**	**100**
Net Cash(Debt) of Industrial Activities[c]	**114**	**(1,374)**	**1,488**
Third party debt	(23,496)	(21,186)	(2,310)
Payables to Iveco Group[d]	(156)	(503)	347
Debt	(23,652)	(21,689)	(1,963)
Receivables from Iveco Group[e]	298	—	298
Cash and cash equivalents	4,376	5,044	(668)
Restricted cash	753	801	(48)
Other/financial asset/(liabilities)[f]	285	4	281
(Net debt)/Cash	(17,940)	(15,840)	(2,100)
(less) Cash(Debt) of Financial Activities	18,054	14,466	3,588

(a) The data for the year ended 31 December 2021 have been restated, consistent with Iveco Group's classification as a discontinued operation for the year ended 31 December 2021. The spin-off of Iveco Group took effect on 1 January 2022.
(b) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT is defined as profit/(loss) before taxes, financial services results, industrial activities financial expenses, restructuring costs and certain non- recurring items.
(c) Net Cash (Debt) of Industrial Activities is defined is defined as total Debt plus Derivative liabilities, net of Cash and cash equivalents, Current securities, Derivative assets and Other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties). Comparative data refer to 31 December 2021
(d) At 31 December 2022 this item includes payables related to purchases of receivables or collections with settlement in the following days. At 31 December 2021 the amount payable to Iveco Group has been re-presented (net of the receivables) to show, in a clearer view, the amounts of financial payables and receivables vs. Iveco Group after the spin-off of Iveco Group.
(e) At 31 December 2022 this item includes receivables related to sales of receivables or collections with settlement in the following days.
(f) Including short term deposits, investments towards high-credit rating counterparties and fair value of derivative financial instruments.

Key highlights

- Net revenues were $23,473 million in the year ended 31 December 2022, an increase of 20.7% compared to the year ended 31 December 2021 (up 123.9% on a constant currency basis). Net revenues of Industrial Activities were $21,541 million in the year ended 31 December 2022, an increase of 20.8% compared to prior year (up 24.3% on a constant currency basis) due to favourable price realization and increased sales volume.
- Adjusted EBIT of Industrial Activities was $2,436 million in the year ended 31 December 2022, compared to an adjusted EBIT of $1,729 million in the year ended 31 December 2021. The increase in adjusted EBIT was primarily attributable to year on year increases in both the Agriculture and Construction segments.

Net debt

Net debt at 31 December 2022, excluding positive exchange rate differences effect of $443 million, increased by $2,533 million compared to 31 December 2021, mainly due to increase in portfolio receivables in financial services for $4,245 million, dividend cash-out of $412 million, buy back of $153 million, partially offset by free cash flow generation from Industrial Activities of $1,591 million, proceeds from the disposal of Raven Engineered Films Division for €350 million and Financial Services operating cash generation (net of portfolio growth).

2023 Outlook for Industrial Activities

Prepared under U.S. GAAP and based on the following assumptions:

- Net sales(*) up between 6% and 10% year on year including currency translation effects;
- SG&A expenses up, no more than 5% vs 2022;
- Free cash flow of Industrial Activities between $1.3 billion and $1.5 million;
- R&D expenses and capital expenditures at around $1.6 billion.

(*) Net sales reflecting the exchange rate of 1.05 EUR/USD.

JUVENTUS

(63.77% of share capital)

Key figure

Referred to the first half of 2022/2023 of Juventus F.C.

€ million	First half		Change
	2022/2023	**2021/2022[a]**	
Revenues	**276**	223	53
Operating costs	**(211)**	(236)	25
Operating result	**(19)**	(104)	85
Loss for the period	**(30)**	(112)	82

€ million	At 31 December 2022	At 30 June 2022	Change
Net financial debt	**333**	153	180

(a) The financial information relating to the first half of the 2021/2022 financial year has been restated, compared to what is reported in the Consolidated Half-Yearly Report at 31 December 2021 of the Company approved on 24 February 2022.

For a correct interpretation of the data, it should be noted that the financial year of Juventus does not coincide with the calendar year, but covers the period 1 July – 30 June, which corresponds to the football season. The accounting data under examination (6 months) thus represents the first half of operations for the financial year 2022/2023.
On the other hand, the financial data prepared only for Exor consolidated reporting purposes covers the period of 12 months (the second half of the financial year 2021/2022 and the first half of the financial year 2022/2023) and cannot be construed as representing the basis for a Juventus 2021/2022 full-year projection.
Result performance is characterized by the highly seasonal nature typical of the sector, determined mainly by the calendar of football events and the two phases of the players' Transfer Campaign.
The financial position and cash flows are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a period different from the period to which they refer.

Key highlights

- Revenues for the period from 1 July to 31 December 2022 amounted to €276 million, an increase of €53 million compared to €223 million for the period from 1 July to 31 December 2021. The increase is mainly attributable to greater revenues from players registration rights (€38 million) and increased ticket sales (€15 million).
- Operating costs for the period from 1 July to 31 December 2022 amounted to €211 million, a decrease of €25 million compared to €236 million for the period from 1 July to 31 December 2021. The decrease is mainly attributable to lower cost for registered personnel (€30 million), lower charge for amortization of players' registration rights (€9 million) and lower cost from players' right management (€9 million), partially offset by greater costs for external services (€11 million) and other minor items.
- Loss of the period from 1 July to 31 December 2022 amounted to €30 million, showing a significant improvement (€82 million) compared to the loss for the period from 1 July to 31 December 2021 of €112 million. This improvement derives in part from the elimination of the negative effects of the pandemic (especially with reference to revenues from ticket sales), in part from the revenue development and cost rationalisation initiatives put in place in the previous periods and carried on in the current one.

- Juventus is subject to an ongoing proceeding that involves three main streams:
  - Criminal proceeding pending before the Turin Judicial Authority against Juventus itself as well as some former and current officer representatives in relation to “revenues from players’ registration rights” recorded in the financial statements a 30 June 2019, 2020 and 2021 and to agreements for reducing and supplementing the wages of players and technical staff concluded in the years 2019/2020, 2020/2021 and 2021/2022.
  - Consob proceeding pursuant to art. 154-ter, paragraph 7, of the Consolidated Law on Finance in relation to critical issues identified by Consob with respect to the accounting accuracy of the financial statements at June 30, 2020 and 2021.
  - Sporting proceeding: (i) on January 20, 2023 the Federal Court of Appeal, in the context of the proceeding against Juventus for the violations referred to in articles 4 and 31, paragraph 1, of the Code of Sports Justice of the FIGC, ordered the application of sporting sanctions against both Juventus (a 15-point deduction in the standings) and the members of Juventus top management referred (sanctions involving temporary bans); (ii) on November 30, 2022, the FIGC Public Prosecutors’ Office opened an additional sport proceeding following the acquisition of the investigation records from the Public Prosecutors’ Office at the Court of Turin, still ongoing at the date of this report.

Net debt

Net financial debt at 31 December 2022 (€333 million) increased by €180 million compared to net debt at 30 June 2022 (€153 million). The increase is mainly determined by the net payment linked to the transfer campaign of previous years (€67 million), investment in fixed assets (€51 million, of which €48 million related to the purchase of the building that houses the company headquarters and the Juventus training & media center) and other negative flow from operations, mainly for payment of instalments of social contributions and withholdings taxes from previous year, whose deferral was permitted by the Relaunch Decree, articles 126 and 127, later amended by Decree Law 104 of 14 August 2020, by Law 178/2020 and Law 234/2021. It should be noted that in light of the normal seasonality of the business and assuming the absence of non-recurring events in the second half of the year, net financial debt at the close of financial year 2022/2023 can be expected to be in the range of that at the end of December 2022.

Outlook

The economic performance of Juventus Football Club in the 2022/2023 financial year, albeit influenced by the unfavourable economic, financial and political context, confirms the forecasts of significant improvement compared to that recorded in the 2021/2022 financial year, still heavily penalised by the direct and indirect effects of the Covid-19 pandemic.

The expected improvement also derives from the incisive actions to develop revenues and rationalise costs established in the previous periods and continued in the current one.

As usual, the economic, equity and financial performance of the current year will be influenced by the sports performance of the First Team, any transfer market transactions and the evolution of the ongoing proceeding mentioned above, detailed in the Note 30 Guarantees granted, commitments and contingent liabilities of the Consolidated financial statements.

I V E C O • G R O U P

(27.06.% stake, 42.49% of voting rights on issued capital)

Key figures

On 1 January 2022 the demerger between CNH Industrial and Iveco Group took legal effect. The 2021 figures presented relate to the activities transferred to Iveco Group and are derived from CNH Industrial consolidated financial statements for the year ended 31 December 2021.

$ million	Years ended 31 December		Change
	2022	**2021**	
Revenues	**14,357**	**12,651**	**1,706**
Commercial and Specialty Vehicles	12,100	10,318	1,782
Powertrain	3,960	3,750	210
Elimination and Other	(1,895)	(1,548)	(347)
Net revenues Industrial Activities	14,165	12,520	1,645
Financial Services	281	195	86
Eliminations and other	(89)	(64)	(25)
Adjusted EBIT	**527**	**376**	151
Commercial and Specialty Vehicles	415	254	161
Powertrain	187	208	(21)
Unallocated items, eliminations and other	(178)	(160)	(18)
Adjusted EBIT of Industrial Activities	**424**	**302**	122
Financial Services	103	74	29
Eliminations and other	—	—	—
Net (loss) income	**159**	**76**	**83**
Net Industrial cash (Debt) Industrial Activities	**1,727**	**1,063**	**664**
Third party debt	(4,156)	(2,709)	(1,447)
Debt payable to CHN industrial[(a)]	(277)	(3,076)	2,799
Cash and cash equivalents	2,288	897	1,391
Financial receivables from CNH Industrial[(b)]	146	3,520	(3,374)
Other current financial asset[(c)]	26	54	(28)
Derivative assets/(liabilities)[(d)]	4	7	(3)
Net cash/(debt)	**(1,969)**	**(1,307)**	**(662)**
Net debt of financial services activities	(3,696)	(2,370)	(1,326)

(a) At 31 December 2022 it includes payables related to purchase of receivables or collections with settlement in the following days. At 31 December 2021, it mainly included overdraft and advances/utilizations under cash management and/or cash pooling arrangements and loans granted by the CNH Industrial central treasury.
(b) At 31 December 2022 it includes receivables related to sales of receivables or collections with settlement in the following days. At 31 December 2021, it mainly referred to cash balances deposited with the CNH Industrial central treasury, including cash management and/or cash pooling arrangements.
(c) Includes short-term deposits and investments towards high-credit rating counterparties.
(d) Includes fair value of derivative financial instruments.

Key highlights

- Net revenues of Iveco Group were €14,357 million in the year ended 31 December 2022, an increase of 13.5% compared to the year ended 31 December 2021. Net revenues of Industrial Activities were €14,165 million in the year ended 31 December 2022 an increase of 13.1% compared to the year ended 31 December 2021, mainly due to higher volumes and positive price realization.
- Adjusted EBIT of Industrial Activities was €424 million for the year ended 31 December 2022, compared to €302 million for the year ended 31 December 2021. The increase was primarily attributable to a positive price realization, higher volumes and better mix more than offsetting higher raw material and energy costs.

Net debt

Net debt at 31 December 2022 was €1,969 million, an increase of €662 million compared to 31 December 2021 (€1,307 million). Net Industrial cash at 31 December 2022 (€1,727 million) increased by €664 million compared to 31 December 2021 (€1,063 million), mainly reflecting €690 million positive free cash flow primarily due to the operating performance and working capital improvement.

2023 Outlook[i]

Iveco Group based on current industry outlook, solid order backlog and no signs of increasing order cancellations, is expecting the following preliminary data:

- Consolidated Adjusted EBIT between €550 million and €590 million;
- Net revenues of Industrial Activities[ii] up from 2% to 3% versus full year 2022;
- Adjusted Ebit of Industrial Activities between €460 million and €500 million.
- SG&A costs of Industrial Activities ~6% of net revenues;
- Net cash of Industrial Activities[iii] ~2.0 billion;
- Investments of Industrial Activities[iv] up from 10% to 15% versus full year 2022.

i. A significant escalation or expansion of economic disruption due to Covid-19 pandemic, Russia/Ukraine war, supply chain issues, and energy price and supply could have a material adverse effect on Iveco Group financial results.

ii. Including currency translation effects.

iii. Excluding share buy-backs and extraordinary transactions.

iv. Investments in property, plant and equipment, and intangible assets (excluding assets sold under buy-back commitments and assets under operating leases).

Reconciliation with the IFRS financial statements

The following table shows the reconciliation between the Net Asset Value (NAV), the Gross Asset Value (GAV) and the issued capital and reserves attributable to owners of the parent.

	At 31 December	
€ million	2022	2021
Issued capital and reserves attributable to owners of the parent	**20,627**	16,759
Difference between the market value and the book value of the investments	7,512	14,215
Treasury stock and other	94	95
Net Asset Value (NAV)	**28,233**	**31,069**
Gross debt of the Holding System	4,234	4,307
Other liabilities of the Holdings System	20	771
Gross Asset Value (GAV)	**32,487**	**36,147**

The following table shows the difference between the market value and the book value of Investments:

	At 31 December			
	2022		2021	
€ million	Book value[a]	Market value	Book value[a]	Market value
Stellantis	10,885	5,961	8,624	7,499
CNH Industrial[b]	1,873	5,491	1,342	5,481
Iveco Group[b]	642	408	620	819
Ferrari	633	8,896	533	10,109
Christian Louboutin[c]	581	700	562	541
Exor Seeds[d]	498	520	489	489
The Economist Group	300	370	317	365
Institut Meriéux[e]	278	848	—	—
GEDI Gruppo Editoriale	167	167	171	202
Juventus Football Club	87	510	194	556
Lifenet	68	71	—	—
Casavo[d]	56	40	—	—
PartnerRe	—	—	7,139	8,109
Funds (public and private)	1,184	1,185	350	350
Reinsurance vehicles	622	622	—	—
Others	1,958	1,555	342	378
Total	**19,832**	**27,344**	**20,683**	**34,898**
Difference		**7,512**		**14,215**

(a) Correspond to the Exor's share of the net equity attributable to the owner of the parent of each entity. The values in the item Others correspond to the carrying amounts in the financial statements.
(b) The accounting acquisition date was 30 April 2021.
(c) At 31 December 2021 Iveco Group was part of CNH Industrial and became an independently listed company following the separation of its business from CNH Industrial effective from 1 January 2022. For comparative purposes, the aggregate book and market value of CNH Industrial at 31 December 2021 has been split in order to present Iveco Group separately. The market value has been split using the demerger ratio calculated based on the opening price at 3 January 2022 (first date of listing on Euronext Milan), while the opening balances at 1 January 2022 (book value) correspond to the carrying amounts of net equity included within the financial statements of CNH Industrial pre-demerger.
(d) At 31 December 2022 the book value of Casavo includes the share directly owned by Exor and indirectly through Exor Seeds, while the market value includes only the direct share owned by Exor. The market value of the indirect share of Casavo owned by Exor Seeds is included in the market value of Exor Seeds.
(e) The market value of €848 million includes the Exor's commitment to purchase 341,171 shares of Institut Meriéux (€555 million).

2 - Net financial position of the Holdings System

The net financial position of the Holdings System, determined by applying the shortened consolidation criterion, is a representative measure of the financial resources and commitments directly attributable to and managed by Exor. This non-IFRS measure is a metric used to indicate to shareholders and investors the financial resources and indebtedness directly attributable to Exor, rather than the consolidated financial resources and indebtedness of the Group.

The following table shows the net financial position of the Holdings System and details the composition thereof, namely cash, cash equivalents and financial assets less gross debt of the Holdings System.

	At 31 December	
€ million	2022	2021
Cash and cash equivalents	**1,860**	283
Liquidity funds	**1,114**	—
Short duration and bond funds	**2,011**	—
Financial assets and financial receivables	**44**	100
Cash, cash equivalents and financial assets	**5,029**	383
Exor bonds	**(3,475)**	(4,069)
Bank debt	**(150)**	(150)
Other financial liabilities	**(609)**	(88)
Gross debt	**(4,234)**	(4,307)
Net financial position	**795**	(3,924)

Reconciliation with the IFRS financial statements

Considering that the net financial position of the Holdings System is a non-IFRS measure, the reconciliation with the IFRS financial statements is presented for the components of the net financial position of the Holdings System, meaning cash, cash equivalents and financial assets and gross debt.

The reconciliation of cash, cash equivalents and financial assets of the Holdings System against the nearest IFRS-measure is as follows.

€ million	At 31 December	
	2022	2021
Cash and cash equivalents[(a)]	**11,577**	7,905
(Less) Cash and cash equivalents of the operating subsidiaries accounted for using the equity method in the Holdings System	**(6,592)**	(7,622)
Financial assets and financial receivables	**44**	100
Cash, and cash equivalents and financial assets of the Holdings System	**5,029**	383

(a) IFRS measure.

The reconciliation of the consolidated gross debt of Exor Group with the consolidated gross debt of the Holdings System is as follows:

€ million	At 31 December	
	2022	2021
Gross debt[(a)]	**33,970**	28,950
(Less) Gross debt of the operating subsidiaries accounted for using the equity method in the Holdings System	**(38,204)**	(24,643)
Gross debt of the Holdings System	**(4,234)**	(4,307)

(a) IFRS measure. Corresponding to the item financial debt and derivative liabilities in the consolidated financial statement.

3 - Share of the profit (loss) from investments in subsidiaries and associates

The share of the profit (loss) from investments in subsidiaries and associates is determined using the shortened consolidation criterion and measures the profitability of Exor's investments. This non-IFRS measure is a metric used to indicate the profits or losses directly attributable to Exor's proportionate shareholding in its subsidiaries and associates, rather than the consolidated profits or losses attributable to the Group. The composition is as follows:

€ million	Years ended 31 December		Change
	2022	**2021**	
Stellantis[(a)]	**2,392**	1,905	487
CNH Industrial[(b)]	**471**	384	87
Ferrari	**228**	201	27
Iveco Group[(b)]	**40**	14	26
Welltec	**30**	2	28
Christian Louboutin	**28**	22	6
The Economist Group	**16**	11	5
Institut Mérieux	**4**	—	4
Lifenet	**(3)**	—	(3)
Casavo	**(6)**	—	(6)
GEDI	**(9)**	(31)	22
Other	**21**	36	(15)
Shang Xia	**(37)**	(10)	(27)
Exor Seeds	**(97)**	111	(208)
Juventus Football Club	**(100)**	(137)	37
PartnerRe	**(1,064)**	580	(1,644)
Share of the profit (loss) from investments in subsidiaries and associates	**1,914**	3,088	(1,174)

(a) In 2021 the result referred to the period 17 January to 31 December 2021.
(b) Data of the year ended at 31 December 2021 re-presented for comparative purpose.

Reconciliation with the IFRS financial statements

The reconciliation of the share of the profit from investments in subsidiaries and associates with the profit (loss) attributable to owners of the parent is as follows:

€ million	Years ended 31 December		Change
	2022	**2021**	
Profit (loss) attributable to owners the parent[(a)]	**4,227**	1,717	2,510
Less:			
- Other gain (losses)[(b)]	**(2,424)**	—	(2,424)
- Profit from investments at FVTOCI	**—**	(8)	8
- Profit from investments at FVTPL	**(80)**	(56)	(24)
- Net financial expenses (income)	**104**	113	(9)
- Net recurring general expenses	**31**	19	12
- Net non-recurring other income/expenses[(c)]	**47**	514	(467)
- Income taxes and other taxes and duties	**9**	789	(780)
Share of the profit (loss) of investments accounted for using the equity method	**1,914**	3,088	(1,174)

(a) IFRS measure.
(b) Refers to the net gain on disposal of PartnerRe.
(c) The year ended 31 December 2021 included €504 million arising from the deconsolidation of FCA, following the merger of PSA with and into FCA, in particular, €490 million related to the reversal to the income statement of Exor's share in the FCA items previously recognized in other comprehensive income reserve.

4 - Loan-To-Value (LTV) Ratio

Exor focuses on managing its leverage and keeping indebtedness below 20% of Loan-to-Value (LTV) ratio as a target. LTV ratio is a measure used to assess the financial risk profile of an investment holding company, and, in respect of Exor, is calculated by the sum of the net financial position of the Holdings System and other liabilities of the Holdings System, and dividing it by the sum of the Gross Asset Value of the Company net of cash, cash equivalents and other financial assets of the Holdings System, expressed as a percentage.

The Company's LTV ratio at 31 December 2022 is not applicable, as the company has a net cash position. The Company's LTV ratio at 31 December 2021 was equal to 13%. This APM is a ratio used to provide shareholders and investors with a metric which shows the relationship between the Company's net debt and the value of its assets, which are mainly participations in companies.

The table below sets out the breakdown of the Company's LTV ratio at 31 December 2022 and at 31 December 2021.

€ million	At 31 December 2022	At 31 December 2021
Net financial position of the Holdings System	**795**	(3,924)
Other liabilities of the Holdings System[a]	(20)	(771)
Numerator	**775**	(4,695)
Gross Asset Value	**32,487**	36,147
Cash, cash equivalents and financial assets of the Holdings System	**5,029**	383
Denominator	**27,458**	35,764
LTV Ratio	**n.a.**	13.13 %

(a) At 31 December 2021 the LTV ratio had been adjusted to reflect the tax claim accrued at that date and paid in February 2022.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

This section includes the results of the Exor Group based on the "shortened" criterion of consolidation.

According to this method, the Holdings System companies are consolidated line-by-line and the operating subsidiaries and associates are consolidated using the equity method.

While the presentation of such data is not contemplated in the reference accounting standards, Exor believes that this information facilitates the analysis of the results and the financial position of Exor Group.

EXOR GROUP – Consolidated Income Statement – Shortened

€ million	Note	Years ended 31 December 2022	2021	Change
Profit (loss) from investments in subsidiaries and associates:				
Share of the profit (loss)	1	**1,914**	3,088	(1,174)
Gain on disposal	1	**2,424**	—	2,424
Dividends received	1	**839**	1,592	(753)
Dividends eliminated[a]		**(839)**	(1,592)	753
Profit (loss) from investments in subsidiaries and associates		**4,338**	3,088	1,250
Profit (loss) from investments at FVTOCI	7	**—**	8	(8)
Profit (loss) from investments at FVTPL	8	**80**	56	24
Net financial income (expenses):				
Profit (loss) from cash, cash equivalents and financial assets	2	**39**	4	35
Cost of debt[b]	2	**(102)**	(124)	22
Exchange gains (losses), net	2	**(41)**	7	(48)
Net financial income (expenses)		**(104)**	(113)	9
Net recurring general expenses	3	**(31)**	(19)	(12)
Net non-recurring other income (expenses)	4	**(47)**	(514)	467
Income taxes and other taxes and duties	5	**(9)**	(789)	780
Profit (loss) attributable to owners of the parent		**4,227**	1,717	2,510

(a) Dividends from investments in subsidiaries and associates which are included in the share of the profit (loss) from investments in subsidiaries and associates are eliminated in the consolidation process.
(b) 2021 included the one-off losses on partial bond cancellation (€21 million).

EXOR GROUP – Consolidated Statement of Financial Position – Shortened

€ million	Note	At 31 December 2022	2021	Change
Investments in subsidiaries and associates	6	**16,244**	20,159	(3,915)
Investments at FVTOCI	7	**971**	853	118
Investments at FVTPL	8	**1,853**	350	1,503
Other assets (liabilities), net	9	**764**	(679)	1,443
Invested capital		**19,832**	20,683	(851)
Issued capital and reserves attributable to owners of the parent	10	**20,627**	16,759	3,868
Cash, cash equivalents and financial assets	11	**(5,029)**	(383)	(4,646)
Gross debt	11	**4,234**	4,307	(73)
Equity and net financial position		**19,832**	20,683	(851)

Basis of preparation - Principles of the "shortened" consolidation method

The management of Exor believes that the consolidated financial information prepared applying the "shortened" consolidation method facilitates the analysis of the results and financial position of the Company. This method is recognized by the financial community, financial counterparties and rating agencies.

This method does not fully represent, nor should be treated as, the consolidated financial position of the Group prepared in accordance with IFRS. It is not contemplated in the reference accounting standards and is not audited by the independent auditors of the Company.

This method may not be consistent with that adopted by other groups and therefore it may not be possible to compare such financial information.

Scope	Consolidated entities	Source of financial information	Method of consolidation
Parent company	Exor N.V.	IFRS-compliant financial statements	Line-by-line method
Subsidiaries of the Holdings System	Exor Nederland N.V. (the Netherlands), Exor S.A. (Luxembourg), Ancom USA Inc. (USA), Exor SN LLC (USA), Exor Investments Limited (United Kingdom)	IFRS-compliant financial statements	Line-by-line method
Investee companies (subsidiaries and associates)	Ferrari, CNH Industrial, Exor Seeds, Juventus, Iveco Group, GEDI, Shang Xia, Exor Capital, Stellantis, Christian Louboutin, The Economist Group, Welltec, Lifenet, Casavo and Nuo	IFRS-compliant financial statements	Equity method

Overview consolidated data

Exor closed the year 2022 with a consolidated profit of €4,227 million; the year 2021 ended with a consolidated profit of €1,717 million. The net increase of €2,510 million is mainly attributable to the net gain realized on the disposal of PartnerRe (€2,424 million), partially offset by a decrease of the share of the result of subsidiaries and associates (€1,174 million), including unrealized losses of the fixed income portfolio of PartnerRe. The result for the year 2021 included a non-recurring loss (€507 million) arising from the deconsolidation of FCA, following the merger with PSA and the charge for Exit Tax (€746 million) related to a settlement reached by Exor with the Italian Tax Authorities.

At 31 December 2022 the consolidated equity attributable to owners of the parent amounts to €20,627 million with a net increase of €3,868 million, compared to €16,759 million at 31 December 2021. Additional details are provided in Note 10.

The consolidated net financial position of the Holdings System at 31 December 2022 is a positive €795 million and reflects a positive change of €4,719 million compared to the negative financial position of €3,924 million at 31 December 2021, mainly due to the cash consideration received on the disposal of PartnerRe (€7,743 million), dividends received from investments (€839 million), partially offset by investments (€2,212 million), share buyback (€255 million) and dividend distribution (€99 million). Additional details are provided in Note 11.

Scope of consolidation

The following table shows the scope of consolidation under the shortened method:

	Reporting currency	% of consolidation	
		At 31 December	
		2022	2021
Holding Company			
– EXOR N.V. (the Netherlands)	€	**100**	100
Companies in the Holdings System consolidated line-by-line			
– Exor Nederland N.V. (the Netherlands)	$	**100**	100
– Exor S.A. (Luxembourg)	€	**100**	100
– Ancom USA Inc. (USA)	$	**100**	100
– Exor SN LLC (USA)	$	**100**	100
– Exor Investments Limited (United Kingdom)	£	**100**	100
Investments in operating subsidiaries and associates, accounted for using the equity method			
– Ferrari	€	**24.42**	24.17
– Stellantis	€	**14.29**	14.35
– CNH Industrial	$	**27.30**	27.06
– Exor Seeds	$	**87.64**	79.96
– Juventus Football Club	€	**63.77**	63.77
– Christian Louboutin	€	**24.00**	24.03
– The Economist Group	£	**43.40**	43.40
– Iveco Group[(a)]	€	**27.06**	—
– GEDI	€	**89.62**	89.62
– Shang Xia[(b)]	CNY	**82.30**	77.30
– Welltec	$	**47.62**	47.62
– NUO	€	**50.00**	50.00
– Lifenet	€	**44.67**	—
– Casavo	€	**18.68**	—
– Institut Mérieux	€	**3.57**	—
– Exor Capital	£	**100**	100
– PartnerRe	$	**—**	100

(a) Iveco Group became an independent group following the separation of its business from CNH Industrial, effective from 1 January 2022.
(b) Owned through the holding Company Full More Group (Hong Kong).

Consolidation of foreign entities

The exchange rates used to translate foreign currencies into Euro are as follows:

	2022		2021	
	Average	31/12	Average	31/12
U.S. dollar	**1.053**	**1.067**	1.183	1.133
British pound	**0.853**	**0.887**	0.860	0.840
Chinese Renminbi	**7.079**	**7.358**	7.628	7.195

Change in scope of consolidation

Demerger of Iveco Group from CNH Industrial

Effective 1 January 2022 the Commercial and Specialty Vehicles, Powertrain and related Financial Services businesses of CNH Industrial were separated from CNH Industrial. Iveco Group (the vehicle housing the aforementioned businesses as the Iveco Group business) became a public-listed company independent from CNH Industrial and, from 3 January 2022, its common shares are traded on Euronext Milan. Each holder of common shares in the share capital of CNH Industrial received one common share of Iveco Group for every five CNH Industrial common shares held. Exor, which continues to be the shareholder of reference in both entities following completion of the spin-off process, holding 366,927,900 CNH Industrial common shares, received 73,385,580 Iveco Group common shares (a 27.06% stake) and the same number of special voting shares. As the demerger is a "business combination involving entities or businesses under common control", it is outside the scope of application of IFRS 3 – Business Combinations and IFRIC 17 – Distributions of Non-cash Assets to Owners. Accordingly, in Exor's 2022 Consolidated Financial Statements, the opening balances at 1 January 2022 related to Iveco Group correspond to the carrying amounts of the assets and liabilities included within the financial statements of CNH Industrial pre-demerger at 31 December 2021.
In the shortened consolidated statement of financial position at 31 December 2022 Iveco Group is presented in a separate line of the item Investments in subsidiaries and associates, while in the income statement the share of the result is presented in a separate line of the item Profit (loss) from investments in subsidiaries and associates.

Disposal of PartnerRe

On 12 July 2022 Exor completed the sale of PartnerRe to Covéa for a total consideration of €8.6 billion and a gain on disposal of €2.4 billion.
Until 12 July 2022, PartnerRe was still a subsidiary of Exor and therefore the net result of PartnerRe for the period from 1 January 2022 to 12 July 2022 has been consolidated and is presented in the share of the net profit (loss) of investments in subsidiaries and associates. Additional details are provided in Note 1.

Accounting for Institut Meriéux

On 1 July 2022 Exor and Institut Mérieux signed a long-term partnership agreement under which Exor will obtain, by way of a reserved capital increase, a 10% shareholding in Institut Mérieux. On 29 July 2022 Exor paid an initial amount of €278 million (3.57% shareholding), corresponding to one third of the €833 million total investment, by way of a reserved capital increase. The remaining amount is to be contributed based on Institut Merieux's needs and as new investment opportunities are identified, expected within the following 12 months.
Considering the board representation and other governance rights, Exor assessed that it has significant influence in accordance with IAS 28. Accordingly, at 31 December 2022 Institut Meriéux was accounted for using the equity method by reference to the consolidated financial information prepared in accordance with IFRS at that date, whit the income statement including the share of the result for the period 1 July to 31 December 2022.
At 31 December 2022 the purchase price allocation process is completed.

Accounting for Lifenet

In the second half of 2022, Exor closed the transaction for the acquisition of the 44.67% interest in Lifenet for a total consideration of €71 million. At 31 December 2022 Lifenet was accounted for using the equity method in accordance with IAS 28 by reference to the consolidated financial information prepared in accordance with IFRS at that date, whit the income statement including the share of the result for the period 1 July to 31 December 2022.
At 31 December 2022 the purchase price allocation process is completed.

Accounting for Casavo

In the second half of 2022, Exor invested €40 million to acquire a 12.28% interest in Casavo. Considering also the stake indirectly owned through Exor Seeds and the board representation, Exor assessed that it has the significant influence in accordance with IAS 28. Accordingly, at 31 December 2022 Casavo was accounted for using the equity method by reference to the consolidated financial information prepared in accordance with IFRS at that date, whit the income statement including the share of the result for the period 1 July to 31 December 2022.
At 31 December 2022 the purchase price allocation process is completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

1. Profit (loss) from investments in subsidiaries and associates

Share of the profit (loss)

The share of the results from investments in subsidiaries and associates in the year ended 31 December 2022 is a profit of €1,914 million, a decrease of €1,174 million compared to the profit of the year 2021 of €3,088 million. The decrease is mainly attributable to the net loss of PartnerRe driven by the unrealized losses of the fixed income portfolio, partially offset by the robust performance of Stellantis.

	Result[a]		Exor's share[b]		Change
	Years ended 31 December		Years ended 31 December		
€ million	2022	2021	2022	2021	
Stellantis[c]	16,799	14,200	**2,392**	1,905	487
CNH Industrial[d]	1,726	1,418	**471**	384	87
Ferrari	933	831	**228**	201	27
Iveco Group[d]	147	53	**40**	14	26
Welltec	62	4	**30**	2	28
Christian Louboutin	119	90	**28**	22	6
The Economist Group[e]	37	26	**16**	11	5
Institut Mérieux[f]	111	—	**4**	—	4
Lifenet[f]	(6)	—	**(3)**	—	(3)
Casavo[f]	(31)	—	**(6)**	—	(6)
GEDI	(6)	(35)	**(9)**	(31)	22
Other[g]	—	—	**21**	36	(15)
Shang Xia	(25)	(10)	**(37)**	(10)	(27)
Exor Seeds	(151)	184	**(97)**	111	(208)
Juventus Football Club[h]	(157)	(215)	**(100)**	(137)	37
PartnerRe[i]	(1,100)	587	**(1,064)**	580	(1,644)
Share of the profit (loss) of investments in subsidiaries and associates			**1,914**	**3,088**	(1,174)

(a) Results attributable to owners of the parents, prepared by each subsidiary and associate for Exor consolidation purposes, which may differ from those published by each reporting entity in its own financial report. Results reported in foreign currencies have been converted into Euro at the average exchange rate of the year.
(b) Including consolidation adjustments, where applicable.
(c) In 2021 result referred to the period 17 January - 31 December 2021.
(d) Data of the year ended 31 December 2021 are re-presented for comparative purpose.
(e) The result refers to the period 1 October – 30 September.
(f) The result refers to the period 1 July - 31 December.
(g) Mainly includes the share of the results of Exor Capital and Shang Xia. The result for the year ended 31 December 2021 included also the share of the result of FCA from 1 January to 16 January 2021.
(h) The result refers to the accounting data prepared for consolidation in Exor for the period 1 January – 31 December.
(i) The result for the year at 31 December 2022 refers to the period 1 January - 12 July 2022.

Gain on disposal

In the year ended 31 December 2022 the gain on disposal refers to the Investment in PartnerRe.

On 12 July 2022 Exor completed the sale of PartnerRe to Covéa, a leading French mutual insurer, for a total consideration of €8.6 billion, generating a gain on disposal of €2.4 billion.

The consideration was split as follows: $4.8 billion in US$ (corresponding to €4.6 billion) and €3.8 billion in Euro. The Euro portion of the proceeds was agreed and fixed at the signing of the Memorandum of Understanding in October 2021; the US$ portion was not hedged.

The consideration in Euro was paid in cash, while the portion in US$ was collected as follows: $3.9 billion in cash (€3.8 billion), $0.2 billion (€0.2 billion) paid by PartnerRe as a special dividend in March 2022 and $0.7 billion (€0.7 billion) in the form of interests in special purpose reinsurance vehicles managed by PartnerRe that invest in property catastrophe and other short-tail reinsurance contracts underwritten by PartnerRe.

The composition of the net gain is presented in the following table:

€ million	Amount in US$	Amount in Euro
Consideration:		
Component in US$ (net of dividend)	**4,637**	**4,617**
Component in Euro	**3,863**	**3,847**
Total consideration in Euro[(a)]	**8,500**	**8,464**
Carrying amount	**6,739**	**6,711**
Reversal of OCI reserve		**834**
Other adjustments		**(163)**
Total gain on disposal		**2,424**

(a) Of which €7,743 million in cash and €721 million in the form of reinsurance vehicles managed by PartnerRe.

Dividends

€ million	Years ended 31 December 2022	2021	Change
Dividends from investments accounted for using the equity method:			
– Stellantis[(a)]	**467**	550	(83)
– PartnerRe	**169**	90	79
– CNH Industrial	**103**	40	63
– Ferrari	**61**	39	22
– Exor Capital	**19**	29	(10)
– The Economist Group	**13**	14	(1)
– Christian Louboutin	**7**	3	4
– FCA[(b)]	**—**	827	(827)
Dividends included in the net financial position	**839**	**1,592**	(753)
Less: Dividends included in the share of the profit (loss) from investments accounted for using the equity method	**(839)**	**(1,592)**	753
Dividends included in the income statement	**—**	**—**	—

(a) The year ended 31 December 2021 included €363 million, corresponding to 7,653,004 ordinary shares of Faurecia, distributed as a part of the merger of PSA with and into FCA.
(b) The year ended 31 December 2021 included an extraordinary dividend distributed in the context of the merger between PSA and FCA.

2. Net financial income (expenses)

In the year ended 31 December 2022 net financial expenses amount to €104 million (net financial expenses of €113 million in the year ended 31 December 2021).

€ million	Years ended 31 December 2022	2021	Change
Profit (loss) from cash, cash equivalents, financial assets			
Realized gains (losses)	**10**	—	10
Unrealized gains (losses)	**(6)**	—	(6)
Interest income on:			
– bank current accounts and deposits	**27**	—	27
– debt securities	**5**	3	2
– financial receivables and financial assets	**3**	1	2
Total profit (loss) from cash, cash equivalents, financial assets	**39**	**4**	35
Cost of debt:			
Bonds[(a)]	**(98)**	(121)	23
Bank debt and other	**(4)**	(3)	(1)
Total cost of debt	**(102)**	**(124)**	22
Exchange gains (losses)	**(40)**	7	(47)
Derivates and other	**(1)**	—	(1)
Net financial income (expenses) recorded in the income statement	**(104)**	**(113)**	9

(a) Year ended 31 December 2021 included the one-off losses on partial bond cancellation (€21 million).

3. Net recurring general expenses

Net recurring general expenses in the year ended 31 December 2022 amount to €31 million, with an increase of €12 million compared to the year ended 31 December 2021 (€19 million). This increase includes, among others, the costs related to consultants and the 2022 Long Term Incentive Plan.

The main items are detailed below:

€ million	Years ended 31 December 2022	2021	Change
Personnel costs	**(8)**	(6)	(2)
Compensation and other costs relating to directors	**(2)**	(2)	—
Service costs, net	**(14)**	(9)	(5)
Net recurring general expenses included in net financial position	**(24)**	**(17)**	(7)
Share based compensation plan costs	**(7)**	(2)	(5)
Net recurring general expenses	**(31)**	**(19)**	(12)

4. Net non-recurring other income (expenses)

Net non-recurring general expenses in the year ended 31 December 2022 amount to €47 million (€514 million in the year ended at 31 December 2021).

€ million	Years ended 31 December 2022	2021	Change
Consulting fees related to investments and other projects	**(21)**	(9)	(12)
Donations to cultural and charitable associations	**(11)**	(1)	(10)
Other expenses[(a)]	**(15)**	(504)	489
Net non-recurring other income (expenses)	**(47)**	**(514)**	467

(a) Other non-recurring expenses in 2022 include, among other, non-recurring awards and bonuses granted to employees. In 2021 included the cost arising from the deconsolidation of FCA, following the merger of PSA with and into FCA; in particular €490 million related to the reversal to the income statement of Exor's share in the FCA items, previously recognized in other comprehensive income reserve.

5. Income taxes and other taxes and duties

On 18 February 2022 Exor settled with the Italian Tax Authorities ("Agenzia delle Entrate") a complex tax issue, specifically related to the exit tax due by the Italian registered company Exor S.p.A. which in December 2016 was merged with its Dutch subsidiary Exor Holding N.V. to create today's Exor, domiciled fiscally in the Netherlands.

Exor agreed to enter into a settlement with the Agenzia delle Entrate and paid €746 million, of which €104 million represents interest.

The effects of the settlement, which was paid in full on 18 February 2022, have been reflected in the Company's 2021 and 2022 financial statements, to the extent applicable.

6. Investments in subsidiaries and associates

€ million	At 31 December 2022	At 31 December 2021	Change
Stellantis	**10,885**	8,624	2,261
CNH Industrial[(a)]	**1,873**	1,342	531
Iveco Group[(a)]	**642**	620	22
Ferrari	**633**	533	100
Christian Louboutin[(b)]	**581**	562	19
Exor Seeds	**498**	489	9
The Economist Group	**300**	317	(17)
Institut Mérieux[(c)]	**278**	—	278
GEDI	**167**	171	(4)
Welltec	**104**	73	31
Juventus	**87**	194	(107)
Lifenet[(c)]	**68**	—	68
Casavo[(c)]	**56**	—	56
Shang Xia	**29**	68	(39)
Other[(d)]	**43**	27	16
PartnerRe	**—**	7,139	(7,139)
Investments in subsidiaries and associates	**16,244**	**20,159**	(3,915)

(a) Data at 31 December 2021 have been re-presented for comparative purposes following the demerger of Iveco Group from CNH Industrial, effective from 1 January 2022.
(b) The acquisition date was 30 April 2021.
(c) The acquisition date was 1 July 2022.
(d) Includes the investments in Nuo and Exor Capital.

The positive change in Exor's investment in Stellantis (€2,261 million) is mainly attributable to Exor's share of the profit (€2,392 million), positive translation exchange differences (€286 million), positive change in the remeasurement of defined benefits plans reserve (€196 million) and positive change in the cash flow hedge reserve (€57 million), partially offset by dividend distribution (€467 million) and share buy-backs (€132 million).

The positive change in Exor's investment in CNH Industrial (€531 million) is mainly attributable to Exor's share of the profit (€471 million), positive translation exchange differences (€106 million), positive change in the remeasurement of defined benefits plans reserve (€30 million) and positive change in the cash flow hedge reserve (€17 million), partially offset by dividend distribution (€103 million) and share buy-backs (€39 million).

The positive change in Exor's investment in Iveco Group (€22 million) is mainly attributable to Exor's share of the profit (€40 million), positive change in the remeasurement of defined benefits plans reserve (€16 million) and positive change in the share-based payments reserve (€5 million), partially offset by the negative change in the fair value reserve (€46 million).

The positive change in Exor's investment in Ferrari (€100 million) is mainly attributable to Exor's share of the profit (€228 million) and positive change in the cash flow hedge reserve (€17 million), partially offset by dividends distribution (€60 million) and share buy-backs (€97 million).

7. Investments measured at fair value through other comprehensive income

The investments measured at fair value through other comprehensive income amount to €971 million (€853 million at 31 December 2021) and include principally investments in equity instruments.

Details of changes during the year are as follows:

€ million	2021	Increase	Disposal	Fair value adjustments and other[a]	2022
	At 31 December				
Listed:					
– Faurecia	**320**	36	—	(215)	**141**
– Clarivate	**—**	161	—	(31)	**130**
– Zegna	**23**	—	—	2	**25**
– FL Entertainment	**—**	25	—	(1)	**24**
Unlisted:					**—**
– Via Transportation	**449**	—	—	28	**477**
– Other	**61**	146	(11)	(22)	**174**
Total	**853**	**368**	**(11)**	**(239)**	**971**

(a) Of which -€4 million related to exchange differences on translation.

The values of the listed investments are aligned to the market price at the reporting date. The fair value adjustment to Via Transportation is due to currency translation, while the share price is unchanged and supported by the most recent transactions.

Other financial investments at FVTOCI mainly refers to small equity investments in unlisted companies (or early stage) for the most part acquired during the year; the carrying amounts at 31 December 2022 are aligned with the most recent transactions and capital increase.

8. Investments measured at fair value through profit and loss

The investments measured at fair value through profit and loss amount to €1,853 million (€350 million at 31 December 2021) and mainly include investments in funds.

Details of changes during the year are as follows:

€ million	2021	Increases	Disposals	Fair value adjustments[c]	2022
	At 31 December				
Funds:					
– public market[a]	**337**	615	—	116	**1,068**
– private market	**—**	117	—	(1)	**116**
Reinsurance vehicles[b]	**—**	692	—	(70)	**622**
Other funds	**13**	50	(11)	(5)	**47**
Total	**350**	**1,474**	**(11)**	**40**	**1,853**

(a) Amount invested equal to €750 million on the basis of the net asset value of the funds at May 2022. The funds have been accounted for on the basis of the updated net asset value at the acquisition date and the negative difference in fair value (€135 million) was recognized in the income statement as a reduction of the capital gain on disposal of PartnerRe.

(b) Amount invested equal to €721 million on the basis of the net asset value of the funds at May 2022. The funds have been accounted for on the basis of the updated net asset value at the acquisition date and the negative difference in fair value (€28 million) was recognized in the income statement as a reduction of the capital gain on disposal of PartnerRe.

(c) Fair value adjustment includes -€40 million related to exchange differences on translation recognized in the OCI reserves.

As agreed with Covéa in the Definitive Agreement signed on 16 December 2021, a portion of the consideration received from the disposal of PartnerRe was reinvested in special purpose reinsurance vehicles managed by PartnerRe that invest in catastrophe and other short-tail reinsurance contracts underwritten by PartnerRe.

In addition, in the context of the same agreement, Exor repurchased the interest previously held by PartnerRe in the funds managed by Exor Capital.

9. Other assets (liabilities), net

At 31 December 2022 other assets net amount to €764 million and mainly includes the Exor's commitment to purchase 341.171 shares of Institut Meriéux (€555 million).

At 31 December 2021 other liabilities net amounted to €679 million and mainly included the debt related to the claim with Italian Tax Authority (€746 million).

10. Issued capital and reserves attributable to owners of the parent

€ million	At 31 December 2022	At 31 December 2021	Change
Share capital	**7**	7	—
Reserves	**21,172**	17,050	4,122
Treasury stock	**(552)**	(298)	(254)
Issued capital and reserves attributable to owners of the parent	**20,627**	**16,759**	3,868

Details of changes during the year are as follows:

€ million	At 31 December 2022	At 31 December 2021
Initial amount	**16,759**	**13,090**
Movements attributable to Exor and the Holdings System:		
– Buyback Exor treasury stock	(255)	—
– Fair value adjustment to investments	(235)	95
– Dividend paid by Exor	(99)	(100)
– Measurement of derivative financial instruments	17	7
– Exchange differences on translation	617	427
– Other net	10	(9)
Movements attributable to operating companies accounted for using the equity method:		
– Reversal to profit and loss of OCI reserve of PartnerRe	(834)	—
– Reversal to profit and loss of OCI reserve of FCA	—	490
– Exchange differences on translation	486	737
– Remeasurement of defined benefit plans	246	363
– Fair value reserve	(47)	(31)
– Buyback treasury stock	(268)	(56)
– Cash flow hedge reserve	(25)	9
– Other net	28	20
Consolidated profit (loss) attributable to owners of the parent[(a)]	4,227	1,717
Net change during the year	**3,868**	**3,669**
Final amount	**20,627**	**16,759**

(a) 2022 consolidated profit includes the positive impact due to the reclassification to the income statement of the amount previously recognized in other comprehensive income,of which €796 million related to translation differences. 2021 consolidated profit included the negative impact due to the reclassification to the income statement of the amount previously recognized in other comprehensive income (mainly translation differences) related to FCA (€490 million).

11. Net financial position of the Holdings System

The Holdings System at 31 December 2022 has a net cash position of €795 million, with a positive change of €4,719 million compared to the net debt at 31 December 2021 (€3,924 million).

€ million	At 31 December 2022	2021	Change
Bank accounts and time deposits	**1,860**	283	1,577
Liquidity funds	**1,114**	—	1,114
Short duration and other bond funds	**2,011**	—	2,011
Financial assets	**38**	100	(62)
Financial receivables	**6**	—	6
Cash, cash equivalents and financial assets[a]	**5,029**	**383**	4,646
Exor bonds	**(3,475)**	(4,069)	594
Bank debt	**(150)**	(150)	—
Other financial liabilities	**(609)**	(88)	(521)
Gross debt	**(4,234)**	(4,307)	73
Net financial position of the Holdings System	**795**	**(3,924)**	4,719

(a) Cash, cash equivalents and financial assets available amount to €5,479 million (€768 million at 31 December 2021) considering also the undrawn committed credit lines for €450 million (€385 million at 31 December 2021).

Cash in bank accounts and time deposits are spread over an appropriate number of counterparties chosen according to their creditworthiness and their reliability since the primary objective is to hold investments which can readily be converted into cash.

Liquidity funds include allocations to money market funds with an average duration below 3 months.

Short duration and other bond funds include allocations to short duration bond funds and a selective allocation to bond portfolio mandates with an average duration below 12 months.

Financial assets principally include financial instruments accounted for at FVTPL and listed debt securities measured at amortized cost.

Bonds issued by Exor and outstanding at 31 December 2022 are as follows:

Issue date	Maturity date	Issue price		Fixed Rate (%)			Nominal amount (million)		At 31 December 2022 (€ million)	2021 (€ million)	Change
03-Dec-15	02-Dec-22	99.499		2.125		€	602	(a)	—	(602)	602
08-Oct-14	08-Oct-24	100.090		2.500		€	500	(b)	**(503)**	(503)	—
07-Dec-12	31-Jan-25	97.844		5.250		€	100		**(104)**	(104)	—
22-Dec-15	22-Dec-25	100.779	(c)	2.875		€	450	(c)	**(451)**	(451)	—
20-May-16	20-May-26	99.650		4.398		$	170		**(160)**	(151)	(9)
18-Jan-18	18-Jan-28	98.520		1.750		€	500		**(503)**	(502)	(1)
29-Apr-20	29-Apr-30	98.489		2.250		€	500		**(501)**	(500)	(1)
19-Jan-21	19-Jan-31	99.089		0.875		€	500		**(499)**	(498)	(1)
09-May-11	09-May-31	100.000		2.800	(d)	¥	10,000		**(72)**	(77)	5
14-Oct-19	14-Oct-34	99.725		1.750		€	500	(e)	**(480)**	(479)	(1)
15-Feb-18	15-Feb-38	98.183		3.125		€	200		**(202)**	(202)	—
									(3,475)	**(4,069)**	594
– Current portion									**(37)**	(640)	603
– Non-current portion									**(3,512)**	**(4,709)**	1,197

(a) After the repurchase settlement dated 20 January 2021; originally €750 million.
(b) After the repurchase settlement dated 20 January 2021; originally €650 million.
(c) Originally €250 million; the amount was increased by another €200 million on 10 May 2016. The issue price corresponds to the weighted average of the prices calculated on the entire amount of €450 million.
(d) To protect against currency fluctuations, Exor has in place a hedging transaction using a cross currency swap. The cost in Euro is fixed at 6.012% per year.
(e) Originally €300 million; the amount was increased by another €200 million with settlement date 23 June 2020.

Exor intends to repay the bonds in cash at maturity using available liquid resources and undrawn credit lines. Exor may, from time to time, buy back bonds on the market also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, Exor's financial situation and other factors which could affect such decisions.

Bank debt include a €150 million term loan with maturity in 2024.

At 31 December 2022 Exor has undrawn committed credit lines in Euro of €450 million, expiring after 31 December 2023 and uncommitted credit lines for €565 million.

Other financial liabilities (€609 million) mainly include the residual two thirds not yet paid of the original commitment to subscribe the 10% capital increase in Institut Merieux (€555 million), the fair value of cash flow hedge derivative instruments (€17 million) and the put option on certain minority stakes in GEDI and Shang Xia (€19 million and €15 million, respectively).

At the date of this report, Exor's long-term and short-term debt ratings from Standard & Poor's are "BBB+" and "A-2" respectively, with a "stable outlook".

The net change in the year 2022 can be analysed as follows.

	Years ended 31 December	
€ million	2022	2021
Net financial position of the Holdings System - Initial amount	**(3,924)**	**(3,251)**
Dividends received from investments [Note 1]	839	1,229
Investments [see table below]	(2,212)	(1,335)
Asset disposals [see table below]	7,754	12
Dividends paid by Exor [Note 7]	(99)	(100)
Buyback Exor treasury stock [Note 7]	(255)	—
Reclassification of financial assets outside of the financial position[a]	—	(294)
Other changes [see table below]	(1,308)	(185)
Net change during the year	**4,719**	**(673)**
Net financial position of the Holdings System - Final amount	**795**	**(3,924)**

(a) Until 31 December 2020, the funds managed by Exor Capital were classified in the net financial position under the item cash, cash equivalents and financial assets. At 31 December 2021, following a management reassessment of these investments, they have been classified outside the net financial position.

The detail of main changes in investments, assets disposals and other is as follows.

€ million	Years ended 31 December 2022	2021
Investments	**(2,212)**	**(1,335)**
Subsidiaries, associates and funds	**(1,794)**	**(1,120)**
Funds (public and private)	(732)	—
Institut Merieux[a]	(833)	—
Exor Seeds	(95)	(241)
Lifenet	(71)	—
Casavo	(40)	—
Nuo	(18)	(22)
Shang Xia	(5)	—
Juventus	—	(255)
Christian Louboutin	—	(541)
Welltec	—	(61)
Listed	**(222)**	**(22)**
Clarivate	(161)	—
Faurecia	(36)	—
FL Entertainment	(25)	—
Zegna	—	(22)
Not Listed	**(196)**	**(193)**
Other	(196)	(35)
Via Transportation	—	(158)
Disposals	**7,754**	**12**
PartnerRe	7,743	—
Other	11	12
Other changes	**(1,308)**	**(185)**
Net recurring general expenses	(24)	(17)
Net non-recurring other income (expenses)	(47)	(10)
Net financial (expenses) income generated by the financial position[b]	(106)	(112)
Tax claim	(746)	—
Other net changes[c]	(385)	(46)

(a) Exor paid an initial amount of €278 million, corresponding to one third of the €833 million total investment, the residual two thirds not yet paid of the original commitment to subscribe the 10% capital increase in Institut Meriéux (€555 million) is included in financial liabilities.

(b) In the year ended 31 December 2022 related to: cost of debt (€102 million), net exchange losses, derivative and other (€43 million) and profit from cash, cash equivalents and financial assets (€39 million). In the year ended 31 December 2021 related to: cost of debt (€124 million), net exchange gains(€7 million) and other financial income (€4 million).

(c) In the year ended 31 December 2022 other net changes mainly includes loan granted to the subsidiaries GEDI (€105 million) and Shang Xia (€68 million).

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Exor (and the subsidiaries constituting the Holdings System) together with its operating subsidiaries and associate constitute the "Exor Group" or the "Group".

This section includes a selection of the most relevant financial data from the consolidated financial statements of the Exor Group.

In order to ensure that data is coherent and uniform, it is presented based on Exor consolidation rules and IFRS accounting standards and therefore may differ from the data published by subsidiaries and associates in their financial reports.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Iveco Group demerger from CNH Industrial

Effective 1 January 2022 the Commercial and Specialty Vehicles, Powertrain and related Financial Services businesses of CNH Industrial were separated from CNH Industrial. Iveco Group (the vehicle housing the aforementioned businesses as the Iveco Group business) became a public-listed company independent from CNH Industrial and, from 3 January 2022, its common shares are traded on Euronext Milan. As the demerger is a “business combination involving entities or businesses under common control”, it is outside the scope of application of IFRS 3 – Business Combinations and IFRIC 17 – Distributions of Non-cash Assets to Owners. Accordingly, in Exor's 2022 Consolidated Financial Statements, the opening balances at 1 January 2022 related to Iveco Group correspond to the carrying amounts of the assets and liabilities included within the financial statements of CNH Industrial pre-demerger at 31 December 2021.

The comparative figures at 31 December 2021 were re-presented to exclude Iveco Group's data from the CNH Industrial Group and to present Iveco Group as a separate entity.

Significant economic data[(a)]

	Year ended 31 December 2022			Year ended 31 December 2021		
€ million	**Net revenues**	**Net profit (loss) from continuing operations**	**Profit (loss) attributable to owners of the parent[(b)]**	**Net revenues**	**Net profit (loss) from continuing operations**	**Profit (loss) attributable to owners of the parent[(b)]**
Stellantis[(c)]	—	2,392	2,392	—	1,905	1,905
CNH Industrial[(d)]	22,292	1,735	471	16,466	1,426	384
Iveco Group[(d)]	14,357	159	40	12,651	76	14
Ferrari	5,095	939	228	4,271	833	201
Juventus	496	(157)	(100)	446	(215)	(137)
GEDI	490	(6)	(9)	520	(35)	(31)
Other and adjustments[(e)]	(886)	(226)	1,205	(737)	(640)	(619)
Consolidated data	**41,844**	**4,836**	**4,227**	**33,617**	**3,350**	**1,717**

(a) Data prepared by each segment entity for Exor consolidation purposes, which may differ from data published by the entity in its own financial report.
(b) Exor share of the results attributable to the owners of the parent of each segment entity.
(c) Accounted for using the equity method starting from 17 January 2021.
(d) Figures for the year ended at 31 December 2021 have been re-presented for comparative purposes following the demerger of Iveco Group from CNH Industrial, effective from 1 January 2022.
(e) The item includes consolidation adjustments and data of Exor and entities of the Holdings System, as well as the result from discontinued operations.

Net revenues

Net revenues for the year ended 31 December 2022 were €41,844 million, with an increase of €8,227 million compared to the year ended 31 December 2021 €33,617 million, mainly attributable to the improvement in the performance of CNH Industrial, Iveco and Ferrari for €5,826 million, €1,706 million and €824 million, respectively. The overview of the revenues of the main subsidiaries is as follows.

Net revenues of CNH Industrial for the year ended 31 December 2022 were €22,292 million, with an increase of €5,826 million compared to the year ended 31 December 2021 (€16,466 million), mainly due to increases in all segments as a result of strong demand and price realization.

Net revenues of Iveco Group for the year ended 31 December 2022 were €14,357 million, an increase of 13.5% compared to the year ended 31 December 2021 (€12,651 million), mainly due to higher volumes and positive price realization.

Net revenues of Ferrari for the year ended 31 December 2022 were €5,095 million, with an increase of €824 million or 19.3% (an increase of 15.5% on a constant currency basis), compared to €4,271 million in the year ended 31 December 2021, mainly attributable to the combination of a €768 million increase in cars and spare parts, €48 million increase in sponsorship, commercial and brand and a €42 million increase in other revenues, partially offset by a €34 million decrease in engines.

Net Profit (loss) from continuing operations

Net profit (loss) from continuing operations for the year ended 31 December 2022 was €4,836 million, with an increase of €1,486 million compared to the year ended 31 December 2021 €3,350 million, mainly attributable to the improvement of Stellantis's performance for €487 million. The overview of the result of the main subsidiaries is as follows.

Net profit from continuing operations of CNH Industrial was €1,735 million for the year ended at 31 December 2022, compared to €1,426 million for the year ended at 31 December 2021. Net profit included €21 million of loss on the sale of the Raven Engineered Films and Aerostar divisions, net of income from the Raven businesses held for sale during the period, a charge of €68 million related to asset write-downs, financial receivable allowances and valuation allowances on deferred tax assets as a result of the suspension of operations in Russia, separation costs in connection with the spin-off of the On-Highway business of €24 million, restructuring costs of €32 million and a gain of €62 million from the sale of the Canada parts depot.

Net profit from continuing operations of Iveco Group was €159 million for the year ended 31 December 2022 (€76 million for the year ended 31 December 2021) and also included the negative impact of €45 million in connection with operations in Russia and Ukraine, the negative impact of €15 million from the first-time adoption of the hyperinflation accounting in Turkey, €30 million related to the impairment of development costs and other assets, primarily related to the bus business, as a consequence of the acceleration in emission-related technological transition, €21 million spin-off costs, partially offset by the gain of €36 million on the disposal of certain fixed assets in Australia, and the gain of €30 million on the final step of the Chinese joint ventures' restructuring.

Net profit from continuing operations of Ferrari was €939 million for the year ended at 31 December 2022, with an increase of €106 million compared to €833 million for the year ended at 31 December 2021. Higher industrial costs (including the effects of rising energy and certain raw material prices), as well as the increase in costs and selling, general and administrative costs, were more than offset by the increase in revenues.

Significant financial data[a]

€ million	At 31 December 2022					At 31 December 2021				
	Cash and cash equivalents	Total Assets	Gross debt[b]	Total equity	Issued capital and reserves attributable to owners of the parent[c]	Cash and cash equivalents	Total Assets	Gross debt[b]	Total equity	Issued capital and reserves attributable to owners of the parent[c]
Stellantis[d]	—	10,885	—	10,885	10,885	—	8,624	—	8,624	8,624
CNH Industrial[e]	4,809	37,526	22,368	7,041	1,873	5,161	31,922	19,310	5,129	1,342
Iveco Group[e]	2,288	16,013	4,479	2,391	642	897	16,560	5,828	2,311	620
Ferrari	1,389	7,766	2,832	2,602	633	1,344	6,863	2,667	2,211	533
PartnerRe	—	—	—	—	—	—	25,429	—	7,316	7,139
Juventus	43	937	376	135	87	160	962	239	303	194
GEDI	18	708	209	194	167	14	675	161	193	171
Other and adjustments[f]	3,030	9,864	3,706	6,422	6,340	329	76	745	(1,717)	(1,864)
Consolidated data	**11,577**	**83,699**	**33,970**	**29,670**	**20,627**	**7,905**	**91,111**	**28,950**	**24,370**	**16,759**

(a) Data prepared by each segment entity for Exor consolidation purposes, which may differ from data published by the entity in its own financial report.
(b) Gross debt referred to CNH Industrial, Iveco Group and Ferrari includes industrial activities and financial services debt. Gross debt in this table corresponds to the item financial debt and derivative liabilities in the consolidated financial statements.
(c) Exor share of the equity attributable to the owners of the parent of each segment entity.
(d) Accounted for using the equity method starting from 17 January 2021.
(e) Figures at 31 December 2021 have been re-presented for comparative purposes following the demerger of Iveco Group from CNH Industrial, effective from 1 January 2022.
(f) Includes consolidation adjustments and data of Exor and subsidiaries of the Holdings System.

Gross debt

The Group's sources of financing are largely represented by public and private bond issues and bank loans (including, without limitation, committed and uncommitted credit facilities to manage its cash flow needs), as well as commercial paper.

Bond issues and revolving credit facility agreements may impose covenants on the borrower and in certain cases on the guarantor, which are typical of international practice for similar liabilities.

The covenants vary from facility to facility and may include among others: (i) negative pledge clauses which require that, in case any security interest in assets of the issuer is granted in connection with other notes or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding notes, subject to certain permitted exceptions; (ii) pari passu clauses, under which the debt ranks and will rank pari passu with all other present and future unsubordinated and unsecured obligations of the issuer; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the debt under certain events of default on other financial instruments of the relevant issuer; (v) limitation of new real guarantees and asset sales on certain company assets without the consent of the creditor; (vi) limitation on incurrence of liens; (vii) limitations on incurrence, repayment and prepayment of indebtedness, and (viii) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the underlying indebtedness. At 31 December 2022 and 31 December 2021 the Group was in compliance with all covenants under its debt agreements.

In this regard, it should be noted that Exor is a holding company at the head of a diversified and non-integrated group and does not exercise management and coordination activities over its subsidiaries, which operate in full autonomy.

It should also be noted that Exor has not assumed any guarantees in relation to the indebtedness of its investee operating companies.

The financial debt is also affected by the asset-backed financing (almost entirely related to CNH Industrial and Iveco Group) that represents the amount of financing received through factoring transactions which do not meet the asset derecognition requirements and which are recognised as assets for the same amount in the consolidated statement of financial position. The composition of gross debt is presented below.

	At 31 December	
(€ million)	2022	2021
Financial debt	33,662	28,684
Derivative liabilities	308	266
Gross debt	**33,970**	**28,950**

The composition of gross debt is as follow:

	At 31 December	
(€ million)	2022	2021
Notes	13,608	13,283
Borrowings from banks	3,991	2,880
Asset-backed financing	13,399	10,661
Payables represented by securities	1,173	1,081
Lease liabilities	533	504
Other financial debt	958	275
Derivative liabilities	308	266
Gross debt	**33,970**	**28,950**

The composition of gross debt by entity is as follows:

	At 31 December	
(€ million)	2022	2021
Exor	4,233	4,310
CNH Industrial	22,222	18,817
Iveco Group[(a)]	4,201	2,752
Ferrari	2,832	2,666
Juventus	376	239
GEDI[(b)]	102	161
Shang Xia	4	5
Gross debt	**33,970**	**28,950**

(a) Net of intercompany with CNH Industrial.
(b) Net of intercompany with Exor N.V.

Cash flow

Exor depends largely on access to cash flows from investee companies in the form of distributions and, as part of its daily operations and in its ordinary course of business, uses available credit facilities to manage its cash flow needs. The following table sets out the Exor Group's cash flows and cash and cash equivalents positions for the periods indicated.

	Years ended 31 December	
(€ million)	2022	2021
Cash and cash equivalents at the beginning of the period	**7,905**	**35,561**
Cash and cash equivalents at the beginning of the period included in Assets held for sale	584	27
Total Cash and cash equivalents at the beginning of the period	**8,489**	**35,588**
Cash flow from operating activities:	4,918	4,177
- continuing operations	*4,340*	*5,392*
- discontinued operations	*578*	*(1,215)*
Cash flow used in investing activities	(4,099)	(29,590)
- continuing operations	*(10,789)*	*(5,525)*
- discontinued operations	*6,690*	*(24,065)*
Cash flow from (used in) financing activities	2,132	(2,188)
- continuing operations	*2,312*	*(1,937)*
- discontinued operations	*(180)*	*(251)*
Translation differences	137	502
Net change in cash and cash equivalents	3,088	(27,099)
Cash and cash equivalents at the end of the period	**11,577**	**8,489**
Cash and cash equivalents at the end of the period included in Assets held for sale	—	(584)
Cash and cash equivalents at the end of the period	**11,577**	**7,905**

In the year ended 31 December 2022 group companies generated positive cash flows from operating activities related to continuing operation for €4,340 million, while the cash flow in investing activities from continuing operation is a negative €10,789 million, mainly related to the investments in property, plant and equipment and intangible assets for €2,448 million and in subsidiaries and associates for €869 million and to other net changes in financial assets for €7,361 million.

In the year ended 31 December 2022 net cash from financing activities related to continuing operations is positive €2,312 million, mainly related to the positive change in short term-debt and other financial assets/liabilities (€3,231 million), to the issue of new notes (€1,197 million), partially offset by repayment of notes and other long term debt net, for totally for €688 million and the Exor buyback (€255 million).

In the year ended 31 December 2021 group companies generated positive cash flows from operating activities related to continuing operation for €5,392 million, while the cash flow in investing activities was a negative €5,525 million, mainly related to the investments in property, plant and equipment and intangible assets for €1,960 million and in subsidiaries and associates for €2,928 million.

In the year ended 31 December 2021 net cash used in financing activities from continuing operations was €1,937 million, primarily related to the repayment of notes and to the other long-term debt net for a total of €2,091 million, partially offset by issue of new notes (€1,355 million).

Review of the performance of the main companies

Set out below is a summary of the key highlights from the reports of the main significant operating subsidiaries and associates.

In order to facilitate the reader's use and cross reference the data have extracted from the financial statements of the respective subsidiary and associate and presented using the original reporting currency and accounting principles. Therefore, data presented in this section may differ form those prepared for Exor consolidation purposes.

Further information and details of significant events of subsidiaries are shown in the respective companies' reports.

SUBSEQUENT EVENTS AND 2023 OUTLOOK

SUBSEQUENT EVENTS AND 2023 OUTLOOK

Subsequent events

Dividends and distribution of reserves expected to be received in the year 2023

The dividends and distributions of reserves already received or proposed by the board of directors of some subsidiaries are as follows:

		Dividends	
Investee company	**Number of shares**	**Per share (€)**	**Total (€ million)**
Ferrari N.V.	44,435,280	1.81	80
Stellantis N.V.	449,410,092	1.34	602
CNH Industrial N.V.	366,927,900	0.36	132
Exor's share of dividends			**814**

Cancellation of Exor ordinary shares

In March 2023, Exor completed the cancellation of 7,007,464 ordinary shares held as treasury, which had been acquired as part of the 2018-2020 share buyback program and the first tranche of the 2022-2024 share buyback program, bringing the total number of ordinary shares in the share capital of Exor to 233,992,536.

This cancellation, in line with the intention announced at the launch of the buyback program, was conducted in the framework of the resolution adopted by the Annual General Meeting of Shareholders held on 24 May 2022.

Exor buyback program

During the first months of 2023 Exor purchased 1,257,059 ordinary shares for a total invested amount of €92.5 million, completing the second tranche of the program up to €250 million, started in 2022 following the resolution adopted at the AGM held on 24 May 2022.

At the date of this report, and following the cancellation of 7,007,464 ordinary shares above, Exor held in treasury 7,376,214 ordinary shares (3.15% of total ordinary issued share capital). This corresponds to 1.01% of the total issued share capital including both ordinary shares and special voting shares.

Increase in the investment in Via Transportation

In February 2023 Exor increased its investment in Via Transportation by $50 million through its participation in the $110 million financing round with participation from new and existing investors to expand the company's TransitTech portfolio. After the completion of the financing round, Exor held 18% of the share capital of Via Transportation.

2023 Outlook

Exor N.V. does not prepare budgets or business plans, nor does it publish forecast data or data on the basis of which it is possible to calculate forecast data.

Certain Exor operating subsidiaries and associates (Ferrari, Stellantis, CNH Industrial and Iveco Group) publish forecast data on their performance. Other operating subsidiaries (Juventus) publish information on the foreseeable outlook. Additional information is provided under "Review of performance of the main companies" in the Board Report.

The forecast data and information of the above mentioned operating companies and associates are drawn up autonomously and communicated by the respective companies and are not homogeneous. Quantitative forecast disclosures prepared by these operating companies and the type of information provided, as well as the underlying assumptions and calculation methods vary according to the accounting principles applicable to each subsidiary and the conventional application practices in the respective sector of reference.

Exor N.V. in fact, is a holding company without a specific business of reference, head of a diversified and non integrated group that operates in different segments and does not exercise direction and coordination activities over its subsidiaries, which operate in a completely independent manner.

Exor N.V. deems that the forecasted data and information of the subsidiaries and associates are not significant or suitable for the purposes of providing indications about the prospective economic trend of Exor N.V.'s operations, nor represent a forecast or estimate of the company's results. Therefore, in assessing Exor N.V.'s future prospects it is not possible to rely on the data and prospective information published by the aforesaid operating subsidiaries and associates.

17 April 2023

The Board of Directors

Ajay Banga

John Elkann

Andrea Agnelli

Ginevra Elkann

Alessandro Nasi

Melissa Bethell

Marc Bolland

Laurence Debroux

Axel Dumas

MAJOR SHAREHOLDERS AND OWNERSHIP STRUCTURE

MAJOR SHAREHOLDERS AND OWNERSHIP STRUCTURE

Introduction

EXOR N.V. (“Exor N.V” or "Exor" or the “Company”) is a public limited liability company (*naamloze vennootschap*), incorporated under the laws of the Netherlands and its shares are listed in the Netherlands on the Euronext Amsterdam. The Company’s legal and tax residence is in the Netherlands.

Capital Structure

Structure of share capital

Share class	Number of shares[1]	Listing market
Ordinary shares[2]	241,000,000	Euronext Amsterdam
Special voting shares A[3]	124,717,163	n/a

1. At 31 December 2022 the number of shares was 241,000,000. At the date of this document the number of shares is 233,992,536, following the cancellation of 7,007,464 ordinary shares held in treasury, in accordance with the resolution of the AGM held on 24 May 2022.
2. The ordinary shares are registered shares, freely transferable and issued in electronic form. Shares are managed through the centralized clearing system organized by Monte Titoli.
3. The Special voting shares A are neither listed nor tradable and are transferable only in very limited circumstances and only together the ordinary shares to which they are associated (see www.exor.com).

At 31 December 2022 the Company held 13,126,619 of its own ordinary shares as treasury stock.

Economic and administrative rights

Each Exor ordinary share entitles its holder to one vote at general meetings of shareholders – ordinary and extraordinary – as well as to the economic and administrative rights according to the applicable provisions of law and of the Company’s articles of association (the “Articles of Association”).

Issuance of shares

Shares may be issued pursuant to a resolution of the general meeting of shareholders. This competence concerns all non-issued shares of the Company’s authorized capital, except insofar as the competence to issue shares is vested in the board of directors (the “Board of Directors”) by a resolution of the general meeting of shareholders to this extent.

Shares may be issued pursuant to a resolution of the Board of Directors, if and insofar as the Board of Directors is designated to do so by the general meeting of shareholders. Such designation can be made each time for a maximum period of five years and can be extended each time for a maximum period of five years. A designation must determine the number of shares of each class concerned which may be issued pursuant to a resolution of the Board of Directors. A resolution of the general meeting of shareholders to designate the Board of Directors as a body of the Company authorized to issue shares can only be withdrawn upon proposal of the Board of Directors.
By means of the resolution adopted by the general meeting on 27 May 2021, the Board of Directors has been designated as the competent body to issue ordinary shares and to grant rights to subscribe for shares for a term of five (5) years with effect from 27 May 2021. The Board of Directors has been authorized to increase the share capital with such number of shares for a nominal value up to five million Euro (Euro 5,000,000.00) and to issue convertible bonds for an aggregate issue price up to one billion Euro (Euro 1,000,000,000.00), and to issue the underlying ordinary shares (or granting of rights to subscribe for such underlying ordinary shares) pursuant to the applicable conversion ratio.

Payment for shares shall be made in cash unless another form of consideration has been agreed. Payment in a currency other than Euro may only be made with the consent of the Company.

Upon the issuance of ordinary shares, each holder of ordinary shares will have pre-emptive rights in proportion to the aggregate nominal value of his ordinary shares. A shareholder will not have pre-emptive rights in respect of ordinary shares issued against a non-cash contribution. Nor will the shareholder have pre-emptive rights in respect of ordinary shares issued to employees of the Company or of a group company (*groepsmaatschappij*).

Prior to each individual issuance of ordinary shares, pre-emptive rights may be restricted or excluded by a resolution of the general meeting of shareholders. However, with respect to an issue of ordinary shares pursuant to a resolution of the Board of Directors, the pre-emptive rights can be restricted or excluded pursuant to a resolution of the Board of Directors if and insofar as the Board of Directors is designated to do so by the general meeting of shareholders. By means of the resolution adopted by the general meeting on 27 May 2021, the Board of Directors has been authorized to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares or granting rights to subscribe for ordinary shares for a term of five (5) years with effect from 27 May 2021.

Holders of Special Voting Shares have no pre-emptive rights on the issuance of shares of any class and with respect to the issuance of Special Voting Shares no pre-emptive rights exist.

The general meeting of shareholders or the Board of Directors, as the case may be, shall decide – when passing the resolution to issue shares or rights to subscribe for shares – in which manner the shares shall be issued and, to the extent that rights of pre-emption apply, within what period those rights may be exercised.

Special Voting Structure

In order to foster the development and continued involvement of a core and stable base of long-term shareholders in a manner that reinforces the group's stability, as well as providing Exor with enhanced flexibility when pursuing strategic investment opportunities in the future, the Articles of Association provide for a special-voting structure (the "Special Voting Structure"). The purpose of the Special Voting Structure is to reward long-term ownership of Exor ordinary shares by granting long-term Exor shareholders with special voting shares to which multiple voting rights are attached additional to the right granted by each Exor ordinary share held.

More precisely, according to the Special Voting Structure:

(i) after 5 years of uninterrupted ownership of Exor ordinary shares held in the Loyalty Register (as defined below), each Exor shareholder will be entitled to 5 voting rights for each Exor ordinary share and, to this purpose, will receive – and Exor will issue – one special voting share, to which 4 voting rights are attached, and with a nominal value of Euro 0.04 ("Special Voting Share-A"), additional to each Exor ordinary share owned (to which 1 voting right is attached); and

(ii) after 10 years of uninterrupted ownership of Exor ordinary shares held in the Loyalty Register (as defined below), each Exor shareholder will be entitled to 10 votes for each Exor ordinary share and, to this purpose, each Special Voting Share-A held will be converted into one special voting share B, to which 9 voting rights are attached, and with a nominal value of Euro 0.09 ("Special Voting Share-B"), additional to each Exor ordinary share owned (to which 1 voting right is attached).

Special Voting Shares-A and Special Voting Shares-B, which are collectively referred to as "Special Voting Shares", will not be tradable and will have only minimal economic entitlements.

Application for Special Voting Shares – Loyalty Register

A shareholder may at any time opt to become eligible for Special Voting Shares by requesting the agent (the "Agent") referred to Article 3.3 of the Terms and Conditions for Special Voting Shares (the "SVS Terms"), acting on behalf of the Company, to register one or more ordinary shares in the loyalty register (the "Loyalty Register") maintained by the Company pursuant to the SVS Terms. Such request will need to be made by the relevant shareholder via its intermediary, by submitting (i) a duly completed form (the "Election Form") and (ii) an intermediary confirmation statement attesting the uninterrupted holding of Exor ordinary shares, pursuant to the SVS Terms.

Together with the Election Form, the relevant shareholder must submit a duly signed power of attorney, irrevocably instructing and authorizing the Agent to act on his behalf and to represent him in connection with the issuance, allocation, acquisition, conversion, sale, repurchase and transfer of Special Voting Shares in accordance with and pursuant to the SVS Terms (the "Power of Attorney").

Upon receipt of the Election Form, the intermediary's confirmation and the Power of Attorney, the Agent will examine the same and use its reasonable efforts to inform the relevant shareholder, through his intermediary, as to whether the request is accepted or rejected (and, if rejected, the reasons why) within ten business days of receipt of the above-mentioned documents. The Agent may reject a request for reasons of incompleteness or incorrectness of the Election Form, the Power of Attorney or the broker's confirmation or in case of serious doubts with respect to the validity or authenticity of such documents.

If the Agent requires further information from the relevant shareholder in order to process the request, then such shareholder shall provide all necessary information and assistance required by the Agent in connection therewith.

Exor ordinary shares for which a shareholder has issued a request for registration in the Loyalty Register – as well as ordinary shares already registered – are referred to as "Electing Ordinary Shares".

Transfer of Electing Ordinary Shares, Qualifying Ordinary Shares and Special Voting Shares; removal from the Loyalty Register

According to the SVS Terms and during the time in which Electing Ordinary Shares or Qualifying Ordinary Shares are held in the Loyalty Register, these cannot be sold, disposed of or transferred unless to a Loyalty Transferee.

No shareholder shall, directly or indirectly, (a) sell, dispose of or transfer any Special Voting Share or otherwise grant any right or interest therein, unless the shareholder is obliged to transfer Special Voting Shares to a Loyalty Transferee, or (b) create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over any Special Voting Share or any interest in any Special Voting Share.

As described above, anyone holding Electing Ordinary Shares or Qualifying Ordinary Shares may request at any time that all or part of their Electing Ordinary Shares or Qualifying Ordinary Shares be removed from the Loyalty Register and be transferred to the ordinary trading system, so as to enable the shareholder to freely dispose of their Exor shares as indicated below. Starting from the time the above mentioned request is made, it shall be considered that the person holding Qualifying Ordinary Shares has waived the attribution of the voting rights associated with the Special Voting Shares issued and attributed in relation to the Qualifying Ordinary Shares.

Each of the above mentioned requests shall result in a compulsory transfer by effect of which the Special Voting Shares shall be offered and transferred to Exor without any consideration (*om niet*) under the Articles of Association and the SVS Terms. Exor may keep the Special Voting Shares as treasury shares, but shall not be entitled to exercise the related voting rights. Alternatively, Exor may withdraw and cancel the Special Voting Shares and by this effect the nominal value of those shares shall be allocated to the special capital reserve of Exor. Therefore, the voting rights embodied in Special Voting Shares shall cease to apply with reference to the related Qualifying Ordinary Shares removed from the Loyalty Register.

Each shareholder holding Qualifying Ordinary Shares shall promptly notify Exor about the occurrence of an event of Change of Control (as defined under the SVS Terms) which concerns the same. A shareholder's Change of Control causes the related Qualifying Ordinary Shares to be removed from the Loyalty Register. The voting rights attaching to Special Voting Shares and assigned in relation to the corresponding Qualifying Ordinary Shares shall be suspended with immediate effect as a result of any event of Change of Control, directly or indirectly, related to each holder of Qualifying Ordinary Shares held in the Loyalty Register.

Other characteristics of Special Voting Shares

Issuance of Special Voting Shares does not require qualified shareholders to pay up their nominal value to Exor. Pursuant to Article 13.4 of the Articles of Association, Exor maintains a separate reserve (the "Special Capital Reserve") to pay-up Special Voting Shares. The Board of Directors is authorized to credit or debit the Special Capital Reserve at the expense or in favour of the Company's general share premium reserve. If the Board of Directors so decides, Special Voting Shares can be issued at the expense of the Special Capital Reserve *in lieu* of an actual payment for the shares concerned.

However, the holder of Special Voting Shares issued at the expense of the Special Capital Reserve may at any time substitute the charge of the Special Capital Reserve by making an actual payment to the Company in respect of the shares concerned (in accordance with payment instructions provided by the Board of Directors on request) in an amount equal to the nominal value of such Special Voting Shares (such shares being defined as "Special Voting Shares paid-up in cash").

As anticipated, Special Voting Shares have minimal economic entitlement. Under Dutch law, in fact, Special Voting Shares cannot be excluded – as a whole – from the assignment of economic rights. Consequently, in accordance with Article 28.2 of the Articles of Association, holders of Special Voting Shares paid-up in cash will be entitled to the payment of an annual dividend equal to one per cent (1%) of the amount actually paid for such shares in accordance with the above, provided, however, that profits realized with respect to the financial year concerned are not fully appropriated to increase and/or form reserves. Actual payments made during the financial year to which the dividend relates will not be counted.

In case of liquidation of the Company, out of the balance remaining after payment of its debts, the following payments will be proceeded:

– firstly, the amounts actually paid-in on Special Voting Shares in accordance with Article 13.5 of the Articles of Association will be transferred to those holders of Special Voting Shares whose Special Voting Shares have so been actually paid for; and

– secondly, the balance remaining will be transferred to the holders of ordinary shares in proportion to the aggregate number of the ordinary shares held by each of them.

Pursuant to Article 11 of the SVS Terms, in the event of a breach of any of the obligations of a shareholder, that shareholder must pay to the Company an amount for each Special Voting Share affected by the relevant breach (the "Compensation Amount"), which amount is the average closing price of an ordinary share on Euronext Amsterdam calculated on the basis of the period of twenty (20) trading days prior to the day of the breach or, if such day is not a business day, the preceding business day, such without prejudice to the Company's right to request specific performance.

Pursuant to Article 12 of the SVS Terms, the SVS Terms may be amended pursuant to a resolution by the Board of Directors, provided, however, that any material, not merely technical amendment will be subject to the approval of the general meeting of shareholders of Exor, unless such amendment is required to ensure compliance with applicable laws or listing regulations.

Allocation of Special Voting Shares

As per the date on which an Exor ordinary share has been registered in the Loyalty Register in the name of one and the same shareholder or its Loyalty Transferee (as defined under the SVS Terms) for an uninterrupted period of five years (the "SVS A Qualification Date"), such Electing Ordinary Share will become a "Qualifying Ordinary Share A" and the holder thereof will be entitled to acquire one Special Voting Share A in respect of each of such Qualifying Ordinary Share A.

As per the date on which an Exor ordinary share has been registered in the Loyalty Register in the name of one and the same shareholder or its Loyalty Transferee for an uninterrupted period of ten years (the "SVS B Qualification Date"), such Electing Ordinary Share – which, in the meantime, will have become a Qualifying Ordinary Share A – will become a "Qualifying Ordinary Share B". Qualifying Ordinary Shares A and Qualifying Ordinary Shares B are collectively referred to as "Qualifying Ordinary Shares".

On the SVS B Qualification Date, the Agent will, on behalf of the Company, issue a conversion statement pursuant to which the Special Voting Shares A corresponding to the number of Qualifying Ordinary Shares B will automatically convert into an equal number of Special Voting Shares B.

On 13 December 2021, after (five) 5 years of registration in the Loyalty Register, the Electing Ordinary Shares became Qualifying Ordinary Shares A and Giovanni Agnelli B.V. and other shareholders became entitled to acquire one Special Voting Share A in respect of each of such Qualifying Ordinary Share A. On 13 December 2021, Exor issued 124,717,163 Special Voting Shares A, of which 124,717,132 allocated to Giovanni Agnelli B.V.

Repurchase of Shares

The authorization of the Board of Directors to repurchase its own fully paid-up ordinary shares, up to the maximum number of ordinary shares that can be repurchased under Dutch law, and further within the limits of Dutch law, applicable regulations and the Company's Articles of Association, has been extended, by the annual general meeting of shareholders held on 27 May 2021 for a term of 18 months, starting from the date thereof.

Restrictions on the transfer of shares

There are no restrictions on the transfer of Exor ordinary shares, no limitations on ownership and no clauses requiring acceptance on the part of the Company or of other shareholders upon a transfer of shares.

The above shall not apply to transfers of Special Voting Shares or Electing Ordinary Shares or Qualifying Ordinary Shares: for such provisions, reference is made to the section above.

Restrictions on voting rights

There are no restrictions on voting rights.

Shareholders

Significant shareholdings

Based on the regulatory filings with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "AFM") the following entities are among Exor's significant shareholders at 31 December 2022:

Shareholder	number of shares	% of ordinary issued	% of issued capital[1]	latest AFM filing
Giovanni Agnelli B.V.	125,343,372	52.01%	84.37%	13 Dec 2021
Baillie Gifford & Co	10,881,385	4.52%	1.47%	13 Dec 2021
Harris Associates LP	9,028,828	3.75%	1.22%	13 Dec 2021
Vanguard Group	7,925,234	3.29%	1.07%	29 Sep 2022

1. The % of issued capital is based on ordinary shares and special voting shares.

In total ten shareholders, one of which is Giovanni Agnelli B.V., are registered, for a total amount of 130,642,002 shares, in the Loyalty Register to participate in the Special Voting Structure, as explained above.

At 31 December 2022, Giovanni Agnelli B.V. is the largest shareholder of Exor through its 52.01% shareholding and 85.89% of voting rights on outstanding capital (84.37% of voting rights on issued capital). Giovanni Agnelli B.V. is a Dutch private company with limited liability and the shares of which are held by the descendants of Giovanni Agnelli, founder of Fiat. The main business objective is to preserve unity and continuity of its controlling equity interest in Exor.

Consequently, Giovanni Agnelli B.V. could strongly influence all matters submitted to a vote of Exor's shareholders, including approval of annual dividends, election and removal of directors and approval of extraordinary business transactions.

Employee shareholdings: system for the exercise of voting rights

A specific mechanism for the exercise of voting rights applicable to employees' shareholdings does not exist. In particular the voting rights on shares deriving from the vesting of shares or from the exercise of option rights under stock option plans or incentive plans – for information on which reference should be made to the section "Remuneration of Directors" – are not subject to any form of restriction and are directly exercisable by the beneficiaries.

Shareholder agreements

Exor is not aware of shareholder agreements concerning either the exercise of the rights attached to the Company's shares or the transfer of the shares.

Change of control clauses and By-Law provisions relevant to a public offer

Any change in control of the Company[2] would entitle subscribers of the following bonds outstanding 31 December 2022 to demand early repayment.

- Non-convertible bond issue 2014/2024 of €650 million (€500 million outstanding)
- Non-convertible bond issue 2012/2025 of €100 million
- Non-convertible bond issue 2015/2025 of €450 million
- Non-convertible bond issue 2016/2026 of $170 million
- Non-convertible bond issue 2018/2028 of €500 million
- Non-convertible bond issue 2020/2030 of €500 million
- Non-convertible bond issue 2011/2031 of ¥10 billion
- Non-convertible bond issue 2021/2031 of €500 million
- Non-convertible bond issue 2019/2034 of €500 million
- Non-convertible bond issue 2018/2038 of €200 million.

In addition, two lending banks would have the right to demand the cancellation of irrevocable lines of credit totalling €150 million, which, however, were unutilized at 31 December 2022.

Except for the aforesaid, at the date of this report, there are no significant agreements to which the Company is a party that would become effective, be amended or be extinguished on a change of control of the Company.

The Articles of Association do not provide for derogations from the passivity rule or for the application of the breakthrough rule contemplated in the Dutch and Italian legislation on public offers.

[2] The articles of association of the majority shareholder Giovanni Agnelli B.V. include a condition that requires (i) the unanimous vote of directors in function, and (ii) the approval of the general meeting of shareholders by a special majority of more than two thirds of the votes cast representing more than two thirds of the issued and outstanding share capital for any disposal of ordinary shares in Exor which does not leave at least 51% of the ordinary share capital of Exor in the full ownership of Giovanni Agnelli B.V.

RISK MANAGEMENT
RISKS AND CONTROL SYSTEM

RISK MANAGEMENT, RISKS AND CONTROL SYSTEM

In compliance with the principles of the Dutch Corporate Governance Code, Exor has adequate internal risk management and control systems in place. To assess the risk affecting the Company's activities and the effectiveness of the internal control system, Exor has in place an internal control and risk management system (the "System") based on the model provided by the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission Report – Enterprise Risk Management model) and the principles of the Dutch Corporate Governance Code.

As holding company, Exor has adopted the System at its own level, providing to the board of each operating company the responsibility for designing and implementing their own risk management and internal control systems, in line with industry best practice and compliant with current regulations. Exor supports, by building effective board, the implementation the adoption of a sound internal control environment.

The System consists of a set of policies, procedures, rules and organisational structures the purpose of which is to provide an adequate process for the identification, measurement, management and monitoring of the principal risks in order to ensure the reliability, accuracy and timeliness of financial information, the safeguarding of the Company's assets, the efficiency and effectiveness of business processes and the Company's compliance with laws and regulations. An effective internal control and risk management system contributes to the conduct of the business in a manner consistent with its pre-established objectives and facilitates well-informed decision-making. The System is integrated within the organisation and governance structure adopted by Exor and is developed giving adequate consideration to the reference models and the best practices available nationally and internationally.

The responsibility for the institution and maintenance of an effective System, which is coherent with Exor's business, process objectives and for the corresponding risk management method employed with a pre-established containment plan, is entrusted to the Board of Directors.

In particular, Exor's System operates at three levels of internal control:

- First Level: operating areas identification, evaluation and monitoring of applicable risks in the single processes and the establishment of specific actions managing such risks. At this level the structures responsible for the individual risks are located, in terms of their identification, measurement and management, as well as the performance of the necessary checks.
- Second Level: departments responsible for risk control which define methodologies and tools for managing risks and the monitoring of such risks.
- Third Level: provides an independent and objective assurance of the adequacy and effective operation of the first and second levels of control and in general of the overall mode of managing risks. This activity is carried out by the Internal Audit function which operates independently.

The System is subject to annual verification and update in order to ensure its constant suitability as an instrument of control over the business's principal areas of risk.

The Audit Committee monitors the effectiveness of the Company's System.

Internal control and external control over financial reporting

The System of control over financial reporting is set in a broader framework of internal control and risk management and has the purpose of ensuring the reliability, accuracy, completeness and timeliness of the Group's financial information.

The System of internal controls over financial reporting is focused on the procedures and organisational structures which ensure the reliability, accuracy, completeness and timeliness of financial reporting.

The System of internal control over financial reporting aims to ensure the adequate and effective application of the administrative and accounting procedures designed to provide a true and fair representation as well as reliable information on the business activities in the financial reports (annual consolidated and company only financial statements and shortened half yearly consolidated financial statements) prepared by the Company.

The approach adopted by the Company for the evaluation, monitoring and continuous updating of the System of control over financial reporting, is based on a 'top-down, risk-based' process consistent with the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission Report – Internal Control Integrated Framework). This enables focus on areas of higher risk and/or materiality, where there is risk of significant errors, including those attributable to fraud, in the elements of the financial statements and related documents.

The principal characteristics of the System of control over financial reporting are based on the following components and phases:

- Identification and assessment of administrative and accounting risks.
- Identification of the controls responding to the risks identified.
- Verification of the effective application of the controls and evaluation of any problems detected.

The Exor System of control over financial reporting has been developed taking into consideration existing law and the regulations, best practices as well as the guidelines provided by the competent bodies and is composed of the following administrative and accounting procedures:

- *Code of Conduct* – which illustrates the ethical principles and values of the Company and must be observed by Company personnel involved, for any reasons, in the implementation of the System of control over financial reporting;
- *System of delegated powers and proxies* – which identifies the powers to represent the Company held by individual managers;
- *Risk Management process* – which identifies roles, responsibilities and methodologies in performing the risk management activity and in the preparation, diffusion and checking of financial reports disclosed to the market;
- *Administrative and accounting procedures* – which establish the responsibilities and rules for the process controls to be applied;
- *Financial reporting instructions and closing timetables* – which are used to communicate operational instructions for the preparation of the reporting package;
- The process of internal attestation by the corporate bodies of the significant subsidiaries as regards the data and the related internal control system under their responsibility reported to the parent company.

Internal control covering the preparation and processing of financial information

<u>Overview of the organisational structure and management of accounting and financial information</u>
The consolidated financial statements of the Exor group are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as adopted in the European Union at the balance sheet date, as described in the annual financial report.

As parent company, Exor, under the responsibility of the Chief Financial Officer defines and oversees the preparation of reported accounting and financial information of Exor and the process related to the financial information being requested from the operating subsidiaries and associates. Accordingly, the Chief Financial Officer of Exor ensures that the processes for preparing accounting and financial information produce reliable information and give, in a timely manner, a fair view of the Company's financial position and results. He obtains and reviews all information that he deems useful, such as closing assumptions, critical accounting positions and judgments, changes in accounting method and results of audits performed by the external auditors.

For consolidation purposes, the Chief Financial Officers of operating subsidiaries are responsible for preparing the reporting packages of such companies in accordance with group instructions. These financial statements are prepared under the control of their respective Board of Directors and are the responsibility of company management of each subsidiary. Each reporting package is accompanied with a representation letter in which management of the subsidiary takes responsibility for the information provided in the consolidation process.

Members of the Exor Audit Committee examine the annual and interim financial statements of Exor and monitor the process for preparing accounting and financial information. Their conclusions are based notably on information produced by the Chief Financial Officer and his team, exchanges with the team during Audit Committee meetings and the findings of internal audits. The Chair of the Audit Committee reports on the committee's work to the Board of Directors.

The Board of Directors of Exor approves Exor consolidated financial statements (interim and annual) and separate (company) financial statements.

To secure better upward reporting to Exor's external (statutory) auditors, the Group engages the same auditing firms for all subsidiaries, to the extent possible. Selection criteria for the statutory auditors includes their ability to audit all directly- and indirectly-held subsidiaries throughout the world.

Processes for the preparation and processing of accounting and financial information for the consolidated financial statements

The process for the preparation of the consolidated financial statements is organised and coordinated under the responsibility of the Chief Financial Officer.

The consolidated financial statements are produced using a consolidation software configured to automate a certain number of consistency checks on the data in the reporting packages.

Detailed consolidation instructions are sent before each interim and annual closing to the attention of the finance departments of the various consolidated subsidiaries.

The closing schedule for accounts and the related instructions are prepared sufficiently in advance to enable the financial teams of the subsidiaries to organise their procedures and anticipate closing constraints.

The consolidation department looks at uniformity of treatment by examining accounting principles in the financial statements of each subsidiaries.

Risk Management

Exor has adopted its own Enterprise Risk Management ("ERM") system to identify and analyse the main risks associated with the Company's activities and the achievement of its objective and it also integrates climate related risks and opportunities identification, assessment and management processes.

The Exor ERM system is based on the above mentioned COSO ERM Framework, which defines risk management as a "process effected by the Board of Directors, management and other personnel, applied in setting strategy across the organisation and designed to identify potential events that may affect the business, in order to manage the risk within the risk appetite and to provide reasonable assurance regarding the achievement of the business objectives". The COSO Framework is based on five areas: the control environment, risk assessment, control activities, information and communication, and monitoring and supervision.

The Audit Committee monitors the effectiveness of the Company's internal control and ERM system and, together with executive management, performs a thorough exercise for the identification of the main risks and their ranking. In 2022 a detailed risk assessment and update of the risk profile, as well as a re-assessment of the relevant risks and risk appetite has been performed, especially in view of the developments caused by Covid-19, rising inflation, geopolitical instability and the conflict between Russia and Ukraine.

The ERM system is integrated within the Company's organisation and corporate governance, supporting the efficiency and effectiveness of business processes, the reliability of financial information and compliance with laws and regulations. An effective ERM system contributes to the conduct of the business in a manner consistent with its objectives and facilitates well-informed decision-making.

In this context, the Board of Directors is responsible for the identification of the risks to which Exor and the "Holdings System" are exposed in relation to the business objectives and Company characteristics, and for performing an assessment of the possible risk scenarios mitigation, considering the effectiveness of the control process currently in place.

Risks and climate-related matters related to the companies are identified and addressed by the companies themselves, within the framework of their own internal control. Exor, through the participation in the respective Boards, supports the adoption of a sound internal control environment.

The Exor ERM system is subject to verification and update over time in order to ensure its constant suitability as an instrument of control over the business's principal areas of risk.

The assessment of the controls may require the definition of compensating controls and plans for mitigation and improvement. The results of monitoring are subject to periodic review by management and are communicated to the Audit Committee (which in return reports to the Board of Directors).

Risk Appetite

Exor set its risk appetite within risk taking and risk acceptance parameters which are driven by applicable laws, the Code of Conduct, core principles and values, corporate policies and directives.

Exor operates within a moderate overall risk range, inherent to its activities and strategy. In this context, Exor's highest risk appetite relates to the strategic and operational objectives related to a positive Net Asset Value (NAV) per share / MSCI ratio in the long term and maintaining an adequate credit rating and cash flow to enable continuity of investment activities, while ensuring in any case the compliance with the criteria that direct Exor investment choices.

Exor's lowest risk appetite relates to the objectives of protecting the Group reputation, compliance with the rules and regulations and of accuracy and reliability of the financial reporting. Meeting applicable legal and regulatory obligations will take priority over other business objectives.

The Exor risk management and internal control system comprises a structured process aimed at addressing individual risk categories, with a defined risk appetite applied to each category as detailed below:

Risk Category	Risk Description	Risk Appetite	
Strategic Risks	Strategic risks may affect Exor long-term strategic performance objectives.	Moderate	Exor is willing to accept moderate risks in order to realise its strategic objectives. Exor defined tolerable levels of deviation from NAV per share compared with MSCI, credit rating and cash flow targets in the short and medium term, in order to achieve long term goals.
Operational Risks	Operational risks include adverse, unexpected impacts resulting from internal processes, people and systems, or from external events linked to the performance of the Company's portfolio of businesses.	Low – Moderate	Exor aims for lean operations focused on its core activities.
Compliance Risks	Compliance risks cover unanticipated failures to comply with applicable laws, regulations, policies and procedures.	Low	Exor strives to comply with (international) applicable laws and regulations at all times. Exor focuses on good governance of its activity as a diversified investment holding company.
Financial reporting risks	Financial reporting risks primarily relate to (failure) of internal controls leading to possible misrepresentation of Exor's positions and performance to investors and other stakeholders	Low	In the external reporting Exor aims to provide an insightful, fair and accurate representation of the Group and Company performance and economic results. Adequacy of financial reporting is secured through the financial reporting policies and internal control framework at Exor and its affiliates.
Financial Risks	Financial risks include uncertainty of financial return and the potential for financial loss due to capital structure imbalances, inadequate cash flows and the volatility of financial instruments.	Low – Moderate	Inherent to Exor's long-term investment horizon, a low to moderate level of financial risk is accepted in our investment portfolio. Through capital market transactions, cash balances and bank credit line agreements, Exor seeks to maintain a capital structure profile which achieves long-term goals and maintains its covenant compliance.

Exor has established the appetite for principal risks, identifying its overall risk capacity and appetite position.
Risk metrics for each principal risk have been identified in order to put in place monitoring activity and corrective mitigation actions, if needed.

Key risks and key trends

As a part of the 2022 risk assessment process, management performed an update of the previous Risk Assessment. Based on the potential business impact and likelihood of occurrence, as well as existing and/or planned countermeasures (mitigating actions) the risks have been reviewed and updated where needed.

The risk impact could result in a material direct or indirect adverse effect on its business, operations, financial condition and performance, reputation and/or other interests. The results of this assessment were presented to the Audit Committee on 6 September 2022 and to the Board of Directors on 17 November 2022.

Exor expects that the implemented (internal and external) controls will mitigate the risks up to the level of the risk appetite.

The summary table below is intended to present an overview of the main risks identified and the related mitigant activities in place. The sequence in which these risks are presented does not reflect any order of importance, likelihood or materiality.

Risk Event	Risk Description	Control/Mitigation Activities
Dividend risk (Cash Flow) (Financial risk)	Risk of holding investments in companies that do not pay sufficient dividend to recover the operating costs, net financial expenses of Exor and to have free cash flow to invest and/or to reduce the debt over time.	Careful management of cash in / cash out and investment portfolio diversification. Exor maintains an adequate cash flow management by performing cash flow analysis, adjusting and monitoring the flows on a regular basis. Exor is engaged in continuous dialogue with the companies through presence in the Board. The Company risk management approach mixes a wide variety of investments within the portfolio thus mitigating unsystematic risk events in the collection of dividends from the investments.
Portfolio composition (Strategic/operational risk)	Risk that investment decisions do not allow Exor to (i) define an adequate portfolio mix in terms of diversification of the investments, resulting in difficulties in optimising the Group's future performance; (ii) obtain a return on investments that will increase the Net Asset Value (NAV), surpassing the MSCI World Index in Euro; and (iii) limit the impact of climate change adverse development on the overall portfolio performance.	The Company risk management approach mixes a wide variety of investments within the portfolio. The Company portfolio consists of different kinds of investments, consequently characterised by an overall lower risk level. Exor is engaged in continuous dialogue with the companies through presence in the Board and provides input on subsidiary strategy including ESG topics. Company investment procedures ensure adequate evaluation also in relation to portfolio composition.
Stock market performance (Strategic risk)	Risk that stock market fluctuations may affect the value of investments.	Asset allocation. The Company risk management approach mixes a wide variety of investments within the portfolio. The Company portfolio is composed of diversified and different kinds of investment, consequently characterised by an overall lower risk level. The diversification by sector and geography for example mitigates unsystematic risk events in the portfolio, so the positive performance of some investments neutralises the negative performance of others.
Financial structure / availability of cash (Financial risk)	Risk related to the financial structure with a potential increase in financial costs for Exor and not having sufficient credit available to catch investment opportunities and/or to assists in case of financial difficulties of the subsidiaries. After the disposal of PartnerRe the cash position of Exor increased significantly, as well the risk to not properly manage the availability of cash.	Careful management of cash in / cash out and investment portfolio diversification. Exor maintains an adequate cash flow management by performing cash flow analysis, adjusting and monitoring the flows on a regular basis. The Company diversifies the sources of financing and manages the maturity and the cost through active liability management. The proceeds from the disposal of PartnerRe are allocated to a selected cash instruments with an average duration below 12 months with the purpose to preserve the capital.
General state of the economy / potential changes in the economic, social or political environment (Financial risk)	Risk related to developments in the political / economic / social environment (e.g. legislation, nationalisation, terrorism, general state of the economy, transition to lower carbon economy, labour shortage, supply chain disruption, inflation) of the countries where the Company and/or the subsidiaries operate, with potential adverse effects on the businesses in which they operate.	The Company risk management approach and investment procedures ensure diversification of the portfolio and global presence of the operating subsidiaries.

Other risk factors[1]

Based on the regular assessment performed by Exor, this section provides a list of other risk factors that may be considered relevant apart from the main risks disclosed above.

The following risk factors, in the judgement of the Board of Directors, are deemed relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the Board Report.

As a long-term investor, Exor is also vigilant with regard to the occurrence of emerging risks which, without constituting specific risks at this stage, are the subject of particular attention. As such, the climate risk (i.e. the impact that global warming could have on its business or that of its portfolio companies) is considered. The transformation of working methods with the rise of remote working is likely to pose new risks in terms of both cyber security and attractiveness and talent retention. Other risks, of which Exor is unaware at the date of this document, may also exist or arise.

Exor indirectly faces specific risks related to the companies, which are identified and addressed by the companies themselves within the framework of their own internal control. The analysis conducted by these entities in terms of risk identification and internal control is described in the reference documents available on their website.

RISKS RELATED TO BUSINESS, STRATEGY AND OPERATIONS

The Company's earnings and financial position and those of its investee companies are susceptible to international markets and exposure to changes in local conditions and trade policies, as well as economic, geopolitical and other events

Exor's earnings and financial position, and those of its subsidiaries and associates, are particularly influenced by the general state of the economy in the countries in which they operate and by the variables which affect performance, including increases or decreases in gross national product, access to credit, the level of consumer and business confidence, the cost of raw materials and the rate of unemployment. The principal sectors of business are also subject to highly cyclical demand and tend to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends. Moreover, the evolution of world monetary and financial market conditions and the associated uncertainties, especially in emerging markets, could adversely affect present economic conditions.

The principal risks associated with a slowdown in the markets in which Exor's subsidiaries and associate operate comprise increases in energy prices and fluctuations in raw materials or possible contractions in infrastructure spending. In addition, in the Eurozone, unemployment remains significant, and a slow or inefficient implementation of structural reforms and budget adjustments in the public and private sectors will continue to hamper the pace of the recovery.

The Covid-19 pandemic, geopolitical instability, including the conflict between Russia and Ukraine, and other global events have significantly increased economic and demand uncertainty. Some of the results of these events include supply chain challenges, inflation, high interest rates, foreign currency exchange volatility, and volatility in global capital markets.

In recent years, acts of terrorism have occurred around the world, leading to personal safety anxieties and political instability in many countries and, ultimately, an impact on consumers' confidence. More recently, growing populist and nationalist political movements in several major developed countries, changes in or uncertainty surrounding global trade policies and other unanticipated changes to the previous geopolitical order may have negative effects on the global economy.

Furthermore, the war in Ukraine has given rise to regional instability and resulted in heightened sanctions and counter sanctions. The business of Exor's subsidiaries has been impacted by the war and on a global scale they may continue to experience, risks related to the impact of the war in Ukraine, including restrictions on the ability or willingness to do business with certain vendors or suppliers, the ability to repatriate funds from the region, increases in the cost of raw materials and commodities, supply chain and logistics challenges, access to natural gas, higher energy prices and foreign currency volatility. The extent of the impact of the war in Ukraine on the global economy cannot be predicted, including the extent to which the conflict may heighten other risks disclosed herein, any of which could have an adverse impact on the business of Exor and its subsidiaries, results of operation, cash flows or financial condition.

[1] This section is not intended to provide a full list of all of the Exor's risk factors.

It is not possible to provide an accurate indication of the future trends of the above factors and variables which may have an adverse impact on the activity of the Exor's investee companies, both in terms of sales and income and consequently on their balance sheet position, ability to meet their contractual financial commitments or their liquidity. Also, the investee companies' ability to make reliable forecasts could be impaired and have an impact on the Exor's ability to assess the value of its assets, in particular its unlisted assets.

A potential decline in the value of the portfolio of the Exor as a result of the above factors, a potential difficulty to assess the value of unlisted assets as well as any cash distribution by the Exor could have an impact on the Exor's NAV, its liquidity or its debt ratio.

The Exor's investee companies currently operate in different sectors. Exor is indirectly exposed to the risks typical of the sectors and markets in which such investee companies operate. Therefore, the performance of the main investee companies has a significant impact on the earnings, financial position and cash flows of Exor

Through its investments in subsidiaries and associates, Exor currently operates mainly in the sectors of performance and luxury cars (Ferrari), automobile (Stellantis), tractors, agricultural and construction equipment (CNH Industrial), trucks, commercial vehicles, buses (Iveco Group), media, publishing and editorial (GEDI and The Economist Group) and professional football (Juventus Football Club). As a result, Exor is exposed to the risks typical of the sectors and markets in which such subsidiaries and associates operate. Therefore, the performance of the main subsidiaries has a very significant impact on the earnings, financial position and cash flows of Exor.

The sectors and markets in which the Exor's principal investments operate have already been affected by the may of the risks identified previously. These risks may and could continue to cause, a decline in demand for the products and services that Exor's subsidiaries and associates provide and as a result adversely impact their respective business and operations.

As mentioned above, Exor indirectly faces specific risks related to the companies, which are identified and addressed by the companies themselves within the framework of their own internal control given the diverse nature of the markets in which they respectively operate. The analysis conducted by these entities in terms of risk identification and internal control is described in the reference documents available on their website.

Exor does not have operations or significant assets other than the capital stock of its investee companies, and as such, the Exor's financial condition is dependent on the distribution of funds by such entities

The composition of Exor's investment portfolio may vary substantially from time to time. Maintaining long-term ownership in investments and a flow of investments and disinvestments in new investment activities involves commercial risk, such as having a high exposure to a certain industry or an individual holding, changed market conditions for finding attractive investment candidates or barriers that arise and prevent exit from a holding at the chosen time.

Exor does not have operations or significant assets other than the capital stock of its investee companies and other intercompany balances. Exor has cash outflows in the form of other expenses, payments on its indebtedness and dividends to its shareholders. Exor relies primarily on cash dividends and payments from its investee companies to meet its cash outflows. In particular, Exor does not have a significant operating business of its own and, accordingly, Exor's financial condition depends upon the results of its investment activities, including the receipt of funds by other members of the Group. Exor expects future dividends and other permitted payments from its investee companies to be the principal source of funds to repay its indebtedness and to pay expenses and dividends. The ability of Exor's investee companies to make such payments (in the form of dividends and intercompany payments) depends on their economic performance and financial condition and may also be limited by contractual or regulatory constraints. No assurance can be given that Exor will receive adequate funding to maintain its financial condition and such distributions not being received may have an adverse effect on Exor's business, financial condition, results of operations and prospects.

Additionally, the Exor's investee companies are and will continue to be separate legal entities, and accordingly they have no obligation to make any funds available to Exor, whether in the form of loans, dividends, distributions or otherwise. The boards of directors of the investee companies may consider a range of factors and consider their shareholders' constituencies as a whole when making decisions about dividends or other payments.

The ability of the investee companies to distribute cash to Exor will also be subject to, among other things, restrictions that are contained in their financing agreements, availability of sufficient funds in such companies and applicable laws and regulatory restrictions. Claims of creditors of the Exor's investee companies may have priority as to the assets of such companies over the Exor's claims and claims of the Exor's creditors and shareholders. To the extent the ability of the Exor's investee companies to distribute dividends or other payments to Exor could be limited in any way, the Exor's liquidity and ability to pursue its investment strategy and business objectives or to take other action that could be beneficial to its business, or otherwise fund and conduct its business, could be materially limited.

Finally, any restrictions on the Exor's investee companies' ability to pay dividends or distributions may limit the Exor's ability to incur additional indebtedness or refinance its existing indebtedness in the future as well. The Exor's ability to refinance its indebtedness depends on its ability to generate future cash flow, and Exor is dependent on its investee companies' ability to pay dividends or distributions to Exor in order for it to generate cash flow.

Risks associated with the distribution of dividends

The distribution of dividends by Exor and the amount of such dividends depend on the Exor's future profits which in turn depend on the dividends distributed by Exor's subsidiaries and associates and on the gains realised on divestment of these companies, events which by their nature are neither periodic nor recurrent.

The failure to achieve the objectives of the business plans of subsidiaries and associates due to, among other things, deterioration of economic and financial conditions and of the general conditions of the market, may have a significant negative effect on the economic results and financial position of Exor's subsidiaries and associates and affect their capability to pay dividend to Exor. Therefore, no assurance can be given with regard to the fact that Exor will receive constant flows of dividends from the subsidiaries and associates which depend on the economic and financial performance and the investment and dividend policies of such companies.

Accordingly, Exor's results in different financial years may not be regular and/or comparable. Where investments have been made having recourse to debt financing, part of the resources arising from the divestment will, as a priority, be applied in repayment of such debt and only the remaining part may be used for the distribution of dividends. In addition, Exor or its investments may be bound contractually or otherwise to not distribute dividends or to distribute limited dividends in certain circumstances or periods.

Further, Exor does not have a policy for the payment of dividends (for example a minimum distribution per share in absolute terms or as a percentage-dividend payout) and has not made any specific undertaking in this respect. Accordingly, common shareholders are not guaranteed the payment of dividend on their ordinary shares.

Exor is a diversified holding company, with the financial results of its major investments and the capital distributed by them (as dividends or otherwise) having a significant impact on its performance

Exor is a diversified holding company, with the financial results of its major investments and the capital distributed by them (as dividends or otherwise) having a significant impact on its performance.

Exor does not have a specific policy on investment and disposals: investment decisions taken by Exor are formulated on the basis of in-depth assessments and the expertise developed in specific sectors, as well as on the basis of the potential contribution of the individual investment to the geographical and sector diversification of the portfolio and of its capacity to generate future cash flows. Disposals have been guided by the wish to reduce exposure to non-global businesses or the wish to take advantage of concrete opportunities to divest in a market which offered an adequate economic result.

The composition of the Exor's investment portfolio may vary substantially from time to time. The maintenance of long-term investments and the decisions to invest and divest entail business risks, such as having a concentrated portfolio in one or a few companies or industries, being subject to movements and changes in market conditions and having to deal with obstacles holding back the disposal of investments or barriers that arise and prevent exit from a holding at the chosen time. This also means that, immediately after the disposal of a (or several) significant portfolio investment (or investments), Exor could temporarily be exposed to few companies or industries, exhibiting low levels of portfolio diversification.

Since Exor holds a limited number of investments, the economic and financial performance of Exor may be materially influenced by the negative economic and financial results even of a single investment. Additionally, a high level of concentration in specific regions and sectors can create significant economic risks for the portfolio in the event of a downturn in those regions or sectors, in turn potentially negatively impacting the Exor's business, results of operations and financial position.

Exor does not exercise control over its minority investments, and the value and liquidity of its stakes in such investments could decrease

Exor holds minority investments in a number of its investee companies. The Exor's minority voting position precludes it from controlling these companies, limits its ability to implement strategies that it favours and allows any such company to adopt strategies and take actions which may, in some cases, be contrary to the Exor's preferred strategies and actions. The Exor's results of operations and financial condition are significantly affected by the performance of these non-controlled investee companies, among its other investee companies, as further described in "*Exor does not have operations or significant assets other than the capital stock of its investee companies, and as such, the Exor's financial condition is dependent on the distribution of funds by such entities*". For example, any significant impairments, asset sales, changes in operational performance, loss of founders or other key personnel or changes in dividend policy of any such investee company, pursuant to a corporate action which Exor was not able, as a minority shareholder, to prevent, could have a significant impact on the business, financial condition, results of operations and prospects of the relevant investee company, and in turn, the Exor's business, financial condition, results of operations and prospects.

Changes in market prices of the Exor's investee companies

Exor holds investments in both publicly listed companies and unlisted companies. The value of the investments in listed companies is based on their market prices, whereas for investments in unlisted companies one of the methods used to value the shareholdings is based on multiples of comparable listed companies. Therefore, changes in prices and market conditions can negatively impact the value of Exor's business operations. A substantial weakening of equity and/or bond markets or changes in interest rates and/or currency exchange rates could impact negatively on the value of Exor's investments.

The rating agencies may downrating Exor's corporate credit rating

Exor's corporate credit rating from S&P is currently "BBB+" for long-term debt and "A-2" for short-term debt with a stable outlook. Its ability to access capital markets, and the cost of borrowing in those markets, is highly dependent on its credit ratings. The rating agencies may review their ratings for possible downgrades, and any downgrades would increase Exor's cost of capital, potentially limiting its access to sources of financing, and could negatively affect investor perceptions of the Company, with a corresponding adverse effect on the trading price of the ordinary shares, both of which could negatively affect the Exor's business, financial condition and prospects.

Exor may in the future be a party to claims, lawsuits, governmental investigations and other legal proceedings

At the date of this Annual Report, Exor is not involved in pending legal proceedings nor has it received written notification threatening any legal proceeding. Notwithstanding the above, there can be no assurance that in the future Exor will not be a party to claims, lawsuits, governmental investigations and other legal proceedings including those that arise in the ordinary course of its business. Exor may become party to legal proceedings relating to its current or prior business and previous transactions for which, depending on the circumstances, a reserve may not have been established or otherwise provided for or insured against. There can be no assurance that Exor will prevail in any litigation in which it may become involved, or that its insurance coverage will be adequate to cover any or all potential losses. In addition, from time to time, Exor may decide to settle litigation involving it for a variety of reasons and regardless of the Exor's perceived merits of the claims related to such litigation. Such settlements may include non-monetary, as well as monetary terms. To the extent that Exor sustains losses from proceedings which are not reserved or otherwise provided for or insured against, the business, results of operations, cash flows and/or financial condition of Exor could be materially adversely affected.

Similarly, the Exor's investee companies may in the future be party to claims, lawsuits, governmental investigations and other legal proceedings, and to the extent that they sustain losses from proceedings which are not reserved or otherwise provided for or insured against, the businesses, results of operations, cash flows and/or financial condition of the investee companies could be materially adversely affected, and in turn, the business and financial condition of Exor.

Further, Exor is subject to income taxes in the Netherlands and, in the ordinary course of business, can be subject to audits by the Dutch tax authorities. Although Exor believes its tax estimates are reasonable, any final determination of tax audits to the contrary and any related litigation could have a material adverse effect on its financial position and profitability in the relevant period or periods.

Exposure to financial institution counterparty risk

Exor is exposed to financial institution counterparty risk and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. Financial services institutions are inter-related as a result of trading, counterparty and other relationships. Exor has exposure to many different industries and counterparties and routinely executes transactions with counterparties in the financial industry, including financial intermediaries, brokers and dealers, commercial banks and investment banks for its own account. Defaults by, or even the perceived questioning of the creditworthiness of, one or more financial services institutions or the financial services industry, generally, has led and may continue to lead to market-wide liquidity problems and could also lead to losses or defaults. The exact nature of the risks faced by Exor is difficult to predict and guard against in view of the severity of the global financial crisis and the fact that many of the related risks to the business are totally, or in part, outside of Exor's control.

The overall amount of the consolidated indebtedness of the Exor Group could have a significant negative impact on the business and the financial performance of Exor and of the Group

The overall amount of the consolidated indebtedness of the Exor Group could have a significant negative impact on the business and the financial performance of Exor and of the Exor Group. A deterioration in market conditions, which the companies of the Group were not able to tackle rapidly, could have negative effects on revenues and cash flows of Group companies; such a situation could result in higher financial charges with a consequent negative impact on the profitability of such Group companies and as a consequence on the flow of dividends and other payments to Exor.

The deterioration of the economic and financial position of the Group companies could, also, have negative effects on the possibility of accessing sources of additional funding for the achievement of the business objectives of Exor and of the Group companies, for capital expenditure, working capital and the repayment of debt as well as on the cost of the latter; such circumstances could render the Group more vulnerable. Further, if Exor and the other companies in the Group should fail to generate the financial resources necessary to repay debt within the terms agreed, they would be compelled to seek other financial resources or to refinance or renegotiate existing debt on more onerous terms and conditions, with the consequent limitation of available funds and the increase of the related costs.

Any difficulty in obtaining financing could have a significant impact on the Group, its business prospects and its profits. It should be noted that Exor has not given any guarantees regarding the indebtedness of its operating subsidiaries and associates.

Restrictions in the Exor's bond notes, financing agreements and revolving credit facility agreements limit, and other future bond notes, debt instruments and financing agreements may limit, the Exor's ability to operate its business

The terms governing the bond notes issued by Exor, financing agreements and revolving credit facility agreements contain, and any of the Exor's future bond notes, other debt instruments and financing agreements may contain, operating and financial restrictions on the Exor's business.

All of the bond notes contain a negative pledge clause which requires that, in case any security interest in assets of Exor is granted in connection with other notes or debt securities having the same ranking, such security should be equally and ratably extended to the relevant notes, subject to certain permitted exceptions.

The bond notes further contain periodic disclosure obligations and an extensive list of events of default, on the occurrence of which noteholders may give notice to Exor that the relevant bond note shall immediately become due and payable in its principal amount, together with interest to the date of repayment. If such an event occurs, Exor may not be able to obtain the necessary waivers, repay its debts or secure alternative arrangements. Failure to do so could have a material adverse impact on the Exor's financial position and prospects.

The 2.80% bond notes due on 9 May 2031 establish a financial covenant requiring Exor to maintain a financial ratio of net borrowings to asset value, calculated with reference to the Exor's shortened consolidated financial statements, higher than 0.5 to 1.0 at the relevant time, and a rating by one of the major agencies. Any of the Exor's future bond notes, other debt instruments and financing agreements may contain financial covenants requiring the maintenance of a specific cash-to-debt or asset-to-debt ratio.

Furthermore, the financing agreements and revolving credit facility agreements entered into by Exor contain, and financing agreements, revolving credit facility agreements and other debt instruments entered into by Exor in the future may contain, restrictions on Exor, including (i) negative pledge clauses which require that, in case any security interest in assets of Exor is granted in connection with other notes or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding notes, subject to certain permitted exceptions (ii) pari passu clauses, under which the relevant debt ranks and will rank pari passu with all other present and future unsubordinated and unsecured obligations of Exor, (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the debt under certain events of default on other financial instruments of Exor or a consolidated subsidiary, (v) limitation of new real guarantees and asset sales on certain company assets without the consent of the creditor (vi) limitation on incurrence of liens (vii) limitations on incurrence, repayment and prepayment of indebtedness and (viii) other clauses that are generally applicable to securities of a similar type.

At 31 December 2022, Exor was not in breach of any of the bond notes or any of its financing agreements or revolving credit facility agreements, and was in compliance with the financial covenant contained in the 2.80% bond notes above. At 31 December 2022, pursuant to the disposal of PartnerRe, Exor is in a net cash position and accordingly has full headroom in relation to the ratio.

Further, the bond notes contain a change of control clause. If a change of control of Exor occurs, the bondholders may require Exor to redeem the bond notes. If the majority shareholder elects to sell all of its ordinary shares, this could result in such change of control under the bond notes, in which event the bondholders would be entitled to request the redemption of the bond notes. Such a redemption would have a material adverse impact on the financial position and prospects of Exor. See "*Exor is controlled by a majority shareholder with the ability to sell its ordinary shares*" in respect of the sale by the majority shareholder of its ordinary shares.

The restrictions in the terms of the relevant instruments and agreements, subject to specified exceptions, may restrict the Exor's, and in certain cases, its investee companies' ability to, among other things:

- incur additional indebtedness;
- create liens or engage in sale and leaseback transactions;
- pay dividends or make distributions in respect of capital stock;
- make certain restricted payments;
- sell assets;
- engage in transactions with affiliates, except on an arms-length basis; or
- consolidate or merge with, or sell substantially all of their assets to, another person.

Future financing activities may adversely affect the Exor's leverage and financial condition

Exor may enter into financial obligations, in addition to those already entered into and correspondingly incur substantial additional indebtedness to enable it to execute on its investment strategy. These obligations could result in:

- default and foreclosure on the Exor's assets if its operating revenues after an investment or acquisition are insufficient to repay its financial obligations, which may have a negative impact on the Exor's business and financial position;

- acceleration of the Exor's obligations to repay the financial obligations even if it makes all required payments when due if it breaches certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of the relevant covenant which may have a negative impact on the Exor's business, financial condition and prospects;
- the Exor's immediate repayment of all amounts owed, if any, if such financial obligations are payable on demand, which may have a negative impact on the Exor's business, financial condition and prospects;
- the Exor's inability to pay dividends on its shares, such that shareholders may not receive returns on their investment for the duration of such inability;
- Exor using a substantial portion of its cash flow to pay principal and interest or dividends on its financial obligations, which could reduce the funds available for dividends on its shares, if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limitations on the Exor's flexibility in planning for and reacting to changes in its business, which may have a negative impact on the Exor's business and prospects;
- an event of default that triggers a cross-default with respect to other financial obligations, including the bond notes, which may have a negative impact on the Exor's business, financial condition and prospects;
- increased vulnerability to adverse changes in general economic, industrial, financial, competitive, legislative, regulatory and other conditions and adverse changes in government policy and implementation, which may have a negative impact on the Exor's business, financial condition, results of operations and prospects; and
- limitations on the Exor's ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of its strategy and other purposes, which may have a negative impact on the Exor's business, financial condition and prospects.

Future acquisitions or disposals or other similar transactions by Exor could involve risks unknown to Exor that may harm the Exor's business and adversely affect its financial condition

Exor has in the past pursued or completed, and may in the future pursue or complete, acquisitions, disposals or other similar transactions that involve a number of risks, and in doing so, has relied and intends to continue relying on conservative financial leverage. In the case of acquisitions, those risks may relate to the particular industry in which the business(es) or acquisition target(s) operate(s), including risks in industries with which Exor is not familiar or experienced with, the financial, legal and operational risks related to such acquisition and other risks unknown to Exor. In the case of disposals, those risks may relate to employment matters, counterparties, regulators and other stakeholders in the disposed business, risks related to the management of the Exor's business, financial, legal and operational risks related to such disposal and other risks unknown to Exor. In the case of other similar transactions, those risks would be determined on a case-by-case basis having regard to the specific nature of the relevant transaction, but in any event may relate to risks unknown to Exor. Although Exor intends to conduct extensive business, financial, operational and legal due diligence in connection with the evaluation of any such opportunity, there can be no assurance that the Exor's due diligence investigations will identify every risk that could have a material adverse effect on Exor. The realisation of any such risks, identified before completion or otherwise, could expose Exor to unanticipated costs and liabilities, including, without limitation, those arising from litigation or other regulatory proceedings, and prevent or limit it from realising the outcome, projected benefits and ultimate profitability of such acquisition, disposal or other similar transaction, which could adversely affect the Exor's financial condition, liquidity and prospects and its ability to service its debt.

Furthermore, taking into account its own investments, Exor intends to maintain its financial leverage in compatibility with its designated corporate credit rating. No assurance, however, can be given that a current or future acquisition, disposal or other similar transaction, if concluded, would not have a negative impact on the Exor's corporate credit rating, and in turn, its financial condition in the short and/or long term. See "*The ratings agencies may downgrade the* Exor*'s corporate credit rating*", which describes the risk that the Exor's corporate credit rating may be downgraded.

Exor may determine not to or may not be successful in identifying and consummating suitable acquisitions, disposals or other similar transactions

Exor may not be successful in identifying and consummating suitable acquisitions, disposals or other similar transactions, at all or at favourable valuations and other terms, or may determine not to consummate any such opportunity. For example, any attractive acquisition, disposal or other transaction may be limited or prohibited by applicable regulatory regimes, or the negotiations in relation to the acquisition, disposal or other similar transaction may fail.

Any future acquisition, disposal or other similar transaction may furthermore be difficult to successfully execute, and the investigation thereof as well as the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments with respect to such transactions, might require a substantial amount of the Exor's management's time and involve the incurring of substantial costs for financial advisors, accountants, attorneys and other advisors. Even if an agreement is reached relating to a specific transaction, such transaction may fail to be consummated for any number of reasons, including those beyond the Exor's control or by virtue of the Exor's determination not to so consummate on commercial or other grounds. The consumption of significant management time and the incurring of related costs, including in the form of a break or termination fee, with respect to the failure to consummate any acquisition, disposal or other similar transaction, could have a material adverse effect on the Exor's results of operations and financial condition.

Additionally, any delay in completing an acquisition, disposal or other similar transaction, could prejudice or delay the full achievement of the results and the benefits expected for Exor in respect of such acquisition, disposal or other similar transactions, and could have significant negative repercussions on the business prospects of Exor, as well as its results of operations and/or its financial condition.

Furthermore, even if the Company does execute an acquisition, disposal or other similar transaction, there is no assurance that such transaction will successfully enhance the Exor's business, results of operations or financial condition.

Future acquisitions, disposals or other similar transactions may not require a shareholder vote and may be material to Exor

Any future acquisitions, disposals or other similar transactions could be material in size and scope, and the Exor's shareholders and potential investors may have limited information about the relevant acquisition, disposal or other similar transaction upon which to base a decision whether to remain invested or invest in the ordinary shares, as applicable. In any event, depending upon the size and structure of any acquisitions, disposals or other similar transactions, shareholders are generally expected to not have the opportunity to vote on the relevant transaction, and may not have access to any information about the transaction until it is completed and Exor files a report with the relevant authority, commission or regulator disclosing the nature of such transaction and, as applicable, the underlying business, and publicly announces as much.

Exor may proceed with an acquisition, disposal or other similar transaction which it would otherwise not have been permitted to do if the acquisition, disposal or other similar transaction had been required to be put to a vote by the shareholders of Exor (assuming that they would then vote against such transaction). The transaction may then fail, with cost implications, or, if completed, the results may be poor – for example, if an acquisition, the acquired company may not perform, or, if a disposal, the purchase price may be lower due to unfavourable negotiations. Any such event may have an adverse impact on the Exor's business, financial condition, results of operations and prospects.

The success of Exor and of its investee companies has depended, and will continue to depend, partially upon their ability to attract and retain management personnel

The success of Exor and of its investee companies has depended, and will continue to depend, partially upon the ability to attract and retain management personnel and its abilities to manage efficiently Exor and the Exor Group. If the Exor Group should lose the contribution of key executives, this could have a significant negative effect on the business prospects as well as on the financial results and/or financial position.

Furthermore, if one or more managers should resign from service with Exor or with Exor's investee companies and should it not be possible to adequately replace them in a timely manner with persons of equal skill and experience, the competitive capacity of such companies could diminish with potentially negative effects on the business and on the ability to replicate the results achieved in the past.

Exor itself depends on the skills and experience of its management personnel to identify, select and negotiate suitable acquisitions, disposals and other similar transactions, to monitor and manage Exor's investment portfolio, and otherwise to manage the Exor's business. The inability of Exor to attract and retain such management personnel may have a materially adverse effect on the Exor's business, financial condition, results of operations and prospects.

In the course of their other business activities, certain conflicts of interest may arise with respect to the Company, its major shareholders, investee companies and other affiliates and their respective directors, officers and affiliates

Certain of the Exor's major shareholders, investee companies and other affiliates, and their directors, officers and affiliates, may become aware of business opportunities which may be appropriate for presentation to Exor as well as to other entities with which they are or may be affiliated, or for their own purposes. Due to their affiliations with other entities, such persons may have obligations to present potential business opportunities to those other entities, which could cause additional conflicts of interest. Accordingly, such persons may not present otherwise attractive acquisition, disposal, business combination or other similar transaction opportunities to Exor or its investee companies.

In addition, Exor currently has a number of, and may in the future acquire additional, major shareholders, investee companies and affiliates (Affiliated Persons), some of which engage or may engage in business dealings with each other and Exor from time to time. As a result, conflicts of interest could arise with respect to transactions involving business dealings between Exor and the Affiliated Persons or between and among the Affiliated Persons, including potential corporate and business transactions and business services. On the part of the Affiliated Persons, it may not be possible to equally favour Exor and/or its investee companies, as applicable, in these business dealings, and the resolution of these conflicts may not always be equal and in the best interest of Exor and/or its investee companies, as applicable, which could have a material effect on the Exor's and/or one or more of its investee companies', as applicable, financial condition, results of operations and prospects.

Certain of the Company's investee companies are subject to fluctuations in exchange rates

Certain investee companies in the Exor's portfolio are based or have investments in non-Eurozone countries, such as the United States. As the Group's consolidated financial statements are presented in Euro, the income statements of these investee companies are translated into Euro using average exchange rates. Exchange rate fluctuations may affect the Euro balance of the statements.

Certain changes in accounting or financial reporting standards or interpretations issued by standard-setting bodies for IFRS-EU may adversely affect the Group's reported revenue, profitability and financial results

The Group prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS-EU). IFRS-EU is periodically revised and new accounting pronouncements, as well as new interpretations of existing accounting pronouncements, could affect the Group's reported revenue, profitability and financial results. In general, changes in IFRS-EU could have a significant impact on the amount or timing of the Group's reported earnings, valuation of liabilities or assets, and classification of financial instruments between equity and liability on either a retrospective or prospective basis. Non-compliance with accounting and disclosure requirements could result in significant penalties for the Group.

Risks associated with the presentation of consolidated data in shortened form (Shortened Consolidation)

The Shortened Consolidation data is prepared by Exor on the basis of a "shortened" method of consolidation in which the data derived from the IFRS financial statements of Exor and of the subsidiaries of the Holdings System: Exor Nederland N.V. (the Netherlands); Exor S.A. (Luxembourg); Ancom USA Inc. (USA); Exor SN LLC (USA); Exor Investments Limited (United Kingdom) are included in the financial statements of the parent company Exor using the line-by-line method, while the data derived from the financial statements prepared in accordance with IFRS of the operating subsidiaries and associates (CNH Industrial, Iveco Group, Ferrari, Juventus Football Club, GEDI, Exor Seeds, Shang Xia, Stellantis, Christian Louboutin, The Economist Group, Welltec, Institut Merieux, Lifenet, Casavo, Nuo and Exor Capital) are included in the financial statements of the parent company Exor using the equity method.

While the data and information prepared using the shortened consolidation method are recognized by the financial community, by financial counterparties and by the rating agencies, and Exor believes that these data and information facilitate analysis of the financial position and results of Exor, such data do not fully represent, nor should be treated as the consolidated financial position of the Exor Group prepared in accordance with International Financial Reporting Standards (IFRS).

In fact the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups. The consolidated data prepared in shortened form are not audited by the independent auditors.

Cybersecurity breach could interfere with operations, negatively impact corporate reputation and expose to liabilities

The regulatory environment governing information, security and data protection laws continues to evolve. Exor could be subject to risks caused by misappropriation, misuse, leakage, falsification, system malfunction or intentional or accidental release or loss of information maintained in Exor's information systems and networks and those of Exor's third-party service providers.

Exor is exposed to security breaches to its information technology (IT) systems. Unauthorised attempts to access the Exor's IT systems, including viruses, worms or malicious software programs, or malware, may interfere with its activity and jeopardise the security of information stored in the Exor's IT systems. Groups of hackers may also act in a coordinated manner to launch denial of service attacks or other coordinated attacks that may cause Exor's website or other systems to experience service outages or other interruptions.

If Exor is unable to maintain reliable IT systems and appropriate controls with respect to global data protection and security requirements and prevent data breaches, it may suffer regulatory consequences in addition to business consequences.

Government enforcement actions under European Union data protection regulation can be costly and may interrupt the regular operation of the Company's activity, and data breaches or violations of data protection laws can result in significant fines, reputational damage and civil lawsuits, any of which may adversely affect Exor's business, financial condition, results of operations and prospects.

RISKS RELATED TO THE COMMON SHARES

Risk related the presence of a majority shareholders

Exor is controlled by a majority shareholder with the ability to sell its shares. This situation could have an adverse effect on Exor's stock price. Based on the most recent information available Giovanni Agnelli B.V. holds 52.01% of the issued ordinary shares of Exor and, considering the Special Voting Structure holds the 85.44% of the voting rights. Such that its control is not at present contestable. Accordingly, Giovanni Agnelli B.V. may exercise control over the business and affairs of Exor, including matters submitted to a vote of the Company's shareholders, such as the election of directors, the removal of directors and the approval of significant corporate transactions. This may have a negative impact on shareholders' interests, but only to the extent that their interests do not align with those of Giovanni Agnelli B.V.

If the majority shareholder elects to sell its ordinary shares, this could negatively affect investor perceptions of Exor and accordingly could have an adverse effect on the Exor's stock price. Additionally, the sale by the majority shareholder of all of its ordinary shares could result in a change of control under the Exor's bond notes and other existing and, if applicable, future credit facilities and other debt arrangements, requiring Exor to repurchase such bond notes, and constituting a breach under the Exor's existing and, if applicable, future credit facilities and other debt arrangements. No assurance can be provided that upon the occurrence of such an event, Exor will be able to obtain the required waivers, repay its indebtedness or secure alternative arrangements, and failure to do so could have a material adverse effect on the Exor's financial condition and prospects.

Further, for so long as Giovanni Agnelli B.V. continues to hold more than 30% of the voting rights in Exor, it may increase such participation in the voting capital without any obligation under the Dutch takeover laws and regulations to make a public offer for all the ordinary shares that it does not already own.

The loyalty voting structure could have a negative effect on the liquidity of the common shares, may make it more difficult for shareholders to acquire a controlling interest, change the management or the strategy of the Group or exercise influence over it, resulting in a reduction in the market price of the common shares

The introduction of the Special Voting Structure is intended to reward long-term shareholding and provide an incentive for a stable shareholder base, giving shareholders the opportunity to decide to receive special voting shares after a certain uninterrupted period of ownership of common shares.

The provisions of the Articles of Association which establish the Special Voting Structure, allowing qualifying shareholders to exercise up to 5 or 10 voting rights for each Exor common share held, may make it more difficult to acquire, or attempt to acquire, control of Exor and prevent or discourage any initiatives seeking to change Exor's management, even if a change of control were considered favourably by shareholders holding the majority of the Exor common shares.

The Special Voting Structure may prevent or discourage initiatives of shareholders seeking to change the ownership structure or the strategy of Exor or to exercise their influence and also may prevent or discourage initiatives of shareholders seeking to bring about changes in the company's management.

Shareholders who hold a significant quantity of Exor common shares for the uninterrupted periods prescribed in the Articles of Association and who request special voting shares could be in a position to exercise a significant quota of voting rights at meetings of shareholders and to have substantial influence over Exor.

The Special Voting Shares cannot be traded and must be transferred to Exor for no consideration (*om niet*) immediately prior to cancellation of the common shares from the Exor special register.

The Special Voting Structure could further reduce the liquidity of Exor common shares adversely affecting the trading price in the market.

It should be recalled, however, that the Special Voting Structure will begin to have its effect only when five years have passed from the date of adoption of the new Articles of Association following the Merger's becoming effective, assuming that the holders of Exor common shares satisfy the conditions for requesting Special Voting Shares.

No Special Voting Shares had been issued at the December 2016 Merger date, while after the maturity terms some shareholders registered in the Exor special register have requested to receive Special Voting Shares; at 31 December 2022 there are 124,717,163 Special Voting Shares outstanding, of which 124,717,132 issued to Giovanni Agnelli B.V.

For the foreseeable future, as a result of the Special Voting Structure and the concentration of ownership, Giovanni Agnelli B.V. will continue to be able to control or substantially influence matters requiring approval by the Exor's general meeting (*algemene vergadering*), including the appointment and dismissal of members of the board of Exor, Directors' remuneration, dividend distributions, the amendment of the Articles of Association, capital increases and mergers and consolidations. In addition, Giovanni Agnelli B.V. might not be prevented from pursuing large acquisitions and mergers against a payment in shares in Exor, given the limited effects of dilutive transactions on Giovanni Agnelli B.V.'s voting power; any such issuance would, however, have the effect of diluting the shareholding and, correspondingly, the voting power of existing ordinary shareholders.

Lastly, it must be noted that the Special Voting Structure could reduce the liquidity of the ordinary shares, which may adversely affect the trading price of the ordinary shares in the market. This reduction in liquidity would be attributable to: (i) an increased difficulty for outside investors to gain control of Exor; and (ii) the fact that ordinary shares which are opted in for the Special Voting Structure cannot be traded.

RISKS RELATED TO TAXATION

The Company and its investee companies are exposed to increases in the level of taxation and the introduction of new taxes

Acquisition, divestment, investment and other similar transaction operations are often complex, because of the application of legal, fiscal and regulatory provisions under different applicable legislation and because specific organisational structures must be implemented depending on the characteristics of each investment.

Moreover, economic and financial activities of Exor and of its investee companies make Exor and its investee companies subject to a variety of taxes and duties. Exor and those investee companies are therefore exposed to the risk that the level of taxation to which they are subjected may rise in the future or that new taxes may be introduced. Any such increase in the level of taxation, or the introduction of new taxes, to which the Company and its principal investee companies may be subjected, could have negative effects on the economic results and the financial position of Exor and its investee companies.

Additionally, Exor and its investee companies are also exposed to risk from the interpretative complexity of tax regulations and may from time to time be subjected to inspections by the tax authorities. This complexity may in turn also have an impact on future acquisition, divestment, investment and other similar transaction operations.

Furthermore, Exor may incur significant taxes in connection with effecting acquisitions, disposals, investments and other similar transactions, holding and receiving payments from businesses and other assets and disposing of operating businesses and other assets. Exor's decisions to make a particular acquisition, sell a particular asset or increase or decrease a particular investment or complete some other similar transaction may be based on considerations other than the timing and amount of taxes owed as a result, which could have a negative effect on the financial condition of Exor and its investee companies.

Risks related to the tax treatment of Special Voting Shares

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of Special Voting Shares should be treated for Italian or Dutch tax purposes and as a result the tax consequences in the Netherlands are uncertain. The fair market value of the Exor Special Voting Shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Considering that the Exor Special Voting Shares are not transferable (other than, in very limited circumstances, together with the associated Exor common shares) and that a shareholder's rights to receive amounts in respect of the Special Voting Shares are extremely limited, Exor believes and intends to take the position that the fair market value of each Special Voting Share is minimal. However, the relevant tax authorities could assert that the value of the Special Voting Shares as determined by Exor is incorrect. The tax treatment of the Special Voting Shares and the consequences of acquiring them, therefore, are not entirely clear and established.

CORPORATE GOVERNANCE

GOVERNANCE

Introduction

EXOR N.V. ("Exor" or the "Company") is a public limited liability company (*naamloze vennootschap*), incorporated under the laws of the Netherlands. Its shares are listed in Italy in the Netherlands on Euronext Amsterdam since 12 August 2022; before that shares were listed in Italy on Euronext Milan. The Company's legal and tax residence is in the Netherlands.

Exor attaches great importance to good corporate governance. The board of directors of Exor (the "Board" or "Board of Directors"), consisting of executive directors (the "Executive Directors") and non-executive directors (the "Non-Executive Directors"), is responsible for the corporate governance structure of Exor. Exor endorses the Dutch Corporate Governance Code's principles and best practice provisions adopted by the Monitoring Committee Corporate Governance Code 2016 (the "Dutch Corporate Governance Code"). The purpose of the Dutch Corporate Governance Code is to facilitate, with or in relation to other laws and regulations, a sound and transparent system of checks and balances within Dutch listed companies and, to that end, to regulate relations between the Board of Directors, its committees and its shareholders.

It should be noted that the Dutch Corporate Governance Code provisions primarily refer to companies with a two-tier board structure (consisting of a management board and a separate supervisory board), while Exor has implemented a one-tier board. The best practices reflected in the Dutch Corporate Governance Code for supervisory board members apply by analogy to Non-Executive directors.

This Annual Financial Report provides the relevant information on the overall corporate governance structure of the Company. This report also includes information which the Company is required to disclose pursuant to the Dutch Decree on section 10 of the Directive on takeover bids ("Takeover Directive").

Exor discloses in this Annual Financial Report and intends to disclose in its future Annual Financial Reports, any material departure from the best practice provisions of the Dutch Corporate Governance Code.

Corporate Offices

The Company has its corporate seat at Gustav Mahlerplein 25, 1082 MS Amsterdam, the Netherlands. The Company is registered in the Dutch Commercial Register under number 64236277.

BOARD OF DIRECTORS

Pursuant to the articles of association of the Company (the "Articles of Association"), the total number of members of the Board must be at least seven and at most nineteen (the "Directors", each of them individually a "Director"). The members of the Board were initially appointed on 11 December 2016, being the effective date of the cross-border merger of EXOR S.p.A. with and into the Company. The members of the Board have been reappointed at the annual general meeting of shareholders ("Annual General Meeting of Shareholders") on 20 May 2020. During this Annual General Meeting of Shareholders, the Directors were reappointed for a term of three years, each of them until the closure of the Annual General Meeting of Shareholders convened in 2023 for approval of the 2022 annual accounts. Mr. A. Banga has been appointed as non-executive director at the Annual General Meeting of Shareholders on 27 May 2021 for a term of two years until the closure of the Annual General Meeting of Shareholders convened in 2023 for approval of the 2022 annual accounts. In addition, Mr. A. Dumas has been appointed as non-executive director at the Annual General Meeting of Shareholders on 24 May 2022 for a term of one year until the closure of the Annual General Meeting of Shareholders convened in 2023 for approval of the 2022 annual accounts.

Pursuant to the Articles of Association and the Dutch Corporate Governance Code, the term of office of Directors may not exceed a maximum period of four years at a time. A Director who ceases office in accordance with the previous provisions is immediately eligible for re-appointment.

The Board of Directors is entrusted with the management of the Company and as a whole is responsible for the strategy of the Company, which is determined in order to realize long-term value creation for the Company. In the performance of its tasks, the Board of Directors is guided by this long-term value creation and takes into account the stakeholder interests that are relevant in this context.

As of 24 May 2022, the Board was chaired by Mr. Banga who has been appointed as Chair of the Board. The Board of Directors is composed of one executive director, the Chief Executive Officer of the Company (the "Executive Director"), having the day-to-day responsibility for the management of the Company, and eight Non-Executive Directors. The Non-Executive Directors do not have day-to-day responsibility and their duty is to supervise the Executive Director. Each Director is responsible for the general course of affairs of the Company and the business connected with it.

Pursuant to article 19 of the Articles of Association, the general authority to represent the Company is vested with the Board of Directors or the Executive Director acting independently.

By means of the resolution adopted on 12 December 2016, the Board of Directors appointed the following internal committees: (i) an audit committee (the "Audit Committee") and (ii) a compensation and nominating committee (the "CNC"). The Board of Directors appointed an ESG committee during its meeting held on 27 May 2021.

The table below shows the name, year of birth, position held, appointment date and current term in office of each of the Directors.

Name	Year of birth	Position	Nationality	(Re)Appointment date	Current period in office[(a)]
Mr. Ajay Banga	1959	Chairman[(c)] / Senior Non-Executive Director	U.S.A	27 May 2021	2 years
Mr. John Elkann	1976	Chairman[(b)] and Chief Executive Officer	Italy	20 May 2020	6 years
Mr. Andrea Agnelli	1975	Non-Executive Director	Italy	20 May 2020	6 years
Mrs. Ginevra Elkann	1979	Non-Executive Director	Italy	20 May 2020	6 years
Mr. Alessandro Nasi	1974	Non-Executive Director	Italy	20 May 2020	6 years
Ms. Melissa Bethell	1974	Non-Executive Director	United Kingdom	20 May 2020	5 years
Mr. Marc Bolland	1959	Senior[(b)] Non-Executive Director	The Netherlands	20 May 2020	6 years
Mrs. Laurence Debroux	1969	Non-Executive Director	France	20 May 2020	5 years
Mr. Axel Dumas[(c)]	1970	Non-Executive Director	France	24 May 2022	1 year
Mr. Joseph Bae[(b)]	1972	Non-Executive Director	U.S.A.	20 May 2020	4 years

(a) Years since the first appointment as Director by the Annual General Meeting of the Company.
(b) Until AGM held on 24 May 2022.
(c) As of AGM held on 24 May 2022.

Five of the eight Non-Executive Directors (representing a majority) qualify as independent for the purposes of the Dutch Corporate Governance Code.

The following members are considered independent within the meaning of the Dutch Corporate Governance Code:

- Ajay Banga;
- Melissa Bethell;
- Marc Bolland;
- Laurence Debroux;
- Axel Dumas.

The Board of Directors has resolved to grant to the following people a specific title:

- Ajay Banga: Chairman/Senior Non-Executive Director per 24 May 2022.;
- John Elkann: Chief Executive Officer.

The composition of the Board of Directors, and their respective CVs, is as follows:

Ajaypal Banga (1959) - Chairman / Senior Non-Executive Director

Ajay began his career at Nestlé, India, where for 13 years he worked on assignments spanning sales, marketing and general management. He also spent two years with PepsiCo before joining Citigroup, where he rose to the role of chief executive officer of Citigroup Asia Pacific.
Ajay Banga is vice chairman at General Atlantic. He joined General Atlantic after 12 years at the helm of Mastercard, leading the company through a strategic, technological and cultural transformation over 11 years as president and chief executive officer and one year as executive chair of the board of directors.
Over the course of his career, Ajay has become a global leader in technology, data, financial services and innovating for inclusion. At present, he also serves as Honorary Chairman of the International Chamber of Commerce and is an independent director at Temasek. He became an advisor to General Atlantic's BeyondNetZero venture at its inception in 2021. He has previously served on the boards of Kraft Foods and Dow Inc. Ajay is a member of the Trilateral Commission, the co-chair of the Partnership for Central America, a founding trustee of the U.S.-India Strategic Partnership Forum, a former member of the National Committee on United States-China Relations and chairman emeritus of the American India Foundation.

Additional positions:
He is a co-founder of The Cyber Readiness Institute, vice chair of the Economic Club of New York, a former member of the World Economic Forum's EDISON Alliance, and served as a member of President Obama's Commission on Enhancing National Cybersecurity. He is a past member of the U.S. President's Advisory Committee for Trade Policy and Negotiations.
Ajay has also served on the Weill Cornell Medicine board of fellows, the board of governors of the American Red Cross, as well as the boards for the Asia Society, the New York Hall of Science and the National Urban League, among others. He was awarded the Padma Shri Award by the President of India in 2016, the Distinguished Friends of Singapore Public Service Star in 2021, the Ellis Island Medal of Honor in 2019, and the Business Council for International Understanding's Global Leadership Award. He is a fellow of the Foreign Policy Association and was awarded the Foreign Policy Association Medal in 2012.

John Elkann (1976) - Chief Executive Officer (Executive Director)

John Elkann is the sole Executive Director and CEO of Exor. He obtained a scientific baccalaureate from the Lycée Victor Duruy in Paris, and graduated in Engineering from Politecnico, the Engineering University of Turin. While at university, he gained work experience in various companies of the Fiat Group in the UK and Poland (manufacturing) as well as in France (sales and marketing). He started his professional career in 2001 at General Electric as a member of the Corporate Audit Staff, with assignments in Asia, the USA and Europe.

Additional positions:
John Elkann is currently chairman of Stellantis N.V., Ferrari N.V., Giovanni Agnelli B.V. and GEDI Gruppo Editoriale S.p.A. In addition, he is chairman of the Giovanni Agnelli Foundation, board member of Institut Merieux, member of MoMA and of the JP Morgan International Council.

Andrea Agnelli (1975) - Non-Executive Director

Andrea Agnelli studied at Oxford (St Clare's International College) and Milan (Università Commerciale Luigi Bocconi). While at university, he gained professional experience both in Italy and abroad, including positions at Iveco-Ford in London, Piaggio in Milan, Auchan Hypermarché in Lille, Schroder Salomon Smith Barney in London and is currently the executive chairman at Juventus Football Club S.p.A. in Turin.
He began his professional career in 1999 at Ferrari Idea di Lugano and moved to Paris later and assumed responsibility for marketing at Uni Invest SA, a Banque San Paolo company specializing in managed investment products. He furthermore held positions in companies such as Philip Morris International and IFIL Investments S.p.A. (now Exor N.V.).

Additional positions:
Andrea Agnelli is a director of Giovanni Agnelli B.V., Stellantis N.V. and a member of the advisory board of BlueGem Capital Partners LLP. In addition, he is the executive chairman of Lamse S.p.A. From 2012 to 2021, he was a member of the Executive Board of the European Club Association (ECA), which he served as Chairman from September 2017. Between 2015 and 2021, he held the position as ECA representative at the UEFA Executive Committee. In April 2021 he assumed the position of Vice President of the Super League, of which Juventus is a founding member. He is also the president of "Fondazione del Piemonte per l'Oncologia".

Ginevra Elkann (1979) - Non-Executive Director

Ginevra Elkann graduated in Visual Communication at the American University of Paris and completed a Master in Film Making at the London Film School. Ginevra Elkann is president of Asmara Films, a film production company founded in 2010.

Additional positions:
Since 2011, she is the president of Pinacoteca Giovanni and Marella Agnelli. She sits on the Boards of Christie's, Foundation Cartier and UCCA in Beijing, China. In addition, Mrs. Elkann sits in the board of trustees of the American Academy in Rome. Since April 2021, she is a board member of Christian Louboutin SAS.

Alessandro Nasi (1974) - Non-Executive Director

Alessandro Nasi obtained a degree in Economics at the University of Turin. He started his career as a financial analyst, gaining different experiences at several investment banks and private equity funds. In 2005 he joined Fiat Group as Corporate and Business Development manager, heading the Asia Pacific division and then appointed Vice President of Business Development and member of the Steering Committee of Fiat Powertrain Technologies. In 2008 he was appointed Senior Vice President of Business Development at CNH Industrial. Within the company and until 2019, he covered various increasing positions such as Senior Vice President Network Development and President Specialty Vehicles.

Additional positions:
Alessandro Nasi serves as chairman of the board of Iveco Defence, Comau and Astra and is a member of the board of CNH Industrial, Iveco Group and Giovanni Agnelli B.V. In addition, he is a member of the advisory board of the Lego Brand Group, a member of the Board of Istituto Italiano di Tecnologia and member of the Strategic Advisory Board of 3 Boomerang Capital. He is an independent director of GVS S.p.A.

Melissa Bethell (1974) - Non-Executive Director

Melissa Bethell has a MBA with distinction from Harvard Business School and received a BA with honours in Political Science and Economics from Stanford University. Melissa was born in Taiwan, educated in America and is now a British national. She is currently a Partner at Atairos, an investment fund backed by Comcast NBCUniversal, where she is the Managing Partner of Atairos Europe. Melissa Bethell was previously a Managing Director at Bain Capital for over 18 years and member of the senior leadership team responsible for strategy setting, fundraising and portfolio management. Prior to joining Bain Capital, She worked in the Capital Markets group at Goldman Sachs & Co., with a focus on media and technology. She previously held non-executive director positions at Samsonite, Worldpay and Atento.

Additional positions:
In addition, she is a non-executive director of Tesco plc and Diageo plc.

Marc Bolland (1959) - Non-Executive Director

Marc Bolland graduated with an MBA from the University of Groningen in the Netherlands. In November 2011, he was awarded an Honorary Doctorate from the University of York, in the UK. He began his professional career at Heineken N.V. in 1987 as a Management trainee. During his first 14 years he occupied several international management positions. He served as an Executive board member of Heineken N.V. from 2001 to 2006 and as Chief Operating Officer of Heineken N.V. from 2005 to July 2006. In 2006 he was appointed as Chief Executive Officer of WM Morrison Supermarkets plc, where he led the turnaround after the acquisition of Safeway plc until April 2010. In May 2010 he joined the board of Marks and Spencer plc and was Chief Executive Officer until April 2016. He led the transformation of Marks and Spencer to become a Multi-channel, General Merchandise Retailer and developed the Food business with industry leading growth. In September 2016 he joined the Blackstone Group International Partners LLP as Senior Operating Partner and from 1 January 2022 continued as Chairman Europe.

Additional positions:
Marc Bolland is currently a non-executive director of the Coca-Cola company board, Atlanta USA. In addition, he is Deputy Chairman of the Royal Collection Trust and the Chairman of the Royal Collection Enterprises. He is Vice President at Unicef UK.

Laurence Debroux (1969) - Non-Executive Director

Laurence Debroux holds a Master in Management from HEC (Paris) and began her career in investment banking. She has had Executive responsibility for Global functions such as Strategic Planning & Business Control, Tax & Financial Markets, Business Development, Financial Processes & Internal Control, Accounting & Reporting, Procurement and Information Systems. She is currently is a member of the Board of Directors of Novo Nordisk A/S and of the Supervisory board of Randstad N.V.; she is also a Non-Executive Director at Kite Insights (The Climate School).
Previously, she was CFO and member of the Executive Board of Heineken N.V. from April 2015 until April 2021. Before joining Heineken she had been Chief Financial and Administrative Officer and a member of the Executive Board of JCDecaux since July 2010. Prior to this, Mrs. Debroux spent 14 years with the global healthcare company SANOFI where she held various executive positions including CFO and Chief Strategic Officer.

Axel Dumas (1970) - Non-Executive Director

Axel Dumas, great grandson of Émile Hermès, represents the sixth generation of the Hermès family. Holding a Master's in Law and Bachelor of Philosophy, Axel Dumas attended Sciences-Po Paris and is a graduate of Harvard Business School (AMP). After eight years at Paribas, based in Beijing and New York, he joined Hermès in 2003 as Auditor with the Financial Department of Hermès International and went on to become Retail Director for France. In 2006 he was named Managing Director of Hermès Bijouterie and, in 2008, was appointed Managing Director Métier Hermès Leather and Saddlery. From May 2011 to June 2013 he held the position of Chief Operating Officer. Since June 2013 Axel Dumas has been appointed Chief Executive Officer of Hermès International.

Composition of the Board of Directors and diversity

The Company believes that it is a prerequisite for effective management and supervision of the Company to have a Board of Directors that has an appropriate and diverse mix of skills, cultural/professional backgrounds, experience, expertise and diversity factors (such as education, gender, age, nationality). The Board of Directors believes that, considering the specific characteristics, the culture and the business of the Company, the Board of Directors has the appropriate diversity mix, independence and judgment to allow the Board of Directors to fulfil its responsibilities, execute its duties appropriately and to have a good understanding of the current affairs and long-term risks and opportunities related to the Company's business.

In this context, and as prescribed in the Dutch Corporate Governance Code, a diversity policy, included in the board regulations, is in place, as to diversity in education, gender (composition to be at least 1/3 male and 1/3 female), background, knowledge, expertise and work experience, was adopted by the Board of Directors on 13 November 2017. The Board of Directors, being 1/3 male and 1/3 female, aims to continue the balance with a minimum of 30% female and 30% male representatives in the Board of Directors.

The Board of Directors endorses the importance of diversity in education, work experience, nationality, age and gender and in addition, the Board of Directors tries to maintain a balance between experience and affinity with the nature, culture and the business of the Company.

On 1 January 2022 the Gender Diversity Act came into force prescribing new female quota rules (i.e. composition to be at least 1/3 male and 1/3 female). These new rules apply to supervisory boards and non-executive directors of Dutch companies listed on Euronext Amsterdam. These new female quota rules apply to the Company since its the listing on Euronext Amsterdam in the summer of 2023. The new rules do not apply to re-appointments of board members within a period of eight years from their first appointment and an appointment in violation of the new rules is void, but does not affect the validity of any board decision-making. Currently, three of the nine members of the Board of Directors are female, being at least 1/3 male and 1/3 female. Therefore, the Company meets the female quota.

In addition, the Gender Diversity Act also requires the Company to set appropriate and ambitious target figures to achieve gender balance at senior management positions. In 2022, 50% of our employees were women and 50% of our senior positions were held by women. The Company has set measurable objectives for achieving a balanced representation of women and men in senior positions, including the maintaining of 50% gender balance in senior positions. The Company shall monitor and disclose its gender diversity performance and initiatives on a regular basis.

Board Practice and Committees

Directors are expected to prepare themselves for and to attend all Board of Directors meetings, the Annual General Meeting of Shareholders and the meetings of the committees of which they are a member of, with the understanding that, on occasion, a Director may be unable to attend a meeting.

In total 5 Board of Directors meetings were held in 2022. The table below shows the attendance of the individual Board members at these meetings. In these meetings, the Board discussed a number of topics, including the general state of economy, as well as the strategy of the Company, investment opportunities and existing investments, long-term value creation, cash and debt management, transfer of listing, the remuneration and the long term incentive plan, the Company's full and half-year financials, the Company's 2022 objectives, risk assessment, the values and purposes for the coming years, ESG related topics and evaluation of the functioning of the Board, its members and its Committees.

Director	Board of Directors	Audit Committee	Compensation and Nominating Committee	ESG Committee
Ajay Banga	5/5	3/3	-	1/1
John Elkann	5/5	-	-	-
Andrea Agnelli	5/5	-	-	-
Ginevra Elkann[2]	4/5	0/1	-	-
Alessandro Nasi	5/5	-	-	-
Melissa Bethell[4]	5/5	1/1	4/4	1/1
Marc Bolland	5/5	3/3	4/4	-
Laurence Debroux	5/5	4/4	-	1/1
Axel Dumas	3/3	-	2/2	-
Joe Bae	1/2	-	2/2	-

1 Member of the Compensation and Nominating Committe until 27 May 2021.
2 Member of the Audit Committee until 27 May 2021 and rejoined as of 7 September 2021.
3 Joined the Compensation and Nominating Committee as of 27 May 2021.
4 Joined the Audit Committee as of 27 May 2021 and member until 7 September 2021.
5 Joined the board as of 27 May 2021.
6 Resigned per 27 May 2021.

Evaluation

Annually, under the oversight and responsibility of the Compensation and Nominating Committee and of the Senior Non-Executive Director and with the assistance of the general counsel, the Board of Directors evaluates and discusses its own functioning and performance, the functioning of its Committees and its individual Directors. In 2022, the evaluation of the Board of Directors and its Committees consisted of a self-assessment facilitated by written questionnaires. The main topics of the questionnaire related to the composition, competence, performance, meeting information provision as well as oversight and involvement of the Board and the functioning of the internal Committees. The outcome of the questionnaire (the response rate was 100%) was assessed and discussed in the Compensation and Nominating Committee. The general impression emerged from this self-evaluation was positive.

In addition to the written questionnaires, the Senior Non-Executive Director held individual conversations with each of the Directors. In these conversations, the overall functioning of the Board, that of the individual Director and the Executive Director were discussed.

The Compensation and Nominating Committee, as well as the Senior Non-Executive Director, gave their feedback and recommendations in the Board of Directors meeting in which the evaluation was further discussed. During this meeting, the functioning of the individual Directors and the Board as a whole has also been considered in more detail and this has been very insightful.

The overall conclusion on the composition and functioning of the Board is good and supportive and the Directors valued positively the open and constructive discussions as well as the discussions on purpose and long-term goals and performance and the appropriate quantity and quality of information before and during its meetings. Consequently, the general impression that emerged from this evaluation was good to excellent. A further conclusion that could be drawn on the basis thereof, as prescribed by the best practice provision 2.2.8 of the Dutch Corporate Governance Code, is that the Board would like to receive the meeting material more in advance of the meetings and this is being addressed by sending the meeting material more advance.

Board Regulations

The Board of Directors has adopted internal regulations in accordance with article 20.8 of the Articles of Association; these were lastly amended on 26 March 2018. The Board aims to be as transparent as possible about its working methods and therefore the regulations are publicly available on the Company's website (www.exor.com/pages/exor/governance/corporate-regulations).

The regulations govern the operating of the Board of Directors and its Committees internally and contain provisions concerning the manner in which meetings of the Board of Directors are convened and held, including the decision-making process. In addition, the regulations further elaborate on topics such as conflicts of interests, related-party conflicts and the relationship with shareholders.

Indemnification of Directors

To the extent permissible by law, as prescribed under article 24 of the Articles of Association, the Company is required to indemnify any and all of its Directors, both former members and members currently in office or persons who may have served at its request as a director or officer of another company, (each of them an “Indemnified Person”), against any and all expenses actually and necessarily incurred by any of them in connection with the defence of any action; suit or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been Director or officer of the Company, or such other company, except in relation to matters as to which any such person shall be adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct in the performance of their duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled otherwise, claims, judgments, fines and penalties (“Claims”) incurred by the Indemnified Person as a result of any expected, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative, initiated by any party other than Exor itself or a controlled entity of Exor, in relation to any acts or omissions in or related to their capacity as an Indemnified Person. Claims will include derivative actions of or initiated by the Company or a group company thereof against the Indemnified Person and (recourse) claims by the Company itself or a group company thereof for payments of claims by third parties if the Indemnified Person will be held personally liable therefore.

Conflict of interests

At Exor, we strive to compose the Board in such a way that the Directors can operate independently and critically with regard to each other, the Board and any particular interests. The Board of Directors adopted rules dealing with conflict of interests and related party transactions on 5 April 2017 and last amended and updated these on 13 November 2019.

In general, any form of appearance or conflicting interests between the Company and members of the Board must be avoided. Therefore, a Director of the Company is not allowed to participate in discussions or decision-making within the Board of Directors, if with respect to the matter concerned he or she has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it (“Conflict of Interests”). This prohibition does not apply if the Conflict of Interests exists for all Directors; should this be the case, the Board of Directors shall maintain its power, subject to the approval of the general meeting of shareholders.

A Director having a Conflict of Interests or an interest which may have the appearance of such a Conflict of Interests must declare the nature and extent of that interest to the other Directors. All transactions, where there is a Conflict of Interests, must be concluded on terms that are customary in the branch or sector concerned and must be approved by the Board of Directors.

In the financial year 2022, there were no transactions involving a conflict of interests with members of the Board.

Determination of independence and related-party conflicts

To further ensure the independence of the members of the Board, each Director needs to inform the Board (through the Company Secretary of the Board of Directors) as to all material information regarding any circumstances or relationships that may impact their characterization as “independent,” or impact the assessment of their interests. One of the ways in which this is done is by responding promptly to the annual questionnaire circulated by or on behalf of the Company Secretary that is designed to elicit relevant information regarding business and other relationships.

In addition, each Director shall annually assess in good faith whether he or she (i) is independent (as referred to in best practice provision 2.1.8 of the Dutch Corporate Governance Code) and/or (ii) would have a Conflict of Interests in connection with any transactions between the Company and a significant shareholder or related party of the Company, including affiliates of a significant shareholder (such conflict being, a “Related-Party Conflict”). Currently, Giovanni Agnelli B.V. would be considered a significant shareholder. Based on each Director’s assessment, the Board of Directors shall make a determination at least annually regarding such Director’s independence and such Director’s Related-Party Conflict.

These annual determinations shall be conclusive, absent a change in circumstances from those disclosed to the Board of Directors that necessitates a change in such determination.

In the financial year 2022, there have been no Related Party Conflicts.

Mr. Elkann, Executive Director of Exor, also fulfils a role as chairman of Ferrari N.V., Stellantis N.V. and Giovanni Agnelli B.V., the latter being the largest shareholder of the Company. Ferrari, Stellantis and certain companies within their respective groups qualify as related parties to Exor and the Company may therefore have potential conflicts of interests with these companies.

Amount and Composition of the remuneration of the Board of Directors

Details of the remuneration of the members of the Board of Directors and its committees are set forth under the Section “Remuneration of Directors”.

THE AUDIT COMMITTEE

The Audit Committee, under the responsibility of the Board of Directors, assists and supports the Board of Directors with its oversight of, amongst others: (i) the integrity and quality of the Company’s financial statements and the auditors’ report thereon; (ii) the effectiveness of the risk management and the systems of internal controls that management and the Board of Directors have established, including the internal audit reviews thereon; (iii) the Company’s compliance with legal and regulatory requirements; (iv) the Company’s follow-up on recommendations and observations of the internal and the independent auditors; (v) the Company’s policies and procedures; (vi) the qualifications, independence and remuneration of the Company’s independent auditors and any non-audit services provided to the Company by the independent auditors; (vii) the effectiveness and functioning of the Company’s internal audit function and independent auditors; and (viii) the implementation and effectiveness of the Company's ethics and compliance program.

The tasks and functions of the Audit Committee are described in the Audit Committee charter, which was last amended and approved during the Board meeting held on 13 November 2018. The charter is published on the Exor website (www.exor.com/pages/exor/governance/corporate-regulations).

Composition of the Audit Committee

The Audit Committee is elected by the Board of Directors and is composed of at least three Non-Executive Directors. The majority of the Audit Committee (including its Chair) should qualify as independent within the meaning of the Dutch Corporate Governance Code and each member shall neither have a material relationship with the Company, as determined by the Board of Directors nor perform the functions of auditors or accountants for the Company. Furthermore, at least one member shall be a financial expert and have competence in accounting or auditing, relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities.

As of 24 May 2022[1], the Audit Committee consisted of the following members:

- Ms. L. Debroux (Chair);
- Mr. A. Banga; and
- Mr. M. Bolland.

All members qualify as independent and the Board considers them to be financial experts.

Meetings
Unless the Audit Committee determines otherwise, the independent external auditors, the Chief Financial Officer, the Chief Audit Executive as the internal auditor and the General Counsel will attend the meetings of the Audit Committee. The Company's Executive Director will be free to attend the meetings of the Audit Committee unless the Audit Committee determines otherwise. The Audit Committee can also require him to join the meeting.

The Audit Committee met 4 times during 2021. The average attendance rate was 100%.

The main items discussed and/or reviewed during these meetings were, amongst others, the annual and semi-annual financial reports; the risk assessment and risk appetite; appropriateness of the risk management & control systems in place; the internal and external audit plans and scope; updates on compliance and legal matters; accounting and reporting matters; the internal audit assessment performed on the company-only/consolidated financial reporting, as well as on the investment management procedure and on the treasury management procedure; (ii) the quality of the control environment; (iii) the evaluation of the external auditors and the (re)appointment of the external auditors; (iv) the evaluation of the internal audit function and; (v) the self-assessment of the Audit Committee itself.

The CFO, the General Counsel and the Chief Audit Executive (head of the internal audit function) and the external auditors (Ernst & Young Accountants LLP) attended all the meetings. Furthermore, the Committee held executive sessions with and between the committee members itself and with the external auditors.

INTERNAL AUDIT FUNCTION

The Corporate Governance Code places emphasis on an internal audit function and the Company underlines the importance of an internal audit function. Therefore, the Board of Directors meeting resolved to outsource the internal audit function to BDO Consultants B.V. since the size and nature of the Company are not suited to have an audit department established internally. An internal audit charter has been adopted and as of her appointment, the Chief Audit Executive has attended all the Audit Committee meetings.

The Company also has an internal control system in place, which is integrated within the organizational and corporate governance framework adopted by the Company. This system contributes to the protection of corporate assets and ensures the efficiency and effectiveness of business processes, the reliability of financial information and compliance with laws, regulations, the Articles of Association, policies and internal procedures.

In the financial year 2022, all significant internal audit reviews, assessments and tests were performed. As part of these reviews and tests, the effectiveness of the risk management and internal control systems was tested and no material weaknesses or deficiencies were identified.

THE COMPENSATION AND NOMINATING COMMITTEE

The Compensation and Nominating Committee, under the responsibility of the Board of Directors, assists and supports the Board of Directors with its oversight of, amongst others: (i) determining the (Non-) Executive compensation; (ii) the Company's remuneration policy; (iii) review of the remuneration reports; (iv) drawing up of the selection criteria and appointment procedures for Directors of the Company; (v) periodic assessment of the size and composition of the Board of Directors and as appropriate making proposals for changes in the composition of the Board of Directors; (vi) periodic assessment of the performance of of the Board and the individual Directors and reporting on this to the Board of Directors; and (vii) proposals for the nomination and re-nomination of Executive and Non-Executive Directors to be appointed by the shareholders meeting.

[1] Until 24 May 2022 the Audit Committe consisted of: Laurence Debroux (Chair), Melissa Bethell and Ginevra Elkann.

The tasks and functions of the Compensation and Nominating Committee are described in the Compensation and Nominating Committee Charter, which was last amended and approved during the Board meeting held on 13 November 2019. The Charter is published on the Exor website (www.exor.com/pages/exor/governance/corporate-regulations).

Composition of the Compensation and Nominating Committee
The Compensation and Nominating Committee is elected by the Board of Directors and is comprised of at least three Non-Executive Directors. All members were independent in accordance with the Dutch Corporate Governance Code and article 2 of the Compensation and Nominating Committee Charter.

As of 24 May 2022[2], the Compensation and Nominating Committee consisted of the following members:

- Mr. M. Bolland (Chair);
- Mrs. M. Bethell; and
- Mr. A. Dumas.

Meetings
In 2022, the Compensation and Nominating Committee met 4 times and the average attendance rate was 100%.

The main items discussed and/or reviewed during these meetings were, amongst others: the design of the new remuneration policy and long term incentive plan; the CEO compensation; review of the 2021 Remuneration Report; the review of and discussions on the results of the self-assessment and the recommendations thereof to the Board of Directors; establishment of the independence of the Non-Executive Directors; assessment of the composition of the Non-Executive Directors.

THE ESG COMMITTEE
The Environmental, Social and Governance ("ESG") Committee, established in 2021, assists and supports the Board of Directors and shall, if applicable, prepare the resolutions to be adopted by and acts to be performed by the Board of Directors in carrying out its governance and oversight responsibilities with regard to sustainability, environmental, social, corporate governance and other human capital matters ("ESG Matters"). The Board of Directors remains responsible for the resolutions taken.

The Committee oversees and gives guidance to the Company's Board of Directors on key global ESG Matters and/or as to the general evolution of the ESG landscape. It does this in relation to the Company itself and also advises the Company representatives on how they can use their roles in the governance of the businesses partially or wholly owned by the Company to champion further progress within those businesses on ESG Matters.

The tasks and functions of the ESG Committee are further described in the ESG Committee Charter, which was approved during the Board meeting held on 17 November 2021. The Charter is published on the Exor website (www.exor.com/pages/exor/governance/corporate-regulations).

As of 24 May 2022[3], the ESG Committee consisted of the following members:

- Mr. A. Banga (Chair);
- Mrs. M. Bethell; and
- Mrs. L. Debroux.

In 2022, the ESG Committee met once with an attendance rate of 100%.

The Chair of the ESG Committee may, as he or she deems appropriate, invite the Executive Director, members of the management team, advisors, experts or others to attend the meetings of the ESG Committee.

The main items discussed and/or reviewed during this meeting were, amongst others: the achievement on ESG matters in 2022 and the main objectives herein for 2023.

[2] Until 24 May 2022 the Audit Compensation and Nominating Committe consisted of: Marc Bolland (Chair), Joseph Bae and Melissa Bethell.
[3] Until 24 May 2022 the ESG Committe consisted of: Ajay Banga (Chair), Marc Bolland and Laurence Debroux.

For a description of the Company’s commitment to ESG matters, reference should be made to the Sustainability report section of this Board Report. In addition, it should be noted that the Company is a diversified holding company and as such does not engage in operational activities where human rights can be potentially at stake. Nevertheless, the Company recognizes the importance of corporate social responsibility, including human rights.

The Company supports the universal declaration of human rights and has a set principles of conduct and rules in the Code of Conduct to sustain and protect human rights and the Company will do whatever is in its power to prevent, limit and address human right impact.

GENERAL MEETING OF SHAREHOLDERS

Each year, though not later than in the month of June, an annual general meeting of shareholders will be held.

Other general meetings of shareholders will be held whenever the Board of Directors deems such to be necessary, without prejudice to the provisions of Sections 2:108a, 2:110, 2:111 and 2:112 of the Dutch Civil Code.

The agenda of the general meeting will include the following subjects for discussion or voting:

(a) discussion of the board report;

(b) discussion and adoption of the annual accounts;

(c) dividend proposal (if applicable);

(d) appointment of Directors;

(e) appointment of an external auditor;

(f) other subjects presented for discussion or voting by the Board of Directors and announced with due observance of the provisions of the Articles of Association, as for instance (i) release of Directors from liability; (ii) discussion of the policy on reserves and dividends; (iii) authorization of the Board of Directors to issue shares; and/or (iv) authorization of the Board of Directors to resolve to acquire own shares.

Calling of meetings

Notice of general meetings of shareholders is given by the Board of Directors and must be given with due observance of the statutory notice period of forty-two (42) days and in line with other relevant statutory provisions or regulations applicable to the Company pursuant to the listing of its shares on the Euronext Milan.

The notice of the meeting will state (a) the subjects to be dealt with; (b) venue and time of the meeting; (c) the requirements for admittance to the meeting as described in Articles 35.2 and 35.3 of the Articles of Association, as well as the information referred to in Article 36.3 of the Articles of Association (if applicable); and (d) the address of the Company's website, together with any such other information as may be required by law.

In addition, shareholders acting solely or jointly representing at least ten percent (10%) of the issued share capital may request the Board of Directors, in writing, to call a general meeting of shareholders, stating the matters to be dealt with. Shareholders and/or other persons entitled to attend the general meeting who, alone or jointly, meet the requirements set forth in section 2:114a subsection 2 of the Dutch Civil Code will have the right to request the Board of Directors to place items on the agenda of the general meeting if certain requirements are being met.

The manner in which persons entitled to attend the general meeting of shareholders can register and exercise their rights will be set out in the notice convening the meeting. General meetings of shareholders can be held in Amsterdam or Haarlemmermeer (including Schiphol Airport), at the choice of those who call the meeting.

Conduct of the meeting

In general, general meetings of shareholders will be chaired by the Senior Non-Executive Director or his replacement. Each shareholder and each other person entitled to attend the general meeting of shareholders is authorised to attend, to speak at, and to the extent applicable, to exercise his voting rights in the general meeting of shareholders. They may be represented by a proxy holder authorised in writing.

A person entitled to attend the general meeting of shareholders or his proxy will only be admitted to the meeting if he has notified the Company of his intention to attend the meeting in writing at the address and by the date specified in the notice of meeting. The proxy is also required to produce written evidence of his mandate.

The Board of Directors is authorised to determine that the voting rights and the right to attend the general meeting of shareholders can be exercised by using an electronic means of communication. If so decided, it will be required that each person entitled to attend the general meeting of shareholders, or his proxy holder, can be identified through the electronic means of communication, follow the discussions in the meeting and exercise the voting right. The Board of Directors may also determine that the electronic means of communication used must allow each person entitled to attend the general meeting of shareholders or his proxy holder to participate in the discussions.

The Board of Directors may determine further conditions to the use of electronic means of communication as referred above, provided such conditions are reasonable and necessary for the identification of persons entitled to attend the general meeting of shareholders and the reliability and safety of the communication. Such further conditions will be set out in the notice of the meeting. The foregoing does, however, not restrict the authority of the chairman of the meeting to take such action as he deems fit in the interest of the meeting being conducted in an orderly fashion. Any non- or malfunctioning of the means of electronic communication used is at the risk of the persons entitled to attend the general meeting of shareholders using the same.

The chairman of the meeting will decide upon the admittance to the meeting of persons other than those who are entitled to attend. The company secretary will arrange for the keeping of an attendance list in respect of each general meeting of shareholders. The attendance list will contain in respect of each person with voting rights present or represented: his name, the number of votes that can be exercised by him and, if applicable, the name of his representative. The chairman of the meeting can decide that also the name and other information about other people present will be recorded in the attendance list.

The Company is authorized to apply such verification procedures as it reasonably deems necessary to establish the identity of the persons entitled to attend the general meeting of shareholders and, where applicable, the identity and authority of representatives. The Board of Directors shall provide the general meeting of shareholders with all requested information, unless this would be contrary to an overriding interest of the Company.

Each ordinary share confers the right to cast one vote. Each Special Voting Share-A confers the right to cast four votes and each Special Voting Share-B confers the right to cast nine votes. At the general meeting of shareholders, all resolutions must be adopted by an absolute majority of the votes validly cast, except in those cases in which the law or the Articles of Association require a greater majority. If there is a tie in voting, the proposal will thus be rejected.

The Board of Directors may determine that votes cast prior to the general meeting of shareholders by electronic means of communication or by mail, are equated with votes cast at the time of the general meeting. Such votes may not be cast before the record date referred to above. Without prejudice to the provisions of article 35 of the Articles of Association, the notice convening the general meeting of shareholders must state how shareholders may exercise their rights prior to the meeting. Blank and invalid votes will be regarded as not having been cast and the chairman of the meeting will decide whether and to what extent votes are taken orally, in writing, electronically or by acclamation.

When determining how many votes are cast by shareholders, how many shareholders are present or represented, or what portion of the Company's issued capital is represented, no account will be taken of shares for which no votes can be cast by law.

No voting rights shall be exercised in the general meeting of shareholders for shares owned by the Company or by a subsidiary of the Company. Pledgees and usufructuaries of shares owned by the Company and its subsidiaries shall however not be excluded from exercising their voting rights, if the right of pledge or usufruct was created before the shares were owned by the Company or a subsidiary. Neither the Company nor any of its subsidiaries may exercise voting rights for shares in respect of which it holds a right of pledge or usufruct.

Minutes will be kept of the proceedings at the general meeting of shareholders by, or under supervision of, the company secretary, which will be adopted by the chairman of the meeting and the secretary and will be signed by them as evidence thereof. However, the chairman of the meeting may determine that notarial minutes will be prepared of the proceedings of the meeting. In that case the co-signature of the chairman will be sufficient. The minutes of the general meeting of shareholders shall be made available, on request, to the shareholders no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the minutes in the following three months. The minutes shall then be adopted in the manner as described in the Articles of Association.

CODE OF CONDUCT

By means of the resolution passed on 24 November 2016, the Board of Directors approved and adopted the Code of Ethics, which Code of Ethics has been amended, updated and renamed the Code of Conduct and approved by the Board of Directors meeting in November 2017 (the “Code”).

The Code sets out the principles and the ethical values that contribute to a culture which Exor follows in the conduct of its activities and the quality and integrity which it requires of all persons in the Company and more generally of all those who work with and are collaborators of the Company. Together with all the other regulations, policies and dispositions issued by the Company, the Code constitutes the foundation necessary for the prevention and detection of any infringement of the law.

The Code includes specific guidelines relating to the mission and values contributing to a long-term-horizon-culture, the ethical principles, social commitment, principles for the management of its investments and conduct principles, anti-corruption, respect of human rights, conflicts of interest and abuse of inside information, data privacy, safeguarding of the Company’s assets, workplace health and safety, and relationships with third parties, such as public institutions.

All of Exor's Directors, managers and staff, those who have a function of representation, administration and direction, all employees (without any exception) and all collaborators (including, as mere example, consultants, professional advisors etcetera) are required to be familiar, and to comply with the dispositions of the Code.

To strengthen its effectiveness and ensure proper compliance with the Code, the Company is committed to ensuring maximum diffusion by means of appropriate communication methods, such as through training and measures that increase awareness of its contents. In addition, there is a whistleblower procedure to report violations and disciplinary measures can be imposed in case of non-compliance with the provisions of the Code.

Exor furthermore takes steps to ensure that the companies in which it has an investment have adopted principles similar to or based on those of the Code.

The Code is available on Exor’s website (www.exor.com/pages/exor/governance/corporate-regulations).

Anti-Bribery and Corruption

The Company recognizes the importance of conducting business in an ethical way. In this respect our Code of Conduct provides for a set of rules to act and to conduct, in all internal and external affairs, to the highest standards of integrity, honesty and fairness, avoiding bribery and corruption in any form, including collusive behaviour. Furthermore, the Company does not allow charity and political contributions that act as a mean of corruption.

During 2022 there were no reports made nor signals of bribery or corruption. During the same year Exor made no monetary contributions to nor any spendings for politics and lobbyists.

DISCLOSURES PURSUANT TO THE DECREE IMPLEMENTING ARTICLE 10 EU-DIRECTIVE ON TAKEOVERS

In accordance with the Dutch *Besluit artikel 10 overnamerichtlijn* (the “Decree”), the Company makes the following disclosures.

(a) For information on the capital structure of the Company, the composition of the issued share capital and the existence of the two classes of shares, reference should be made to the section above Major Shareholders and Ownership Structure. For information on the rights attached to the ordinary shares reference is made to the Articles of Association which can be found on the Company's website. To summarize, the rights attached to ordinary shares comprise pre-emptive rights upon issue of ordinary shares, the right to attend the general meeting of shareholders and to speak and vote at that meeting and the entitlement to distributions of such amount of the Company's profit as remains after allocation to the reserves. For information on the rights attached to the special voting shares reference should be made to the Articles of Association and the terms of the special voting shares (the "SVS Terms") which can both be found on the Company's website and more in particular to the section Special Voting Structure above.

(b) No transfer restrictions apply to ordinary shares. Pursuant to the Articles of Association and the SVS Terms transfer restrictions apply for special voting shares. For information on participation in the Company's capital in respect of which pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Acts (*Wet op het financieel toezicht*) notification requirements apply reference is made to the section "Major Shareholders and Ownership Structure" of this Board Report. This section lists the shareholders who hold 3% or more of the issued ordinary shares.

(c) No special control rights or other rights accrue to shares in the capital of the Company other than the right of holders of ordinary shares to receive special voting shares if and when the terms and conditions as set out in the SVS Terms are met.

(d) A mechanism for verifying compliance with a scheme allowing employees to subscribe for or to acquire shares in the capital of the Company or a subsidiary if the employees do not arrange for such verification directly is not applicable to the Company.

(e) No restrictions apply to voting rights attached to ordinary shares in the capital of the Company, nor are there any deadlines for exercising voting rights. No depositary receipts for ordinary shares have been issued with the cooperation of the Company.

(f) The Company is not aware of the existence of any agreements with any shareholder which may result in restrictions on the transfer of shares or limitation of voting rights.

(g) The rules governing the appointment and dismissal of members of the Board of Directors are stated in the Articles of Association. All members of the Board of Directors are appointed by the general meeting of shareholders. The Board of Directors will nominate a candidate for each vacant seat. A nomination by the Board of Directors will be binding. However, the general meeting of shareholders may deprive the nomination of its binding character by a resolution passed with a two-thirds majority of the votes cast. If the binding nomination is not deprived of its binding character, the person nominated will be deemed appointed. If the nomination is deprived of its binding character, the Board of Directors will be allowed to make a new binding nomination. The term of office of Directors may not exceed a maximum period of four years at a time. A Director who ceases office in accordance with the previous provisions is immediately eligible for reappointment. The rules governing an amendment of the Articles of Association are stated in the Articles of Association and require a resolution of the general meeting of shareholders which can only be adopted upon a proposal of the Board of Directors.

(h) The Board of Directors has been designated by the general meeting of shareholders as the competent body to issue ordinary shares and to grant rights to subscribe for shares for a term of five years with effect from 27 May 2021. The Board of Directors will be authorized to increase the share capital with such number of shares for a nominal value up to EUR 5,000,000 and to issue convertible bonds for an aggregate issue price up to EUR 1,000,000,000, and to issue the underlying ordinary shares (or granting of rights to subscribe for such underlying ordinary shares) pursuant to the applicable conversion ratio. This designation can be used for any and all purposes. The Board of Directors is also authorized to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares or granting rights to subscribe for ordinary shares, for a term of five years with effect from 27 May 2021. With respect to Special Voting Shares A, the Board of Directors has been designated by the general meeting of shareholders as the competent body to issue Special Voting Shares A and to grant rights to subscribe for Special Voting Shares A for a term of five years with effect from 27 May 2021. The power of the Board of Directors concerns all authorized but un-issued Special Voting Shares A in the Company's share capital from time to time. The Board of Directors has also been authorized by the general meeting of shareholders with effect from 24 May 2022 to resolve on the acquisition by the Company of its own fully paid-up ordinary shares, up to the maximum number of shares that can be repurchased under Dutch law, and further within the limits of Dutch law and the Articles of Association through a purchase on the stock exchange or otherwise for a term of 18 months against a repurchase price between, on the one hand, the nominal value of the shares concerned and, on the other hand, an amount of 110% of the reference price recorded for the ordinary shares on the Euronext Milan on the day before each transaction is made or, in the event of purchases carried out through public purchase or exchange offerings, on the day before the disclosure to the public. The maximum amount to be used for the repurchase of ordinary shares will be EUR 500,000,000.

(i) The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Acts *(Wet op het financieel toezicht*), provided that certain of the loan agreements entered into by the Company contain clauses that, as is customary for financing agreements of similar type, may require early repayment or termination in the event of a change of control of the Company.

(j) The Company did not enter into any agreement with a director or employee providing for a payment / distribution upon termination of employment as a result of a public offer within the meaning of article 5:70 of the Dutch Financial Supervision Acts.

INSIDER TRADING POLICY

The Exor insider trading policy (the "Insider Trading Policy") sets forth the guidelines, recommendations and prohibitions for all members of the Board of Directors and employees of Exor regarding the legal and regulatory duties and sanctions applicable to insider trading and unlawful disclosure of inside information. In addition, the Insider Trading Policy states the notification obligations that have to be fulfilled under Dutch and Italian law by members of the Board of Directors when dealing in securities of Exor and its group companies. The insider Trading Policy is also applicable to persons closely associated (immediate family members or members of the same household) with the members of the board of directors or employees.

With the Insider Trading Policy, Exor makes sure that the requirements of article 18(2) and 19(5) of the Market Abuse Regulation (Regulation 596/2014) will be fulfilled. The amended and restated Exor Insider Trading Policy was adopted by the Board of Directors on 13 November 2019. Exor also maintains a so-called insider list including all persons, who in the exercise of their employment, profession or duty, have access to inside information.

Compliance with the Dutch Corporate Governance Code

The Company acknowledges the importance of good corporate governance. The Company endorses the principles and best practice provisions of the Dutch Corporate Governance Code and complies with the majority of the provisions, except for the best practice provisions listed below:

a) *Best practice provision 2.1.7 (iii) of the Dutch Corporate Governance Code: For each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the company, there is at most one supervisory board member who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8, sections vi. and vii.*

The Non-Executive Directors Alessandro Nasi, Andrea Agnelli and Ginevra Elkann are considered non-independent non-executive directors within the meaning of best practice provision 2.1.7 (iii) of the Dutch Corporate Governance Code. These three members belong to the Agnelli family, which controls Giovanni Agnelli B.V. In light of the major shareholding of Giovanni Agnelli B.V., the Company's history and its commencement the Company feels it is appropriate that more than one member of the Agnelli family has a seat on the Board of Directors as a Non-Executive Director.

b) *Principle 2.3.2 of the Dutch Corporate Governance Code*: If the supervisory board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee.

The Company has combined the roles of the remuneration committee and the selection and appointment committee in one committee, called the Compensation and Nominating Committee. The Company feels that there would be no benefits for the Company, given its size and the nature of its organizational structure, in splitting the Compensation and Nominating Committee as prescribed under the Dutch Corporate Governance Code.

c) *Best practice provision 4.3.3 of the Dutch Corporate Governance Code*: The general meeting of shareholders of a company not having statutory two-tier status (*structuurregime*) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast.

Pursuant to article 15.3 of the Company's Articles of Association the binding nature may only be cancelled with a two-third majority of the votes cast. The Company feels that in view of the major shareholding of Giovanni Agnelli B.V. it is appropriate to have such a threshold.

REPORT OF THE NON-EXECUTIVE DIRECTORS

Introduction

This is the report of the Non-Executive Directors of the Company on the financial year 2022 as referred to in best practice provision 5.1.5 of the Dutch Corporate Governance Code. The Board of Exor is structured as a one-tier board and does therefore not have a separate supervisory body. According to the Articles of Association, the Board of Directors consists of at least seven and at most nineteen members, comprising both members having responsibility for the day-to-day management of the Company (executive Directors) and members not having such day-to-day responsibility (non-executive Directors).

The Non-Executive Directors of Exor are responsible for the supervision of the policy and the general course of affairs of the Company and its affiliated enterprises carried out by the Executive Director, including the implementation of the strategy of the Company regarding long-term value creation. The Non-Executive Directors perform this task in an independent way and act solely in the interest of the Company in doing so. They are guided by the interests of the Company and its affiliated enterprises and take into account the stakeholder interests that are relevant in this context.

The tasks of the Executive and Non-Executive Directors in a one-tier board such as the Company's Board of Directors may be allocated under or pursuant to the Articles of Association, provided that the general meeting of shareholders has stipulated whether each individual Director is appointed as an executive or as a non-executive director and furthermore provided that the task to supervise the performance by the Directors of their duties can only be performed by the Non-Executive Directors. Regardless of an allocation of tasks, all Directors remain collectively responsible for the proper management and strategy of the Company (including supervision thereof in the case of Non-Executive Directors).

Details of the current composition of the Board of Directors, including the Non-Executive Directors, and its committees are set forth in the section “Board of Directors”.

Supervision by the non-executive Directors

In their periodic meetings, the Non-Executive Directors discussed with the Executive Director, a number of subjects, including amongst others, the Company's strategy, the long-term business plans, the implementation of such plans and the risks associated with such plans.

The Non-Executive Directors furthermore supervise the policies carried out by the Executive Directors and the general affairs of the Company. In so doing, the Non-Executive Directors have also focused on the effectiveness of the Company's internal risk management and control systems, the integrity and quality of the financial reporting and the Company's long-term business plans and strategy, the implementation of such plans and the associated risks.

The Non-Executive Directors also determine the remuneration of the Executive Directors and nominate Director candidates, via the Compensation and Nominating Committee, for appointments. Furthermore, the Board of Directors may allocate certain specific responsibilities to one or more individual Directors or to a committee comprised of eligible Directors of the Company. In this respect, the Board of Directors has allocated certain specific responsibilities to the Audit Committee, the Compensation and Nominating Committee and the ESG Committee.

Further details on the manner in which these Committees have carried out their duties, are set forth in the sections: “The Audit Committee”, “The Compensation and Nominating Committee” and "the ESG Committee".

In addition, the Non-Executive Directors supervised the adoption and implementation of the procedures, strategies and policies of the Company, reviewed this Annual Financial Report, including the Remuneration Report, the financial results and received updates on legal and compliance matters. The Non-Executive Directors have also reviewed the reports of the Board of Directors and its committees.

During the meetings held in 2022, for an overview of which reference is made to the section “Board of Directors”, the key topics discussed were, amongst others: the strategy, performance of the operating subsidiaries, cash and debt management, governance and composition committees; transfer of the listing; asset management company set up, values, objectives 2022/2023, the financial results and reporting, investment opportunities and transactions, executive compensation, risk management & control, ESG related matters, the Remuneration Report and evaluation of the Board.

Independence of the non-executive Directors

The Non-Executive Directors are required by Dutch law to act solely in the interest of the Company. The Non-Executive Directors have determined that five of the eight Non-Executive Directors qualify as independent in accordance with the Dutch Corporate Governance Code. For a more comprehensive overview, reference is made to the section "Determination of independence and related-party conflicts".

Whilst Exor acknowledges that it is not in compliance with best practice provision 2.1.7 (iii) of the Dutch Corporate Governance Code on the basis that more than one of its Non-Executive directors are affiliated with Exor's largest shareholder, Giovanni Agnelli B.V. and notwithstanding the foregoing regarding the non-independent directors, Exor is of the opinion that it otherwise meets the independence requirements set forth in best practice provision 2.1.10 of the Dutch Corporate Governance Code.

Evaluation by the non-executive Directors

The Non-Executive Directors are responsible for supervising the Board of Directors and its committees, as well as the individual Executive and Non-Executive Directors, and are assisted by the Compensation and Nominating Committee in this respect.

In 2022, the evaluation of Executive Directors consisted of a self-assessment facilitated by written questionnaires. The outcome of the questionnaire (the response rate was 100%) was assessed and discussed in the Compensation and Nominating Committee. In addition to the written questionnaires, the Senior Non-Executive Director and the Chair of the Compensation and Nominating Committee held individual conversations with the each Non-Executive Directors. In these conversations, the overall functioning of the Board, that of the individual Directors and the Executive Director were discussed. The overall conclusion on the composition and functioning of the Board is good and supportive and the Directors valued positively the open and constructive discussions as well as the discussions on purpose and long-term strategy.

It was further concluded that each of the Non-Executive Directors continued to demonstrate commitment to his or her respective role in the Company.

For a more comprehensive overview, reference is made to the section "Evaluation".

The Non-Executive Directors have been regularly informed by each committee as referred to in best practice provision 2.3.5 of the Dutch Corporate Governance Code, of the results and recommendations of these meetings and the conclusions of those committees were taken into account when drafting this report of the Non-Executive Directors.

The Non-Executive Directors were able to review and evaluate the performance of the Audit Committee and the Compensation and Nominating Committee and ESG Committee.

Further details on the manner in which these committees have carried out their duties, are set forth in the sections “The Audit Committee”, “The Compensation and Nominating Committee” and "The ESG Committee" within “Board Practices and Committees” above.

IN CONTROL STATEMENT

Internal Control System

Based on the assessment performed, the Board of Directors believes that, at 31 December 2022, the Group's and the Company's Internal Control over Financial Reporting is considered effective and that (i) the Board Report provides sufficient insights into any material weakness in the effectiveness of the internal risk management and control systems. This is discussed in the Internal Audit Function on page 101, (ii) the internal risk management and control systems are designed to provide reasonable assurance that the financial reporting does not contain any material inaccuracies. This is discussed in Risk Management, Risks and Control System on page 74, (iii) based on the current state of affairs, it is justified that the Group's and the Company's financial reporting is prepared on a going concern basis. This is justified by the discussion in the Consolidated Financial Statements from page 175 and in the Company Financial Statement from page 291, and (iv) the Board Report states those material risks and uncertainties that are, in the Board of Director's judgment, relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the Board Report. You may refer to the Risk Factors section on page 80.

17 April 2023

John Elkann

Chief Executive Officer

RESPONSIBILITIES IN RESPECT TO THE ANNUAL REPORT

The Board of Directors is responsible for preparing the Annual Report, inclusive of the Consolidated and Company Financial Statements and Board Report, in accordance with Dutch law and International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union (EU-IFRS).

In accordance with Section 5:25c, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss for the year of the Company and its subsidiaries and that the Board Report provides a true and a fair view of the performance of the business during the financial year and the position at balance sheet date of the Company and its subsidiaries, developments during the year, together with a description of the principal risks and uncertainties that the Company and the Group face.

17 April 2023

The Board of Directors

Ajay Banga

John Elkann

Andrea Agnelli

Ginevra Elkann

Alessandro Nasi

Melissa Bethell

Marc Bolland

Laurence Debroux

Axel Dumas

SUSTAINABILITY REPORT

Exor's Sustainability Report is presented as part of the Annual Report and has been prepared with reference to the Global Reporting Initiative (GRI) Standards and in accordance with the Sustainability Accounting Standards Board (SASB).

The available disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) are presented in a content index at the end of this report.

I. REPORTING SCOPE AND BOUNDARIES

This section addresses the requirements of the Dutch Civil Code, and of the Dutch Decree on Non-Financial Information (*Besluit bekendmaking niet-financiële informatie*), which is a transposition of Directive 2014/95/EU "Disclosure of non-financial and diversity information" into Dutch law.

The reporting scope of non-financial information in this section is at Exor's holding level (EXOR N.V. and the Holdings System subsidiaries) although this section also describes how Exor considers sustainability issues in relation to the governance of its portfolio. Exor's main listed operating companies (Ferrari, Stellantis, CNH Industrial, Iveco Group and Juventus) publish their own Sustainability Reports, which are available on their official websites, but a summary of their approach to sustainability is also included at the end of this section.

II. HOW EXOR'S BUSINESS MODEL IMPACTS SUSTAINABILITY

1. OVERVIEW

Exor is a diversified holding company with a culture that combines entrepreneurial spirit and financial discipline. Most of its portfolio is made up of companies in which it is the largest shareholder. Exor's purpose is to build great companies. In doing this, it intends to make a positive contribution to society, to deliver superior returns to its investors and to provide opportunities for its people to grow.

Exor believes that great companies are not just those that are distinctive in what they do but also those that seek out renewal and change and perform to the highest standards. In addition, great companies need to ***act in a responsible way***. Exor views this element as one that cuts across the other three and expects all its companies to engage with all their stakeholders on environmental, social and governance (ESG) topics and to set and achieve clear targets for them.

HOW WE BUILD:		WHAT MAKES A COMPANY GREAT:
• Create strong governance that allows diversity of thinking • Foster a culture with clarity of purpose • Appoint leaders who embody our values	**BUILD GREAT COMPANIES**	• Distinctive in what it does • Seek renewal and change • Performs to the highest standards • ***Acts in a responsible way (cross-cutting)***

2. IMPLEMENTATION AND LONG-TERM VALUE CREATION

Exor's ownership helps create environments where companies can thrive, it empowers leaders to build great companies and through its role in their governance, Exor helps its companies both to achieve their sustainability goals and to create long-term value. The benefits of Exor's ownership are summarised below.

1 CREATING AN ENVIRONMENT WHERE COMPANIES CAN THRIVE	2 EMPOWERING LEADERS TO BUILD GREAT COMPANIES	3 USING GOVERNANCE TO STEER OUR COMPANIES
✓ Long-term, stable ownership	✓ Use Exor's network to find new leaders	✓ Build effective Boards
✓ Permanent capital	✓ Act as a “critical-friend” to leaders in our companies	✓ Support companies in their management successions
✓ Strong network	✓ Encourage the creation of strong and positive cultures	✓ Play an active role in the Boards of all our companies
✓ Support and challenge companies' plans	✓ Promote diversity and inclusiveness	

Exor believes that great companies can only be built by great people. It therefore recruits strong talent into its organisation, it offers equal opportunities and it creates a diverse and inclusive workforce. It expects its people to be collaborative, to build strong business relationships and to respect others. Exor's values, together with its purpose of building great companies, form the foundation of its culture. These values are written in pairs. There is tension between the words in each pair and it is the job of individuals to find the right balance between them.

These talent principles and values apply within Exor and Exor also champions them with its companies

AMBITION & HUMILITY	CURIOSITY & FOCUS
We set high aspirations but remain grounded	We seek new ideas while prioritising what matters
COURAGE & RESPONSIBILITY	**PATIENCE & DRIVE**
We take bold actions while being mindful of their consequences	We take a long-term perspective but are relentless in getting things done

By building great companies using these values, Exor aims to deliver the following financial targets:

- Outperforming the MSCI World Index over the long term through the increase in its NAV per share
- Maintaining financial strength and discipline while keeping its Loan-To-Value ratio below 20%.
- Generating free cash flows above its dividend outflows over time.
- Keeping cash holding costs as a percentage of its Gross Asset Value below 10 bps.

Exor's purpose and values underpin how it interacts with its companies. As with all the elements of greatness, Exor encourages and challenges its companies to act in a responsible way by setting and achieving a clear set of ESG goals. It does this through the role it plays within their governance while always being conscious of their autonomy.

III. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RESPONSIBILITY

1. EXOR'S ESG APPROACH

Exor believes that great companies should act in a responsible way. In doing this, it expects its companies to:

- Align with best practices and reporting frameworks;
- Identify priorities, set targets, measure and report progress;
- Continue to raise the bar;
- Aspire to industry ESG leadership.

Exor has created an ESG framework that it applies to itself and uses across its companies. This is structured into three parts:

FOUNDATIONS	• These are the fundamental ESG governance procedures, policies and guidelines that Exor and its companies need to operate with integrity, responsibility and ethics
PASSIONS	• Exor has identified one passion within each ESG pillar that it expects all of its companies to pursue in ways that are aligned within their business strengths and priorities
COMMUNICATION	• Exor expects its companies to communicate their ESG priorities and progress clearly to their stakeholders and Exor facilitates engagement across its companies on this framework so they can learn from each other and work together where helpful

1.1 FOUNDATIONS

Exor has identified a set of fundamental ESG procedures, policies and guidelines that it applies to itself and encourages within all its companies. These foundational elements provide the starting conditions to create long-term sustainable value. They include but are not limited to:

- Making ESG a priority among leadership teams and Boards;
- Adopting a Code of Conduct and adhering to widely-recognised guidelines;
- Implementing a whistle-blower mechanism;
- Ensuring that risks are evaluated and mitigants are identified periodically.

This list of foundational elements will increase over time.

1.2 PASSIONS

Exor has identified one passion within each of the three ESG pillars. These passions are derived from Exor's discussions with its stakeholders, as well as from its history and values.

Exor has made commitments on each of these passions at holding company level. These commitments are described below in Section 2. It is also encouraging all of its companies to make progress on these passions, as described in Section 3.

1.3 COMMUNICATION

Exor's ESG passions are aligned with a sub-set of the United Nation's Sustainable Development Goals (SDGs) as shown below. Exor is using these for communication at the holding and is also encouraging their use at company level.

ENVIRONMENT	SOCIAL	GOVERNANCE
Emissions reduction	Education: decreasing inequalities and promoting innovation	Diversity and inclusion
7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION	4 QUALITY EDUCATION; 10 REDUCED INEQUALITIES	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES

1.4 USING GOVERNANCE TO DELIVER EXOR'S ESG FRAMEWORK

Exor's approach to governance is summarised in the table below. This governance framework has been derived based on extensive discussions with stakeholders and through interviewing other organisations to understand their best practices. Exor's Board of Directors is responsible for Exor's overall strategy, including on ESG and climate-related issues, where it is supported and advised by the ESG Committee. The Board of Directors, supported by the ESG Committee, oversees progress on Exor's three ESG passions and addresses the main climate-related risks and opportunities impacting Exor at holding level.

Exor believes that a clear governance framework is essential to encouraging its companies to adopt its ESG framework and through its presence in the Boards of its companies, Exor champions and supports their progress on ESG issues. Exor's approach to governance is described below.

BOARD STRUCTURE	*We create effective Board Structures* • Board size – we keep our Boards relatively small to maintain high-quality debate • Committees – we focus our committees on audit, ESG and remuneration issues • Meetings – we create systematic annual Board schedules and agendas
PEOPLE	*We spend time choosing the right Directors* • Exor role – we play an active role within the Boards of all our companies • Diversity – we ensure we have a range of perspectives on all our Boards • Expertise – we appoint Directors with appropriate sector and functional expertise
PROCESS	*We incentivise and improve Board performance* • Assessment – we conduct regular Chair, CEO and Board reviews • Remuneration – we encourage Directors to become shareholders • Director terms – we appoint Directors for clear and overlapping terms

2. EXOR'S ESG APPROACH AT HOLDING COMPANY LEVEL

2.1 STAKEHOLDER ENGAGEMENT

Exor believes in maintaining a continuous dialogue with internal and external stakeholders. At holding company level, the view of major stakeholder groups have been gathered using the engagement methods described below.

STAKEHOLDER	AREAS OF FOCUS	ENGAGEMENT METHODS
Exor employees	Motivation and development, equal opportunities, health and safety, ethical business conduct and values	Regular meetings and communications, annual review of objectives, internal initiatives and compensation
Investors & Analysts, Rating agencies, Media	Market transparency, communications, financial and non-financial performance	Annual and half-year reporting, investor events, meetings with investors, corporate website, press releases
Operating companies	Progress on paths to greatness, enablers and next steps	Active representation and participation in the Boards, regular communication and meetings
Authorities and regulators	Compliance with applicable laws and regulations, risk management	Implementation of governance, risk management structures and corporate responsibility best practices

Exor is committed to:

– Maintaining a regular dialogue with each of these stakeholder groups;

– Being clear about its purpose, its values and its priorities both internal and externally;

– Providing relevant information to each stakeholder group, while being accessible and responsive;

– Promoting transparent capital markets, while aligning to best practices and disclosing information in an accurate, complete, balanced and reliable manner.

2.2 ESG FOUNDATIONS

At holding company level, Exor has continued to ensure that it is well positioned to build long-term sustainable value. Some of the key work conducted in 2022 is summarised below.

ESG Committee
This Committee, chaired by Exor's Chair, Ajay Banga, with Board members Melissa Bethell and Laurence Debroux attending as members. This group oversees Exor's ESG activities at holding company level, including its ESG reporting, and interacts with key management and functions within the organisation, in particular the COO (the designated lead for ESG-related matters within Exor). The ESG Committee advises Exor's management on how they should use roles within the governance of Exor's companies to champion progress on ESG issues and it tracks the progress being made.

Whistleblowing Mechanism
This year, Exor enhanced the mechanism by which all Exor employees and stakeholders can report infringements against its Code of Conduct or against legal requirements. On the Exor website, there is now a dedicated webpage from which anyone can anonymously make a report: https://report.whistleb.com/exor. These reports are sent to Exor's General Counsel and, if appropriate, also to the Chair of Exor's Board or the Chair of the Audit Committee.

Task Force on Climate-related Financial Disclosures (TCFD) Report
In 2022, Exor conducted its first climate-related risks and opportunities assessment according to the TCFD (Task Force on Climate Related Financial Disclosures) framework. Exor is disclosing this information on a voluntary basis and has complied with all eleven recommended disclosures as well as with the Supplemental Guidance for Asset Owners.

The assessment began by carrying out a benchmarking analysis with other European holding peers to identify gaps as well as best practices that could be adopted by Exor. The next step was then identifying the most relevant climate-related risks and opportunities for Exor and its companies. Given that this is the first TCFD disclosure carried out by Exor, the scope of the analysis was centred around four companies (Ferrari, Stellantis, CNH Industrial and Iveco Group) that account for >95% of emissions deriving from Exor's investment activities and >80% of Exor's GAV.

Exor carried out a bottom-up analysis, using publicly available documents, with the companies in scope to identify what were the most material risks and opportunities that were shared across them. Following this initial analysis, the risks and opportunities outlined in the two tables below were identified. Using these criteria, the companies in scope were examined to assess the resilience of their strategies with respect to climate-related issues and the potential impact on Exor's GAV by considering different climate pathway scenarios defined by internationally recognised providers (i.e. the International Energy Agency and the International Panel for Climate Change - SSP/RCP), which use advanced modelling to give representation of climate state and climate-related policy evolution.

This work considered four scenarios: i) business as usual; ii) a slow down scenario; iii) an intermediate scenario; and iv) an accelerated scenario. Reference scenarios, which represent the strategic overview of each investee as publicly disclosed, were then reviewed in relation to physical and transitional climate factors, which are more or less stressed in the alternative scenarios mentioned previously. The impact of each scenario on Exor's GAV was also considered across different timeframes. This scenario analysis enabled the Company to understand the potential impact of the environment on its activities and how it should adapt its strategies accordingly. Given how committed Ferrari, Stellantis, CNH Industrial and Iveco Group are around their climate strategies and decarbonisation plans, the overall impact on the Exor Gross Asset Value was deemed to be limited.

A full TCFD report will be published later on in 2023 that will outline the findings of the climate issues assessment conducted in more detail. This analysis has also helped Exor to identify its current strengths and areas where it can further improve its approach to climate-related issues that will be a point of focus going forwards.

Climate-related risks description

#	*TCFD Classification*	*Risk Event*	*Impact Description*
1	**TRANSITION** **Policy & Legal:** New or more stringent regulations on carbon pricing mechanism on Scope 1 & 2 in specific countries where investees mainly operate.	Introduction of new regulation concerning carbon pricing mechanism and potential increase of carbon tax on Scope 1 & 2.	Impact on Exor's GAV due to the increase of investees operating costs related to cash outflows for the payment of carbon tax due to emerging regulation and increase of carbon prices.
2	**TRANSITION** **Market:** Rapid spread of low emission products is increasing sharply and it is expected to keep growing in the future.	Inability of the portfolio companies to adapt in time to the transition of electric vehicles (BEV and FCEV).	Impact on Exor's GAV due to potential loss in revenues at investees level due to electric vehicles strategy roll out that is not aligned with future market demand in the different climate pathway scenarios.
3	**TRANSITION** **Policy & Legal:** More stringent regulations on CO2 emissions thresholds for vehicles sold based on portfolio mix in countries where it is applicable.	Higher penalties for CO2 emissions exceedance applied to investee vehicles sold in a specific country based on portfolio composition.	Impact on Exor's GAV due to the increase of investees operating costs related to the payment of penalties for CO2 emissions exceedance per vehicle.
4	**PHYSICAL** **Acute:** Event-driven risks including increased severity of extreme weather events, such as hurricanes, floods, earthquakes. **Chronic:** longer-term shifts in climate patterns might cause droughts, heat waves and water stress.	Business interruption or loss in productivity.	Impact on Exor's GAV due to loss in revenues, reduced product availability and an increase in repair costs of damaged buildings at investee level.

Climate-related opportunities description

#	TCFD Classification	Opportunity Event	Impact Description
1	**TRANSITION** **Product and services, Technology:** Development of new products and services through R&D and innovation	Investee companies product portfolio extension, through the development of precision farming solutions and hydrogen technology.	Impact on Exor's GAV due to an increase of investee revenues related to the development of new products and services.
2	**TRANSITION** **Energy efficiency:** Energy efficiency projects through decarbonisation strategy.	Energy efficiency projects, aimed primarily at reducing CO2 emissions and reach decarbonisation targets at investee level.	Impact on Exor GAV due to operating costs savings at investee level.

2.3 ESG PASSIONS

Exor has identified three passions with one focused on each of the pillars within the ESG framework. At holding company level, Exor has made the following commitments in relation to these passions:

- **Emissions reduction:** achieve carbon neutrality by 2022 and net zero emissions by 2025;
- **Education:** 1) Decrease inequalities by running an education programme to reduce the gender gap in STEM subjects. This is done in collaboration with Fondazione Agnelli. 2) Promote innovation by helping high potential young entrepreneurs build disruptive ventures. This is done in collaboration with Innovation 4 Change;
- **Diversity and inclusion:** maintain the existing 40/60 gender balance and consider diverse candidates for all new appointments.

2.3.1 ENVIRONMENTAL PASSION - EMISSIONS REDUCTION

Exor commitment at holding level: achieve carbon neutrality by 2022 and net zero emissions by 2025.

While its environmental impact as a standalone company is limited given its size, Exor believes that it still has a responsibility to reduce its emissions at holding company level.

Following on from Exor's first greenhouse gas (GHG) inventory that was published in last year's Sustainability Report, Exor will continue to calculate its GHG inventory in accordance with the internationally recognised standards of the Greenhouse Gas Protocol. The Company will be publishing its first TCFD report later in 2023 which will include updated calculations of Exor's emissions.

Measuring Exor's environmental footprint is the first step in its emissions reduction journey. The Company, following consultation with its employees at the annual Exor Day (see section 2.3.3 for more details), has implemented a series of ESG-related changes such as improving recycling in its offices and making more use of e-signatures. Furthermore, the Amsterdam office uses completely renewable energy while the London office is actively investigating renewable energy suppliers.

Exor achieved carbon neutrality for 2021 by offsetting its remaining emissions through a clean water project in the Manica region of eastern Zimbabwe. This region is isolated and has few good quality water sources both because of historical poor maintenance and the high cost of constructing them. This project has built new water pumps and rehabilitated existing ones to give local households access to safe and clean water that no longer needs to be boiled using firewood.

All units are tCO2e	2020	2021	2022[2]
Exor Scope 1 Emissions	5	45	
Exor Scope 2 Emissions	15	27	
Exor Scope 3 Emissions	742	995	
Exor Total Holding Level Emissions	**762**	**1,067**	
Exor Companies Emissions (Scope 1 and 2)[1]	**554,563**	**411,302**	

1) Emissions of Exor companies outside of Exor's operational control are accounted for under Scope 3 Category 15 in proportion to Exor's ownership. The attribution factors used to determine the share of the overall emissions of the investee companies that are attributable to Exor were calculated following the definition of the PCAF (2020) – The Global GHG Accounting and Reporting Standard for the Financial Industry (first edition). The outstanding amount (numerator of the attribution factor) and EVIC (denominator of the attribution factor) are always calculated as of the calendar year-end, i.e. 31 December (N.B. as The Economist Group closes its financial year in March, the gross debt considered for the calculation of the EVIC is as of 30 September). In those cases where the financial and thus reporting year of a company diverges from the calendar year, the emissions reported for that financial year were attributed to the corresponding calendar year.
The companies included were Stellantis N.V., Fiat Chrysler Automobiles N.V. (for FY2020), CNH Industrial N.V., Ferrari N.V., GEDI Gruppo Editoriale, Juventus Football Club S.p.A and The Economist Group. The emissions of these companies were collected from their latest Sustainability Report or Annual Report. The emissions of other Exor companies were not included as they do not determine their emissions.

2) 2022 emissions data will be disclosed within Exor's TCFD report that will be published later on in 2023.

2.3.2 SOCIAL PASSION - EDUCATION

Exor commitments at holding level: 1) Decrease inequalities by running an education programme to reduce the gender gap in STEM subjects. This is done in collaboration with Fondazione Agnelli. 2) Promote innovation by helping high potential young entrepreneurs build disruptive ventures. This is done in collaboration with Innovation 4 Change.

Exor believes that education is a life changing tool that can be used to reduce inequalities by giving students new opportunities, and through those, access to a better quality of life. It can also be a powerful tool for increasing innovation and excellence. Given these beliefs, Exor has a strong relationship with Fondazione Agnelli, an independent institute founded in 1966 that conducts detailed research on education and teaching. Exor is also closely involved with Innovation 4 Change (I4C). This was founded in 2016, and has strongly been involved in promoting the next generation of innovation. Numerous Exor employees have been participants in its programme, or acted as mentors within it.

1) Reducing the gender gap in STEM subjects

The nurturing and development of mathematical skills has been recognised as a national issue in academic literature such as the extensive reports by the Programme for International Student Assessment and the Trends in International Mathematics and Science Study. This has been a problem for over two decades in Italy, but it is particularly evident for young girls.

matabì
imparare un mattoncino alla volta

From a very early stage in schools, gender stereotypes and ineffective teaching methods have been contributing to this gender gap in STEM. As a result, male students typically outperform their female classmates in maths tests from the earliest years of schooling and the gap worsens as students grow older. National surveys show that by the fifth year of primary school, there is already a seven-month difference in the learning achievements of boys and girls with this gap estimated to reach one year by the end of high school. As a result, many girls find STEM subjects difficult at school and the option of pursuing a degree or a career in STEM become much less appealing. This is an issue that Exor feels passionate about given both the importance of these STEM skills in many of our companies and our diversity commitments.

The growth of visuospatial skills is a key enabler in building proficiency in STEM subjects. Extensive studies have shown that playing with toys that encourage construction and creation help enhance these skills. Several studies like *Spatial Skills and Self-Perceived Masculinity: Considering College Major STEM-ness, Directionality, and Gender* highlight that stereotypes surrounding what toys should be used by children based on their gender make boys more likely to develop these skills and therefore to have an advantage in STEM subjects and careers.

To address this issue Exor launched Matabì, an initiative run in collaboration with Fondazione Agnelli, Politecnico di Torino and The LEGO Foundation. The Matabì project aims to enhance spatial abilities and reduce the gender gap via construction play with LEGO DUPLO brick sets.

Exor supported Fondazione Agnelli in order to design Matabì's action plan, define its objectives and plan its overall intervention strategies. Exor is also continuing to provide financial support to Fondazione Agnelli which will cover the costs related to the brick sets, teaching materials, teacher training and classroom coaching.

After a trial from September 2022 to January 2023 with seventeen classes, this programme is being rolled out to almost 80 classes from 18 schools in four Italian regions: Piedmont, Veneto, Tuscany and Campania. The rollout will use training and teaching materials that have been improved thanks to crucial feedback from the pilot.

In the first two years of implementation, Matabì will use a randomised controlled trial to test the impact of teaching methods that exploit the use of construction play. To evaluate the project, teachers will be tested on their spatial skills while around 1,200 students will be tested on both their spatial and mathematical skills.



2) Helping high potential young entrepreneurs

Exor’s second education initiative is focused on encouraging innovation by supporting Innovation 4 Change (I4C)’s work with high potential entrepreneurs.

Innovation for Change (I4C), was created in 2016 by a collaboration between Conseil Européen pour la Recherche Nucléaire (CERN), Collège des Ingénieurs (CDI), Politecnico di Torino and Fondazione Agnelli. I4C brings together corporations, public institutions and talented students from all over Europe and encourages them to work together to find ways to deal with complex sustainability challenges.

I4C immerses each of its cohorts of talented MBA, doctoral and creative design students in a range of seminars & workshops (ranging from innovation methodologies to tech development) during a twenty-week programme. The students are encouraged to co-design and test disruptive solutions that could go to market within twenty months while having an impact extending many years into the future.

Their final output is the creation of a prototype that responds to the challenge set by one of I4C's corporate partners and is showcased in front of a jury at the I4C Demo Day.

CNH Industrial, DSM, Ferrovie dello Stato Italiane (FSI), Grimaldi, MIMS, Movyon, Rai Way, Snam, TELT and UNICRI all proposed challenges in 2022. The responses to these challenges ranged from an AI avatar for protecting children online and a digital twin system for agricultural machinery to help control big farms. The winning team worked on a bio-waste challenge set by FSI and their project plans to raise insects as an animal protein-feed using this biowaste.

I4C has been tracking its impact by measuring the number of participants who go on to become innovation and impact leaders. Since 2016, over 350 participants from MBAs, PhDs and creative design programmes have taken part in I4C. Of these:

- 35% of these MBA alumni work as entrepreneurs or innovation specialists and 25% of these MBA alumni work on ESG, Sustainability & Impact issues.
- 30% are involved in spin-offs or startups and PhD participants overall have been able to raise 40% more in PhD grants compared to PhDs in similar research teams.

2.3.3 GOVERNANCE PASSION - DIVERSITY AND INCLUSION

Exor commitment at holding level: maintain the existing 40/60 gender balance and consider diverse candidates for all new appointments.

Exor believes in both building diversity and ensuring all of its employees have an equal opportunity to develop, progress and be rewarded. Diversity and inclusion is not only a moral imperative, it also brings business benefits as there is evidence it can lead to more innovation, increased productivity and better talent attraction.

To maximise the diversity within its workforce, Exor several characteristics when thinking about the profiles of new appointments and promotions. Exor already has a good gender balance within its structure and is committed to maintaining this. One important way in which this is done is by including at least one diverse candidate on all shortlists of external candidates for roles.

Alongside diversity, Exor is also committed to promoting inclusivity. This is done in multiple ways, one of which is the annual in-person Exor Day, to which all Exor colleagues, at all levels, are invited. In 2022, the event included a debate on a macro theme and its future impact, consultation on how Exor could reduce its GHG footprint based on an employment engagement survey and a creative activity during which teams had to prepare a short stop-animation film on Exor's potential future. These activities help to strengthen the purpose and values of Exor so its employees can represent the Company to the best of their abilities.

NUMBER OF EMPLOYEES

Employees	31 December 2022	31 December 2021
Total	**22**	**19**
of which women	**50.0%**	**47.4%**

2.4 COMMUNICATING EXOR'S ESG ACTIVITIES

Exor will continue to communicate openly and transparently about its ESG activities at holding company level. Exor's Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards under the Core option and in accordance with the Sustainability Accounting Standards Board (SASB). The available disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) are also presented in a content index at the end of this report.

Exor periodically engages with ESG ratings agencies to ensure that it is held accountable for the work that it undertakes on ESG at holding company level.

3. EXOR'S ESG APPROACH ACROSS ITS COMPANIES

The previous section considered Exor's approach to ESG at holding company level. This section focuses on how Exor champions ESG with its companies. Exor's companies operate in a wide range of sectors including Luxury Goods (e.g. Ferrari), Automotive (Stellantis), Agricultural and Construction Equipment (CNH Industrial), Commercial Vehicles (Iveco Group), media (The Economist and GEDI) and professional football (Juventus Football Club).

Exor monitors the performance of its companies both through its role in their Boards and through its dialogue with their management teams. However, while Exor takes seriously the positive role it can play in championing ESG topics, it always does so while respecting the autonomy of the companies that it owns. A summary of the ESG activities of the largest public Exor companies can be found towards the end of this section.

3.1 ESG FOUNDATIONS

Exor supports its companies in developing and adopting a set of ESG foundational policies and strategies that are relevant to their respective sectors. In doing so, it is important that each company addresses shareholder priorities while creating long-term value.

All of Exor's public companies have established ESG Committees, have put in place relevant ESG policies that adhere to widely-recognised guidelines, have effective risk evaluation and mitigation systems and have implemented a whistle-blower mechanism.

3.2 ESG PASSIONS

Exor is encouraging all its companies to make progress on its ESG passions:

- **Emissions reduction:** set reduction targets for Scope 1 and 2 emissions and measure Scope 3 emissions;
- **Education:** pursue company-relevant educational initiatives accompanied by clear metrics and targets;
- **Diversity and inclusion:** set diversity targets and measure and report progress against them.

In many cases work is already underway on these priorities at company level. Exor will continue to champion these and expects significant additional progress to be made in the coming years.

To support this work, Exor has created a network across its companies to share best practices, experiences and knowledge on ESG and education topics. For example, from 2021 to 2022 the education leads from many of Exor's companies attended a series of two-hour workshops, hosted by Fondazione Agnelli, on creating educational projects. The workshops ranged from investing in education (with the World Bank), designing and implementing projects (with Save the Children), an Italian deep dive, and monitoring and evaluating projects. The course involved 21 participants from ten of Exor's companies.

In a final workshop, the participants were asked to create an educational project that would be implemented with the support of the Fondazione Agnelli at the Salvemini School located very close to the Stellantis Mirafiori site in Turin. The winning project was called Facciamo pArte. This project was designed to help primary school students create murals on school buildings to increase the sense of belonging both between the children and their school and between the school and its local neighbourhood. With the support of artist, Elena Mazzi, a mural was completed over a few months and unveiled in November 2022 in a ceremony attended by John Elkann (Chair of Fondazione Agnelli), Andrea Gavosto (Director of Fondazione Agnelli), the Mayor of Turin, the Local Councillor for Education and the local borough representative.

Some of the work carried done by Exor's companies on each of Exor's three passions is summarised below.

3.2.1 ENVIRONMENTAL PASSION - EMISSIONS REDUCTION

SCIENCE BASED TARGETS

Ferrari, CNH Industrial and Iveco Group have all committed to setting targets through the rigorous Science Based Targets initiative (SBTi). This is the gold-class standard that defines and promotes best practices in emissions reductions and net-zero targets in line with climate science. Through the networks of excellence built across Exor and its companies, there has been considerable knowledge sharing between companies on how best to set targets in line with the SBTi.

CNH INDUSTRIAL

Top 1%
S&P Global ESG Score 2022

CNH Industrial was also included in the 2022 S&P Global Sustainability Yearbook with the highest score (88/100) in the Machinery and Electrical Equipment Industry and placed in the top 1% of over 7,600 companies assessed by the S&P Global Corporate Sustainability Assessment.

3.2.2 SOCIAL PASSION - EDUCATION

The Economist EDUCATIONAL FOUNDATION

TOPICAL TALK

Topical Talk is the flagship programme within The Economist Educational Foundation (TEEF). This programme provides free classroom resources, global conversations, training and events with the aim of amplifying young voices and inspiring open-minded discussions about the news. Topical Talk provides classrooms with 4-5 hours of teaching material each week to support deep dives into current affairs. In the last school year, nearly 200,000 young people had a discussion using TEEF resources representing a 120% increase versus the previous year and the Foundation has ambitious three-year goals to include 20% of UK state schools, 3,000 US schools and 1,000 schools worldwide in these programmes.

Juventus runs a programme called "Fair People". This is an open and inclusive educational project, designed for primary schools across Italy, which aims to convey the message that respect is a team sport.The program, which lasts the entire school year, explores 5 key values: respect, effort, devotion, equality, and teamwork.

3.2.3 GOVERNANCE PASSION - DIVERSITY AND INCLUSION

In 2022, Ferrari received confirmation of the Equal-Salary Certificate in Italy and North America for providing equal pay to men and women with the same qualifications and positions in the company. This rigorous certification is awarded by Switzerland's EQUAL-SALARY Foundation, based on a monitoring visit carried out by PwC according to a methodology approved by the European Commission. The auditor considered not only gender pay equality, which they had already examined in their previous two audits, but also the actions taken over the previous twelve months to enhance gender diversity. Equal pay is just one aspect of a multifaceted process to ensure that all staff have the best possible conditions to pursue their career at Ferrari. The company also holds training courses, discussion meetings and focus groups in order to foster a culture that is ever more open to innovation and attentive to the topics of Diversity & Inclusion.

In North America, Stellantis earned a top score of 100% on the annual Disability Equality Index (DEI). The DEI is a comprehensive benchmarking tool that helps companies build a roadmap of measurable, tangible actions that they can take to achieve disability inclusion and equality. Each company receives a score, on a scale of 0 to 100, with those earning 80 and above recognized as "Best Places to Work for Disability Inclusion."

3.3 FERRARI

As a company that has constantly focused on innovation, Ferrari feels a strong responsibility to be a catalyst for change in each of the five pillars of its sustainability strategy, outlined below. While Ferrari proceeds along the path laid out in the Strategic Plan to 2026 – as presented at the Capital Markets Day last year – the company continues to generate a pattern of growth for people, profit, and the planet. In doing so, Ferrari remains faithful to its scientific approach to sustainability, developed through concrete and measurable actions all along the value chain.

3.3.1 Exceeding expectation - *Drive technological innovation while pursuing excellence in design and craftsmanship to fuel the passion of customers and enthusiasts*

People have always been at the centre of Ferrari: it is their collaboration, their will to progress, continuous learning, focus and confidence that make innovation possible. Ferrari believes in programs specifically designed to encourage its employees' ideas and proposals, which allow Ferrari to constantly improve its products and processes. Ferrari also believes in an open innovation model to drive change. By working in close contact with key suppliers to foster new solutions and by sharing different expertise, the company is able to overcome challenges in many different fields. Other valuable partners in innovation are the universities and research centres that stand by Ferrari to convert the most advanced theoretical research – especially in technology, engineering and computer science – into practical solutions for the company's industrial processes. The Ferrari people's push for innovation is reflected in the company's effort and investments, as evidenced by its Expensed R&D and Capex of more than €1.34 billion in 2022.

3.3.2 Proactively fostering best-practice governance - *maintain Ferrari's corporate governance and risk management systems aligned with best practices to ensure an ethical business conduct while providing superior and sustainable returns to its shareholders*

The Code of Conduct, applicable to the whole Ferrari Group, was updated in early 2023, strengthening its references to aspects of ESG. The Ferrari Group made its best effort to ensure that the Code of Conduct is regarded as a best practice of business conduct and is followed by third parties, including long-standing relationships with business partners such as suppliers, dealers, advisors and agents.

3.3.3 Being the employer of choice - *provide an inclusive, educational and inspiring work environment to unleash everyone's passion, creativity and talent*

Continuous learning through a scientific approach has always been key to Ferrari's success. To underpin the career progression, ambitions and innovative approach of people, the company makes substantial investments in their education. A total of over 79,000 hours (up 13% vs. 2021) of training has been provided to the Ferrari employees in 2022, covering many areas, such as digitalisation, globalisation, sustainability and continuous improvement. This result was achieved mostly thanks to the high-quality volunteering training Ferrari provides to its employees, such as the Harvard Manage Mentor e-learning platform and the two MBA programs. The company also undertakes partnership programs with top universities around the world to engage with students, professors, career offices and a network of professionals in order to identify talents for the future.

To promote a correct lifestyle among its employees, Ferrari has launched the Formula Benessere program, that in 2022 entailed medical and specialist check-ups for more than 1,400 employees and 744 children. In line with its commitment to an inclusive working environment, the company is focused on providing opportunities of career development on a meritocratic basis. In 2022, Ferrari received confirmation of the Equal-Salary Certificate in Italy and North America for providing equal pay to men and women with the same qualifications and positions in the Company.

3.3.4 Reducing environmental footprint - *increase environmental awareness to continuously set and implement related programs and actions*

During its 2022 Capital Markets Day, Ferrari detailed its commitment to achieving carbon neutrality by 2030, addressing both direct and indirect emissions with a focus on energy and materials, in addition to Ferrari's electrification journey. The company's contribution to achieving the targets set in 2015 by the Paris Agreement is threefold:

- Carbon neutrality in its operations already starting from 2021 emissions, through high quality projects with climate and social contributions (decreasing by at least 90% Scope 1 and 2 absolute CO2eq emissions by 2030 versus 2021);
- Reduction by at least 40% of Scope 3 emissions per car, focusing mainly on materials and vehicle use phase (upstream: -30% per car by 2030 vs. 2021 and downstream: -50% per car by 2030 vs. 2021); and
- Commitment to set Science Based Targets.

In 2022, Ferrari conducted a thorough Climate Scenario Analysis of its prospective climate change risks, both physical and transitional, following the most up-to-date methodologies available internationally, covering the 2030 to 2050 time horizon, to strengthen its resilience strategy. Since 2021, Ferrari calculates its carbon footprint considering the GHG emissions related to all Ferrari Group activities over its entire value chain, based on GHG protocol methodology and verified by a third-party certification entity according to ISO 14064-1:2018 requirements. During 2022, Ferrari also installed new photovoltaic panels for over 450 kWp in its plant at Maranello. They will be put into operation from 2023 onwards. In 2022, the trigeneration plant produced 71% of the electricity needed for the Maranello plant, while the renewable sources cover the remaining 29%. Moreover, in the same year Ferrari installed a 1 MW solid oxide fuel cell plant at its Maranello facilities. As a result of these commitments and investments, Ferrari has been able to decouple its economic growth from its environmental impact. In other words, Ferrari continues growing its business activities while at the same time maintaining its CO_2eq emissions at an almost stable level.

3.3.5 Creating and sharing value with the community - *encourage strategic partnerships and the creation of positive externalities for all stakeholders*

Ferrari's goal is to create and share long-term value with its stakeholders, from its employees and partners to the broader community of customers and *tifosi*. In this context, community engagement and involvement with the local territory are of fundamental importance to Ferrari, with particular reference to Maranello and Modena, where all Ferrari cars are manufactured. The company's efforts are directed to support its development, mainly through collaborations with local universities and schools, and thanks to the industry network in the Emilia-Romagna region. In 2022, Ferrari inaugurated the "e.DO Learning Center", in collaboration with the Fondazione Agnelli, an innovative educational project born of the synergy between Ferrari and the local area. It offers the opportunity to learn about artificial intelligence and new technologies. The company supported for the third year the education program Arcipelago Educativo, developed in collaboration with Fondazione Agnelli and Save the Children.

Ferrari continues its partnership with the Motorvehicle University of Emilia-Romagna (MUNER), which aims to attract the best university students from all over the world, with the goal of training the engineers of tomorrow and introducing them into the corporate world. Moreover, in 2022, Ferrari launched Bosco Ferrari, which aims to progressively afforest 30 hectares of land in the province of Modena, to benefit its territory's biodiversity and to value the importance of natural ecosystems for the well-being of the community.

For more information, refer to the Ferrari 2022 Sustainability Report and corporate website

3.4 STELLANTIS

Stellantis is one of the world's leading automakers and a mobility provider guided by a clear purpose: Powered by diversity, we lead the way the world moves.

The Dare Forward 2030 strategic plan is a holistic plan built to bring 'second to none' value creation for all its stakeholders. Corporate Social Responsibility is fully embedded in the plan with 22 CSR topics covering environmental, social and governance matters in line with the UN Sustainable Development Goals.

Stellantis developed many initiatives in 2022 to contribute to the global effort to transition to a more sustainable future.

3.4.1 Environment

Stellantis' strategic plan implements a pathway consistent with science-based recommendations to support decarbonisation. The target is to slash emissions in half by 2030, benchmarking 2021, and achieve carbon net zero by 2038 with single digit percentage compensation of the remaining emissions. Stellantis is addressing all sources of greenhouse gas emissions: Vehicles, Supply Chain, Industrial and Sites.

Notable levers include:

- aggressive vehicle electrification roadmap involving all brands, including the development of hydrogen fuel cell zero emission solutions. In 2022, 18.3% of Passenger Cars sold in Europe and 4.9% of Passenger Cars and Light Duty Trucks sold in the U.S. were electric or plug-in hybrid vehicles thanks to growing portfolios.
- integrated battery ecosystem via partnerships, including the global network of gigafactories to support the 400 gigawatt-hours needed for Stellantis by 2030.
- responsible supply of critical raw materials (e.g. lithium), notably through equity investments and off take agreements.
- development of Circular Economy Business Unit with the plan to launch vehicles containing 40% of recycled and bio-sourced by 2030.
- use of decarbonised electricity in manufacturing processes with the target of 100% in 2030. In 2022, it reached 55%, contributing to the 11% reduction of the industrial global carbon footprint (scope 1 and 2) vs 2021.
- strong supplier involvement with business awards based on CO2-eq emission requirements defined for most emitting commodities.

3.4.2 Social

People are the first asset building this new company in an increasingly challenging context. By activating the different levers of transformation, Stellantis is evolving in all its components (skills, working environment, social responsibility, etc.), from a legacy car maker to a sustainable mobility tech company.

To support this ambition and to make Stellantis a great company to work for, Stellantis defined a four pillars Human Capital Development strategy:

- Engage sustainable transformations, based on a constructive and responsible social dialogue.
- Attract, develop, and retain talent, by cultivating performance, continuous learning, and permanent development based on positive employee experiences.
- Empower diversity with meritocracy, by creating a diverse and inclusive work environment. Women held 27% of leadership positions (L1-L2-L3) in 2022, targeting 35% by 2030.
- Leverage the employee experiences by promoting safety, health, and well-being in the workplace, by applying a flexible approach, including remote working, by rethinking workplaces, and by increasing the adoption of digital and collaborative tools.

3.4.3 Governance

In 2022, Stellantis announced the creation of the Freedom of Mobility Forum, a stakeholder dialogue initiative to contribute to public debate about freedom of mobility in a decarbonised world. Diverse, expert contributors representing industry, academia, government, and civil society will challenge their approaches on how to provide 'freedom of mobility' for people and the goods and services they need while mitigating climate change. The first edition will happen on March 29, 2023.

For more information, refer to the Stellantis 2022 CSR Report and corporate website.

3.5 CNH INDUSTRIAL

Sustainability is core to CNH Industrial realising its higher company purpose of Breaking New Ground. Sustainability Stewardship is one of the five strategic priorities in its long-term business plan.

The company's sustainability strategy is centred around four areas – Carbon Footprint; Circularity and Eco-Efficiency; Inclusion, Equity and Engagement; and Governance – and is specifically linked to six of the 17 United Nations Sustainable Development Goals (SDGs):

- SDG 2: Zero hunger
- SDG 3: Good health and well-being
- SDG 8: Decent work and economic growth
- SDG 10: Reduced inequalities
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

3.5.1 Carbon footprint

In 2022, CNH Industrial increased its ambition to tackle climate change by committing to the Science Based Targets initiative (SBTi) and addressing its most relevant emission categories. The lifetime tailpipe emissions of CNH Industrial's products represent its largest opportunity to reduce its CO2 footprint. They submitted a plan for approval to SBTi that is focused on cutting the emissions across its product portfolio in multiple ways: electrification, biomethane and other biofuels, machine optimization, and advanced precision and automation solutions.

3.5.2 Circularity and Eco-Efficiency

CNH Industrial made strides toward circular farming systems and eco-efficiency in its products through precision farming technologies, which use automation, autonomy and connected platforms to save water, reduce fertiliser use and waste, and through the electrification of its equipment.

Key sustainable products launched in 2022 include:

- New Holland Agriculture T7 Methane Power LNG, a partnership with Bennamann and the world's first LNG (Liquefied Natural Gas) tractor.
- Case IH Trident™ 5550 applicator with Raven Autonomy™, the industry's first autonomous spreader.
- New Holland T4 Electric power, the world's first electric light tractor.

CNH Industrial also continued to pursue its goal of developing a sustainable design criterion for all new products.

3.5.3 Inclusion, Equity and Engagement

The company continued to invest in creating a better workplace with a focus on safety, diversity and inclusion and building community initiatives.

- $53.2 million spent on health and safety
- $8.1 million for local communities
- 10.6% increase year-over-year of women in the Company's global workforce

3.5.4 Governance

- Quarterly Executive Sustainability Committee chaired by CEO, and ESG Board Committee established
- Rolled out the new CNH Industrial Business System to increase agility and focus on customers via a lean approach applicable to manufacturing and the entire organisation

3.5.5 Industry Recognition

CNH Industrial saw its sustainability efforts receive acknowledgment in 2022. The company was included in the S&P Global Sustainability Yearbook with the highest score in the Machinery and Electrical Equipment Industry. It placed in the top 1% of over 7,800 companies assessed by the S&P Global Corporate Sustainability Assessment.

The company was included in the CDP Climate Change A-list in recognition of its commitment to mitigate and cut greenhouse gas emissions. In addition, the company scored an MSCI ESG Rating of AAA for the 9th consecutive year.

In 2023, CNH Industrial's focus will be on engaging stakeholders in a double materiality assessment; operationalising its carbon footprint reduction strategy as related to its products and processes; pursuing innovative technologies to facilitate circularity and eco-efficiency; and continuing to engage its people and communities around safety, diversity and inclusion and other key priorities identified by the UN Sustainable Development Goals.

For more information, refer to the CNH Industrial 2022 Sustainability Report and corporate website.

3.6 IVECO GROUP

Iveco Group has embraced the mission to put sustainability at the heart of its strategy to ensure business is run in an environmentally friendly, socially beneficial economically sound way. By fully integrating environmental and social considerations with economic objectives, the company identifies potential risks and seizes development opportunities through a process of continuous and sustainable improvement that creates value over the long-term.

3.6.1 Priorities

The company has defined and fine-tuned its sustainability priorities to ensure better alignment with its core business. The four strategic priorities that underpin its sustainability strategy are:

- Carbon Footprint: to reduce CO2 emissions from manufacturing processes along its entire value chain and within its product range, aiming at net zero carbon emissions by 2040
- Workplace and Product Safety: to minimise the risk of workplace injuries through effective preventive and protective measures, and to ensure the products comply with the highest safety standards
- Life Cycle Thinking: to implement solutions that efficiently minimise the impact of products and processes through a circular product life cycle approach
- Inclusion and Engagement: to build ever-stronger relationships with stakeholders, continuing to work proactively and effectively to create an inclusive work environment

3.6.2 Targets

The company has mapped out the path to achieving these four strategic priorities by setting clear targets, with specific reference to its people, direct operations, products and services, and valued partners. These targets are part of Iveco Group's Strategic Business Plan, and progress is regularly reported to both the ESG Committee and Senior Leadership Team Sustainability Committee, while clear responsibilities are defined for each target. One example is the vehicle CO_2 emissions reduction target the company aims to achieve by year-end 2030: a 38% reduction in Scope 3 CO_2 emissions from the use of sold vehicles per vehicle-km compared to 2022. Further, executive compensation is linked, among other things, to the achievement of two strategic sustainability targets: the long-term incentive plan is linked to a reduction in CO_2 (scope 1 and 2) emissions compared to 2019 and the short-term incentives are linked to an increase in women in management positions.

3.6.3 2022 in action

In 2022, Iveco Group carried out a materiality analysis applying the revised approach to materiality introduced by the new GRI Universal Standards (Global Reporting Initiative). The Group focused on identifying topics that are likely to be material for the organisation based on the most significant impacts on the economy, the environment, and people, including impacts on human rights. Acting proactively and anticipating the requirements of the EU Corporate Sustainability Reporting Directive, the company also integrated a financial materiality perspective with the aforementioned impact materiality perspective in a double materiality assessment.

Last year Iveco Group launched its Voice culture transformation journey and conducted an internal engagement survey with very specific aims in mind: to assess current levels of engagement and to involve Iveco Group people in defining the company's purpose and values.

The Group joined the community-based digital platform Open-es, which aims to increase supplier engagement and awareness of sustainability topics, while monitoring their sustainability performance. This interactive ecosystem combines with the company's ongoing dialogue with suppliers to create opportunities for sharing experiences and finding increasingly innovative solutions that reduce the environmental footprint of both.

The Group also outlined its strategy for local community initiatives based on context analysis and best practice benchmarking of peers and competitors. It identified three action priorities: preserve biodiversity; reduce inequality, protect diversity and vulnerable groups; foster health and wellbeing. These priorities are implemented through five pillars of action: awareness, education, mentorship, partnership, and tailored projects.

For more information, refer to the Iveco Group 2022 Sustainability Report and corporate website.

3.7 JUVENTUS

Juventus embarked on its sustainability pathway in 2013, becoming one of the first football clubs in the world to approach its business in a new way, rising to the challenges linked to this change.

The Juventus business model is strongly geared towards the generation of sustainable value. This aspect is closely linked to the implementation of safeguards, responsibilities and risk monitoring systems that let Juventus preventively respond to the stresses of the economic and social context in which it operates.

Over the past few seasons, the work of a dedicated internal team has allowed Juventus to promote a number of engagement activities on the theme. It has defined its own model which contextualises the company business also in terms of sustainability. In particular, the Juventus Board of Directors set up an ESG Committee in the 2021/2022 season which includes three non-executive directors.

Within this context and with reference to other international sustainability frameworks, Juventus is committed to respecting human rights and eliminating all forms of discrimination, in all its daily operations. These values are reflected in the Code of Ethics and are inspired by the principles of the UN's Global Compact and the OECD Guidelines for Multinational Enterprises.

In accordance with the UN Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights of Workers, Juventus promotes respect of the principles and working conditions to protect the dignity of the person throughout its entire value chain, refusing to tolerate conduct or behaviour which may be offensive to moral or personal convictions. In this sense during the last two year, Juventus has not recorded any incidents concerning the failure to respect human rights and the use of child or forced labour or relating to discriminatory acts or those that violate freedom of association.

In addition to that, the Club is also aware about the responsibility and influence of its actions on the environment as a company. Because of this correlation between corporate and territorial dimensions, Juventus has a responsibility to reduce its impact as much as possible. Following the analysis that involved the entire company and led to an updated materiality matrix, the Club has chosen to focus its actions and investments in the coming years on the two priorities: energy and waste management, with the aim of reducing the company’s carbon footprint as much as possible.

The first step in this journey saw Juventus’ commitment to fully offset its Scope 1 and Scope 2 emissions through carbon offsetting in 2020/2021 season. By analysing and publishing its Scope 1 and Scope 2 emissions, Juventus would be able to gain an understanding of its carbon footprint and aims to deepen its reporting efforts, collecting, where possible, data and information that can provide an increasingly accurate picture of its direct and indirect impacts in relation to $CO2$ emissions.

Finally, Juventus recognises sport and football as one of the industries with the biggest social impact, as indicated in the 2030 Agenda for Sustainable Development of the United Nations, and Juventus can and must have an important role in redefining the rules in the football industry according to this new method and contribute to guiding this change.

For more information, refer to the Juventus Non Financial Disclosure 2021/2022 and corporate website.

IV. ADDITIONAL DISCLOSURES

1. IDENTIFIED MATERIAL ESG TOPICS

Exor focuses on a number of ESG issues that have been identified relevant to its stakeholders, its activities and the fulfilment of its long-term objectives.

These are identified through an internal assessment, a review of market best practices and peer benchmarking.

FACTOR	IDENTIFICATION OF MATERIAL TOPICS
Environmental	Exor understands that its environmental footprint is minimal due to the nature of its activities at the group holding company level. Exor measures its environmental footprint in order to establish a baseline and the aim to further reduce it and where not possible, offset any remaining emissions.
Social	Exor aims to improve and strengthen its impact on the social systems within which it operates, in particular in relation to education.
Governance	Exor is implementing a governance structure and composition that ensures transparency, accountability and diversity with particular focus on diversity and inclusion.

Activities that are more relevant including, among others, human rights, bribery and corruption and the identification of the material topics for the operating companies within the Exor Group are addressed separately in “Section 3. "Summary of the ESG performance of the operating Exor companies” and on the operating companies’ websites.

Its focus areas at holding company level are defined below.

FOCUS AREA	ACTION
Exor to be an active and responsible owner focused on the long-term development and success of its companies	Engaging in continuous dialogue with the companies, through presence in the Boards. Promoting best governance and business practices.
Exor to be an attractive employer committed to building a diverse and high-performing workforce	Attracting and retaining talent through engagement, competence development, reward and a strong company culture.
Exor to contribute to the cultural, social and economic development of communities	Engaging with local communities and supporting projects and initiatives, with a special focus on the field of education.

2. CODE OF CONDUCT

By means of the resolution passed on 24 November 2016, the Board of Directors approved and adopted the Code of Ethics, which Code of Ethics was amended, renamed the Code of Conduct and approved by the Board of Directors in November 2017 (the “Code”).

Exor conducts its business with integrity and with respect for all its stakeholders, while safeguarding its corporate image and reputation, by following and respecting the values, principles and guidelines as laid down in the Code. Its rigorous observance is required of all people in the Company and of all those who collaborate in the pursuit of its corporate mission.

Exor's governance model, regulating the decision-making process and approach of the Company and its employees in the interest of its stakeholders is firmly based on the Code. Together with all the other regulations, policies and dispositions issued by the Company, the Code constitutes the foundation necessary for the prevention and detection of any infringement of the law.

The Code includes specific guidelines relating to health and safety, business ethics and anti-corruption, principles for the management of investments, human resource management, respect of human rights, conflicts of interest and abuse of inside information, data privacy, safeguarding of the Company's assets and relationships with public institutions.

Explicit reference is made to the respect of human rights in all of its activities by endorsing the principles of the United Nations "Declaration on Human Rights".

Exor is committed to the following integrity principles:

- **Observance of the law:** the behaviour of people associated with Exor (including executives, managers, directors, employees and external consultants or advisors) in the activities undertaken in the interests of the Company is founded on the rigorous observation of national, community and international laws and regulations.
- **Equality and Impartiality:** people associated with Exor are required to act in the best interest of the Company while taking decisions with professional rigour and impartiality and applying to the decisions criteria, which are objective and neutral.
- **Transparency:** people associated with Exor must be founded on the maximum transparency and reliability, ensuring that transparent, truthful, complete and accurate information is communicated to all stakeholders without favouring any interest group or single individual. Exor undertakes to provide all the information necessary for the market to make informed investment decisions, ensuring the correctness and clarity of the aforesaid information and the equality of access to it.
- **Honesty and correctness in the presence of potential conflict of interest:** each transaction should take place in the interest of the Company and should be conducted through a correct and balanced management. Situations where the people involved in transactions are or could be in conflict of interests must be avoided. In the presence of a potential conflict of interests, people associated with Exor are required to inform their Company referent. The Directors undertake to inform the Board of Directors of any financial advantage which they may derive from transactions submitted to the Board's review.
- **Confidentiality:** the Company ensures the confidentiality of the information in its possession and does not use confidential information unless in possession of express and explicit authorization and, anyhow, always in observance of the applicable legislation concerning the protection of personal data. Disclosure of information is permitted solely for business or professional purposes; the third party is expressly notified of the confidential nature of the information and requested to observe the confidentiality obligation. No employee or collaborator may derive advantage of any kind from the use of confidential information, nor may disclose such information to others without an authorisation.

The Company is committed to assuring the maximum diffusion of the Code through appropriate communication methods, including training and measures to increase awareness of its contents. Exor also takes steps to ensure that the companies, in which it has an investment, adopt Codes of Conduct whose principles are based on those of its Code of Conduct (available on Exor's corporate website at www.exor.com).

2.1 WHISTLEBLOWING MECHANISM

Exor's Code of Conduct outlines how any employee or collaborator, on becoming aware of presumed violations of the Code or of general conduct, which is not compliant with the rules of conduct adopted by the Company, is expected to report the matter immediately, and without fear of retaliation. The person should report to the appointed trusted person (legal / general counsel). In case the report concerns the trusted person itself or a non-executive member of the Board, reports should be made directly to the Chairman of the Board. If the report concerns an executive member of the Board, reports should be made to the Chairman of the Audit Committee.

3. ANTI-BRIBERY AND CORRUPTION

Exor's Code of Conduct includes, among others, rules related to anti-bribery, anti-corruption, competitive behaviour and conflicts of interest. Exor is committed to the highest standards of integrity, honesty, correctness, fairness and legality in all internal and external affairs and will not tolerate any kind of bribery or corruption.

In particular, the Company asks all recipients of the Code of Conduct to participate actively in the fight against every form of corruption and to avoid any activity or behaviour, which is incompatible with the obligations arising from the relationship with the Company on behalf of which they are acting.

It is also forbidden to offer, promise, give, pay or authorise the giving or payment, directly or indirectly, of an economic advantage or other utility to a third party (private or public) with the object of:

- Inducing a third party to perform any function or act in a manner, which is improper or contrary to the duties of his or her position (or to reward the performance of the same).
- Improperly obtaining or maintaining an unfair business advantage, in violation of the applicable laws.

A violation of anti-bribery and anti-corruption laws is a serious offence for both companies and individuals, which can result in significant fines, reputational damage and imprisonment of individuals.

4. INSIDER TRADING POLICY

The Exor Insider Trading Policy describes the guidelines, recommendations and prohibitions for all members of the Board of Directors and employees of Exor regarding the legal and regulatory duties and sanctions applicable to insider trading and unlawful disclosure of inside information. In addition, the Insider Trading Policy states the notification obligations that must be fulfilled under Dutch and Italian law by members of the Board of Directors when dealing in securities of Exor and its group companies. The Insider Trading Policy is also applicable to persons closely associated (immediate family members or members of the same household) with the members of the Board of Directors or employees.

With the Insider Trading Policy Exor makes sure that the requirements of article 18(2) and 19(5) of the Market Abuse Regulation (Regulation 596/2014) will be fulfilled. The amended and restated Exor Insider Trading Policy was adopted by the Board of Directors on 13 November 2019.

5. TAX APPROACH

Responsible tax behaviour is an essential element and an integral part of Exor's sustainability strategy. Thereby Exor takes the social and corporate responsibility into consideration and the interests of all its stakeholders. As part of Exor's aim to create sustainable growth for all its stakeholders and recognising the role that tax plays in this regard, Exor commits to the following global tax approach.

Profile

Exor acts as a responsible tax payer. Our company desideratum is a low tax risk profile. The tax regulations are subject to change, among others due to recent developments in the international tax arena (e.g. BEPS). The tax regulations are often complex and subject to interpretation. In that regard, tax certainty is aimed on the adopted tax positions. Where no certainty can be obtained in advance, Exor ensures that the position is settled in line with its tax approach and in force legislation.

Structuring

Exor uses structures that meet the intentions and the spirit of the law and does not compromise business motives for tax gains. Exor does not use tax havens (as defined by the European Commission's "blacklist") for tax avoidance purposes and does not engage in artificial tax arrangements. Exor aims for a tax neutral investment structure, not resulting in economic double taxation for its investors.

Tax planning is considered part of the overall business strategy but Exor ensures that it is based on sound business activity. This means that aside from factors such as financial impact, complexity and reputation, solid business and/or commercial reasons have to exist.

Compliance
Exor strives to be compliant with all applicable laws at all times. Exor's tax approach is based on a well-defined set of principles and internationally accepted standards. We support and adhere to the principles promoting tax transparency and responsible tax management as set out in the OECD Action Plan on Base Erosion and Profit Shifting (BEPS), and the EU Anti-Tax Avoidance Directives (ATAD I and II).

Exor aims to comply with the spirit as well as the letter of the law. Exor complies with any legitimate disclosure requirement at first demand. Exor files its tax returns timely and accurately in compliance with reasonable and responsible interpretations of local tax laws and regulations. Moreover, the way of working conforms to Exor's Code of Conduct.

Transfer pricing
Exor aims to pay an appropriate amount of tax according to where value is created within the normal course of business activity. Any transfer pricing is always calculated using the "arm's-length" principle.

Transparency
Exor integrates transparency in its approach to tax. Disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements and standards.

Relationships with tax authorities
Exor seeks to develop strong, honest and mutually respectful relationships with national tax authorities based on transparency and mutual trust. All dealings with them are undertaken in a professional, courteous and timely manner. Exor provides the tax authorities with all relevant information they require within a reasonable timeframe.

6. HR POLICY

Safeguarding and ensuring the well-being of the people that work at and within Exor is of critical importance. Their creativity, drive, perseverance and loyalty have contributed to the successful development of the Company and will continue to shape its future. Exor makes high demands of its employees: expecting them to excel in their work, to collaborate in diverse teams and to improve and expand their own capabilities.

Exor is committed to a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of the Company.

In return, Exor offers a chance to operate in a dynamic and enjoyable work environment and to collaborate with highly skilled and ambitious colleagues from all over the world. Exor wants its employees to enjoy their work and to be proud to work for the Company.

Exor offers programs and tools to help its employees to balance their personal and professional lives. Depending on the employee needs, Exor provides the tools to address the expectations of an evolving labour market. Exor has arrangements in place to improve work-life balance including flexitime, part-time or reduced hours, telecommuting, parental leave and other leaves.

6.1 WORKPLACE HEALTH AND SAFETY

Exor provides for working conditions which respect the dignity of the individual and it assures a healthy and safe workplace, in compliance with the applicable occupational accident prevention and health regulations. It also promotes a health and safety culture among all its employees.

7. EXOR EMPLOYEE STATISTICS

Exor has a lean organisation structure at holding company level, employing 22 people at 31 December 2022. Exor puts considerable effort into its recruiting processes, training and competency development, and into building a strong company culture, because it believes in the importance of its people in its future success. As a result, the Exor workforce is characterised by its diverse, youthful and intellectually curious nature.

Moreover, Exor recognises that its employees possess considerable expertise and talent that can be used for the betterment of communities in which it operates. Exor employees are actively encouraged to support educational endeavours whether it be as mentors, guest speakers, or experts in their respective field. Exor also organises training courses to help support the growth of its employees professionally. For example, in 2022, a financial training course was hosted for employees at an earlier stage in their careers in the Company which covered topics including but not limited to accounting, financial statements and valuation methodologies. Employees from various Exor offices participated in the course.

Exor promotes diversity and believes that no individual should be subjected to discrimination based on their age, gender, sexual orientation, race, nationality, political opinion or religious faith (for example). The Company also undertakes to ensure that authority is exercised fairly and correctly, avoiding any abuse of power or activities that harm the dignity and autonomy of employees or collaborators.

Under no circumstances will Exor tolerate requests or threats aimed at inducing persons to act in breach of the law or of the Code of Conduct, or to behave in a manner, which conflicts with the moral convictions and personal preferences of the individual.

Exor values and promotes a multicultural environment within its offices and its employees come from diverse professional, national and cultural backgrounds. As a result, it is tracking diversity and plans to broaden the dimensions under which diversity is measured over time in order to allow truly diverse workplaces to flourish.

BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY GENDER

Type of employment contract	31 December 2022			31 December 2021		
	Male	Female	Total	Male	Female	Total
Permanent	10	9	**19**	9	8	**17**
Temporary	1	2	**3**	1	1	**2**
Total	**11**	**11**	**22**	**10**	**9**	**19**

BY GEOGRAPHICAL AREA

Geographical Area	31 December 2022			31 December 2021		
	Male	Female	Total	Male	Female	Total
The Netherlands	5	6	**11**	5	6	**11**
Luxembourg	0	1	**1**	0	1	**1**
United Kingdom	6	4	**10**	5	2	**7**
Total	**11**	**11**	**22**	**10**	**9**	**19**

PER EMPLOYEE CATEGORY BY GENDER

Employment category	31 December 2022			31 December 2021		
	Male	Female	Total	Male	Female	Total
Top Managers	2	2	**4**	2	2	**4**
Middle-managers	3	4	**7**	3	3	**6**
Professionals	6	5	**11**	5	4	**9**
Total	**11**	**11**	**22**	**10**	**9**	**19**

PER EMPLOYEE CATEGORY BY AGE GROUP

Employment category	31 December 2022				31 December 2021			
	<30	30-50	>50	**Total**	<30	30-50	>50	**Total**
Top Managers	0	0	4	**4**	0	1	3	**4**
Middle-managers	0	5	2	**7**	0	5	1	**6**
Professionals	6	4	1	**11**	4	4	1	**9**
Total	**6**	**9**	**7**	**22**	**4**	**10**	**5**	**19**

EMPLOYEE TURNOVER

New hires		
	2022	**2021**
Number of employees	5	6
Turnover %	23 %	32 %
Leavers		
	2022	**2021**
Number of employees	2	4
Turnover %	9 %	21 %

In 2022, among the new hires, three were female and two were male. Of the leaving employees, one was female and one was male.

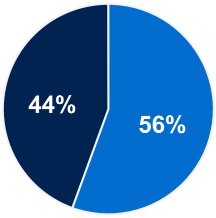
In 2021, among the new hires, two were female and four were male. Of the leaving employees, three were female and one was male.

8. BOARD DIVERSITY

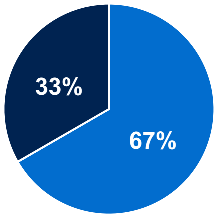
As governance is the tool that Exor uses to steer its companies on their path to greatness, the Company believes that its own governance must meet the highest standards. Therefore, Exor wants to ensure that the diversity of thought in its Board continues to be a central factor in its governance.

To meet this objective, Exor ensures that its Board of Directors has the diversity of experience, expertise and backgrounds, and the appropriate independence and judgment needed to fulfil its responsibilities and execute its duties.

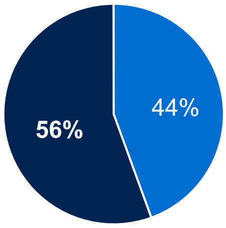
Independent
Non independent



Male
Female



Aged 50+
Aged 30-50



5 nationalities

MARC BOLLAND

Chairman Europe at Blackstone

AXEL DUMAS

Chief Executive Officer at Hermès International

AJAY BANGA

Vice Chairman at General Atlantic

MELISSA BETHELL

Partner at Atairos and Managing Partner of Atairos Europe

LAURENCE DEBROUX

Non-executive Board Member at Novo Nordisk A/S and Randstad N.V.

For further information, please refer to the Directors' full biographies under the Governance section of the Exor website.

At 31 December 2022, the composition of the Board of Directors by gender and age groups is as follows:

Directors by gender and age group	30-50	>50	Total
Male	3	3	**6**
Female	2	1	**3**
Total	**5**	**4**	**9**

V. EU TAXONOMY ON SUSTAINABLE ACTIVITIES

The EU Taxonomy Regulation

Introduced by the European Union in June 2020, the Regulation (EU) 2020/852 (the Regulation) provides a classification system defining which economic activity can be considered as environmentally sustainable. The Regulation, which is part of a set of provisions implemented to reach the goal of making Europe a climate-neutral region by 2050, is designed to help private investors directing their flows to more sustainable economic activities avoiding cases of greenwashing.

EU TAXONOMY OBJECTIVES	
1)	Climate change mitigation
2)	Climate change adaptation
3)	Sustainable use and protection of water and marine resources
4)	Transition to a circular economy
5)	Pollution prevention and control
6)	Protection and restoration of biodiversity and ecosystems

The environmentally sustainable economic activities are related to six environmental objectives.

- The first two objectives – Climate Change Mitigation and Climate Change Adaptation – have been regulated during 2021 through the publication of the "Climate Delegated Act"[1] that defines the activities that can potentially contribute to them;
- The remaining four objectives are expected to be regulated in 2023.

In 2022 (fiscal year 2021), the entities falling within the scope of the Regulation were required to disclose the portion of Turnover, capital expenditures (CapEx), and operating expenditures (OpEx) of their "Taxonomy-eligible" activities, meaning the economic activities included in the Climate Delegated Act.

From 2023 (fiscal year 2022) on, instead, companies in scope must disclose, in addition to the KPI related to eligible activities, those related to aligned activities as well. According to the Regulation, an eligible activity can be considered as aligned if:

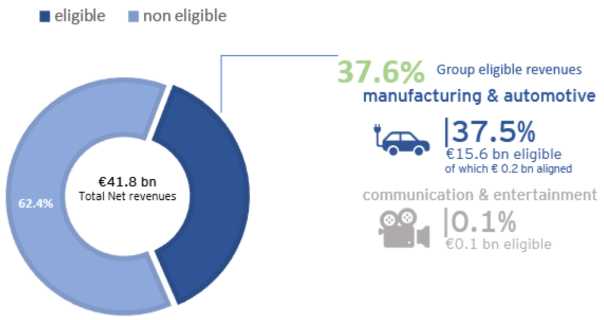
- it complies with a set of technical screening criteria, that define the conditions under which the activity:
  - provides a substantial contribution to one of the six environmental objectives;
  - does not have negative effects on the remaining five environmental objectives (Do No Significant Harm – DNSH);
- it complies with the minimum safeguards (MS), acknowledging the importance of human rights and international norms.

[1] *2021/2139 Delegated Regulation.*

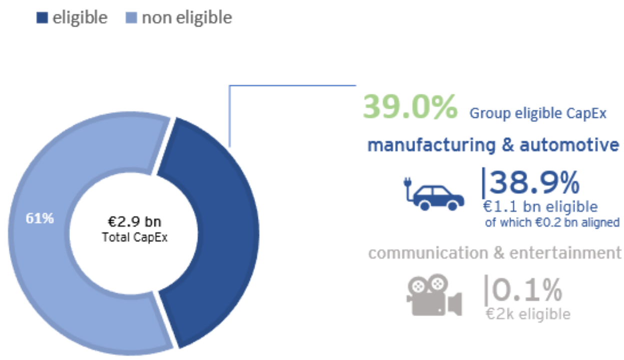
Results

At conclusion of EU-Taxonomy assessment Exor reports the KPI required by the European law as a consolidated result of its operating subsidiaries (CNH Industrial, Iveco Group, Ferrari, GEDI, Juventus) that have identified eligible and aligned activities in consistency with the criteria reported in the Regulation (EU) 2020/852.

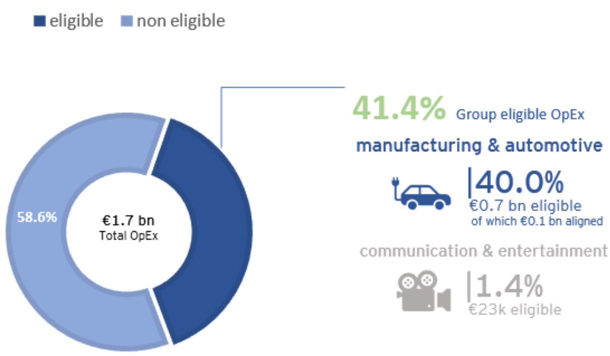
Turnover 2022 KPI[2]



CapEx 2022 KPI



OpEx 2022 KPI



[2] *Manufacturing and automotive sector refers to activities 3.3, 3.6, and 6.5. Communication and entertainment sector refer to activities 8.3, 13.2 and 13.3.*

Eligibility assessment

Starting from the analysis carried out in relation to FY2021, working closely with the operating companies, Exor proceeded to an assessment of the eligibility of the Group's activities, matching them with those listed in the Climate Delegated Act, and identifying the following eligible activities:

3.3 – Manufacture of low carbon technologies for transport

- 3.6 – Manufacture of other low carbon technologies
- 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles
- 8.3 – Programming and broadcasting activities
- 13.2 – Libraries, archives, museums and cultural activities
- 13.3 – Motion picture, video and television program production, sound recording and music publishing activities

Furthermore, the Group identified a list of additional activities, related to expenses incurred during 2022 that can be considered individually as Taxonomy-eligible investments, as contributing to the reduction of Group's greenhouse emissions[3]:

- 4.15 - District heating/cooling distribution;
- 4.16 - Installation and operation of electric heat pumps;
- 4.25 - Production of heat/cool using waste heat;
- 7.2 - Renovation of existing buildings;
- 7.3 - Installation, maintenance and repair of energy efficiency equipment;
- 7.5 - Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.6 - Installation, maintenance and repair of renewable energy technologies.

SECTOR	ACTIVITY	OBJECTIVE	DESCRIPTION	OPERATING COMPANY[4]
MANUFACTURING	3.3 – Manufacture of low carbon technologies for transport	Mitigation	Manufacture of vehicles	Ferrari
			Manufacturing of Commercial Vehicles segment (CV), vehicle maintenance and repair	Iveco Group
	3.6 – Manufacture of other low carbon technologies	Mitigation	Production of electric traction technologies	CNH Industrial

[3] *Delegated Regulation 2021/2178 ("Disclosure Delegated Act") - Annex I, § 1.1.2.2, point c.*
[4] *The scope of the assessment includes all subsidiaries considered significant and consolidated with line-by-line method. Companies consolidated at equity method or reclassified within assets held for sales are excluded from the analysis.*

SECTOR	ACTIVITY	OBJECTIVE	DESCRIPTION	OPERATING COMPANY[4]
ENERGY	4.15 – District heating/ cooling distribution	Mitigation	Operations and installation of heaters ducts	CNH Industrial
	4.16 - Installation and operation of electric heat pumps	Mitigation	Installation and maintenance of heat pumps	CNH Industrial
	4.25 - Production of heat/cool using waste heat	Mitigation	Installation and maintenance of waste heat recovery system	CNH Industrial
TRANSPORT	6.5 – Transport by motorbikes, passenger cars and light commercial vehicles	Mitigation	Financial services activities	Ferrari
			Leasing for CV vehicles	Iveco Group
CONSTRUCTION AND REAL ESTATE ACTIVITIES	7.2 - Renovation of existing buildings	Mitigation	Building renovation measures	CNH Industrial
	7.3 - Installation, maintenance and repair of energy efficiency equipment	Mitigation	Relamping measures and windows frame installation	CNH Industrial
	7.5 - Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Mitigation	Installation of energy metering systems	CNH Industrial
	7.6 - Installation, maintenance and repair of renewable energy technologies	Mitigation	Installation and maintenance of photovoltaic systems	CNH Industrial
INFORMATION AND COMMUNICATION	8.3 – Programming and broadcasting activities	Adaptation	Frequency modulation radio broadcasting	GEDI
ARTS, ENTERTAINMENT AND RECREATION	13.2 – Libraries, archives, museums and cultural activities	Adaptation	Museum	Juventus
	13.3 – Motion picture, video and television program production, sound recording and music publishing activities	Adaptation	TV Production	Juventus

Alignment assessment

For each eligible activity, the Entities went through an analysis of compliance with the requirements laid down in the Climate Delegate Act, in order to assess their degree of alignment to the Regulation.

SUBSTANTIAL CONTRIBUTION CRITERIA ANALYSIS

Activity 3.3 (Mitigation) - Manufacture of low carbon technologies for transport

Activity 3.3 is conducted by Ferrari and Iveco. For both entities the substantial contribution criterion is met in relation to the production, retrofitting, repurposing or upgrading of electric vehicles[5].

Activity 3.6 (Mitigation) - Manufacture of other low carbon technologies

Activity 3.6 relates to the production and development of electric traction technologies performed by CNH Industrial. The Group has not concluded yet a complete assessment of life-cycle GHG emissions related to those solutions, as required by the Regulation, and therefore considers the activity as not aligned.

Activity 6.5 (Mitigation) - Transport by motorbikes, passenger cars and light commercial vehicles

In relation to activity 6.5, the Group focused on the financial services provided in relation to the leasing of light and heavy-duty vehicles. For FY2022, no leased vehicles by Iveco met the substantial contribution criteria, which set a limit to specific emissions of CO2[6] to 50gCO2/km. In the case of Ferrari, vehicles meeting the technical screening criteria are not on the market yet. Thus, both companies allocated all the expenses referred to these categories of vehicles to activity 3.3.

Activity 8.3 (Adaptation) - Programming and broadcasting activities, Activity 13.2 (Adaptation) - Libraries, archives, museums and cultural activities and Activity 13.3 (Adaptation) - Motion picture, video and television program production, sound recording and music publishing activities

For activities 8.3 (GEDI’s radio broadcasting) and for activities 13.2 and 13.3 (related to Juventus Museum and Juventus TV respectively) an analysis of the most important physical climate risks is required. As the entities did not accomplish to date such an assessment on their assets, those activities are considered as not aligned.

Substantial contribution criteria related to output of the purchase of output from Taxonomy-aligned economic activities and to individual measures contributing to the reduction of Group’s greenhouse emissions

In relation to the investments made by CNH Industrial, the substantial contribution criteria for the climate change mitigation objective are met only for activities 4.25, 7.3, 7.5 and 7.6, for the production of heat from waste, installation of high energy efficiency equipment, smart energy meters and photovoltaic panels, respectively, the activities related to these investments were considered in line with the substantial contribution criteria because the Regulation states that the installation itself allow the activity to comply with the substantial contribution criteria.

For the remaining eligible activities (4.15, 4.16 and 7.2), the Group, in the absence of sufficient data from suppliers to assess the compliance with the substantial contribution criteria and relying on a precautionary approach, considered those activities as non-aligned.

DO NOT SIGNIFICANT HARM ANALYSIS

Activity 3.3 - Manufacture of low carbon technologies for transport

All economic activities falling under activity 3.3 met the DNSH criteria with regard to the other five environmental objectives. More in detail:

- Climate change adaptation: for each Iveco and Ferrari’s plant where the eligible activity is performed, a climate risk and vulnerability assessment is in place to identify the physical climate risks material to the activities themselves, as well as the adaptation solutions to reduce such risks accordingly;

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[5] Reference is made to criterion f) vehicles of category M1 and N1 classified as light-duty vehicles with specific emissions of CO2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, lower than 50 g CO2/km (low-and zero-emission light-duty vehicles).
[6] as defined in Article 3(1), point (h), of Regulation (EU) 2019/631.

- Sustainable use and protection of water and marine resources: degradation risks related to preserving water quality and avoiding water stress were identified and addressed through the companies' environmental management system, with the aim of achieving good water status and good ecological potential. The WRI Aqueduct Water Risk Atlas was used to identify the company's plants in water-stressed areas;
- Transition to a circular economy: the circular economy criteria were met, for Ferrari and Iveco, in relation to electric vehicle manufacturing processes. Processes in place adopt, when feasible, techniques that support the reuse of secondary raw materials and waste management system that prioritise recycling over disposal. In addition, information on traceability of substances of concern throughout the life cycle of the vehicles are provided according to applicable regulations.
- Pollution prevention and control regarding use and presence of chemicals: Ferrari and Iveco assessed and verified the compliance with the requirements related to the use of certain substances, as set out in Appendix C of the Climate Delegated Act.
- Protection and restoration of biodiversity and ecosystems: both entities conducted an assessment of the environmental impact as required by the Appendix D, for all manufacturing sites where the eligible activity is carried out.

Activity 3.6 - Manufacture of other low carbon technologies

CNH Industrial's activities for the development of electric traction technologies are not in line with all DNSH criteria set by the Regulation: in particular, a complete climate risk analysis as required by Appendix A of the Climate Delegated Act is not in place.

Activity 6.5 - Transport by motorbikes, passenger cars and light commercial vehicles

In relation to activity 6.5, Iveco considered as aligned the proportion of the financial services related the leasing of vehicles with specific emissions levels lower than 50 g CO_2/km, as DNSH criteria relevant to these activities are met. In particular, in addition to the climate risk and vulnerability assessment required for DNSH of the activity 3.3, the following criteria are set:

- Transition to a Circular Economy: the circular economy criteria are met in relation to M1 and N1 vehicles;
- Pollution Prevention and Control regarding Use and Presence of Chemicals: both vehicles M1 and N1 comply with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval, as well as with external rolling noise requirements related to tyres.

Notwithstanding, no contribution occurred during the reporting period from this specific activity. In the case of Ferrari, vehicles meeting the technical screening criteria are not on the market yet.

Activity 8.3 - Programming and broadcasting activities, Activity 13.2 - Libraries, archives, museums and cultural activities and Activity 13.3 - Motion picture, video and television program production, sound recording and music publishing activities

For activities 8.3 (GEDI), 13.2 and 13.3 (Juventus) related to the climate change adaptation objective, no specific DNSH criteria are set.

DNSH criteria related to output of the purchase of output from Taxonomy-aligned economic activities and to individual measures contributing to the reduction of Group's greenhouse emissions

In relation to the investments made by CNH Industrial (namely activities 4.15, 4.16, 4.25, 7.2, 7.3, 7.5, and 7.6), the DNSH criteria required an in-depth analysis involving the suppliers of the services and products related to the eligible activities. Nevertheless, in the absence of sufficient data from suppliers to assess the compliance with the DNSH criteria and relying on a precautionary approach considered those activities as non-aligned.

MINIMUM SAFEGUARDS

Finally, each legal entity of Exor Group assessed the compliance with the minimum safeguards referred to in Article 18 of the Regulation, aimed at ensuring that the activities are performed in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The analysis of the companies comprises the requirements referred to in these sources, and the recommendations of the EU Platform on Sustainable Finance[7], assessing the safeguards in place on human rights, consumer interests, corruption, competition and taxation. In relation to these four areas, for the reporting year 2022 there were no instances of non-compliance.

In relation to the eligible activities identified, Iveco upholds respect for human rights through its Code of Conduct, Supplier Code of Conduct, and Human Rights Policy. Human rights are monitored across the company's internal operations and throughout its supply chain and customer base by means of dedicated processes for each area. To ensure full compliance with applicable anti-corruption and bribery laws, an Anti-Corruption Policy and specific procedures are in place. The company's tax risk management strategy focuses on managing and minimising the possibility of operating in violation of tax regulations or in a way that is contrary to the principles or purposes of the tax system. As regards grievances, a Compliance Helpline is available to all Iveco employees, customers, suppliers, and other third parties to report potential violations of applicable laws, company policies, or the Code of Conduct. Lastly, Iveco safeguards consumer interest through its Code of Conduct and Supplier Code of Conduct, which stipulate, among other things, respect for the principles of fair competition and antitrust regulations.

Ferrari is compliant with the safeguards regarding human rights in our activities, grievance mechanisms, anti-corruption, competition and taxation. Furthermore, the Company is developing actions aimed at ensuring full compliance with safeguards, through the development of a state-of-the-art corporate due diligence processes on human rights that will involve our business partners both upstream and downstream. This approach, integrated into corporate integrity framework, will be carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

Furthermore, CNH Industrial, GEDI and Juventus adopt specific policies and procedures to guarantee the respect of human rights, in addition to provisions set by National laws. Nevertheless, the companies, adopting a cautious approach, deemed not to consider as met all the requirement set in Article 18 as met, in particular in relation to the supply chain.

On top of this, Exor is committed to ensure absolute compliance to the principles included in the Article 18 of the Regulation based on the provisions and rules laid down in its Code of Conduct.

[7] *Final Report on Minimum Safeguards, October 2022.*

TURNOVER KPI

Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine	Circular economy	Pollution	Biodiversity and	DNSH criteria ("Does No Significantly Harm"): Climate change mitigation	Climate change adaptation	Water and marine	Circular economy	Pollution	Biodiversity and ecosystem	Minimum safeguards	Taxonomy - aligned proportion of turnover, year 2022	Taxonomy - aligned proportion of turnover, year 2021	Category (enabling activity)[8]	Category (transitional activity)[9]
		M€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES			%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of low carbon technologies for transport	3.3	170	0.41%	100.00%	0.00%	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0.41%	N/A	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**170**	**0.41%**	**100.00%**	**0.00%**	**-**	**-**	**-**	**-**								**0.41%**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of low carbon technologies for transport	3.3	15,347	36.68%																	
Manufacture of other low carbon technologies	3.6	1	0.00%																	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	155	0.37%																	
Programming and broadcasting activities	8.3	57	0.14%																	
Libraries, archives, museums and cultural activities	13.2	2	0.01%																	
Motion picture, video and television program production, sound recording and music publishing activities	13.3	10	0.02%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**15,572**	**37.22%**																	
Total (A.1 + A.2)		15,742	37.63%														0.41%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		26,101	62.37%																	
Total (A + B)		41,844	100.00%																	

[8] Enabling economic activity shall qualify as contributing substantially to an objective by directly enabling other activities to make a substantial contribution to one or more of those objectives.
[9] Transitional activity refers to an economic activity for which there is not technologically, and economically feasible low-carbon alternative. It shall qualify as contributing substantially to climate change mitigation where it supports the transition to a climate-neutral economy consistent with a pathway to limit the temperature increase to 1,5°C above pre-industrial levels.

CAPEX KPI

				Substantial contribution criteria						*DNSH criteria (“Does No Significantly Harm”)*										
Economic activities	Code(s)	Absolute CapEx	Proportion of Capex	Climate change mitigation	Climate change adaptation	Water and marine	Circular economy	Pollution	Biodiversity and	Climate change mitigation	Climate change adaptation	Water and marine resource	Circular economy	Pollution	Biodiversity and	Minimum safeguards	Taxonomy - aligned proportion of Capex, year 2022	Taxonomy - aligned proportion of Capex, year 2021	Category (enabling activity)[10]	Category (transitional activity)[11]
		M€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES			%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of low carbon technologies for transport	3.3	239	8.15%	100.00%	0.00%	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	8.15%	N/A	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**239**	**8.15%**	**100.00%**	**0.00%**	**-**	**-**	**-**	**-**								**8.15%**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of low carbon technologies for transport	3.3	880	29.99%																	
Manufacture of other low carbon technologies	3.6	6	0.20%																	
District heating/cooling distribution	4.15	0	0.00%																	
Installation and operation of electric heat pumps	4.16	0	0.00%																	
Production of heat/cool using waste heat	4.25	0	0.00%																	
Renovation of existing buildings	7.2	11	0.37%																	
Installation, maintenance and repair of energy efficiency equipment	7.3	7	0.24%																	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0	0.00%																	
Installation, maintenance and repair of renewable energy technologies	7.6	0	0.00%																	
Programming and broadcasting activities	8.3	2	0.07%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**906**	**30.88%**																	
Total (A.1 + A.2)		**1,145**	**39.03%**														**8.15%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		1,788	60.95%																	
Total (A + B)		2,934	100.00%																	

[10] *Enabling economic activity shall qualify as contributing substantially to an objective by directly enabling other activities to make a substantial contribution to one or more of those objectives.*

[11] *Transitional activity refers to an economic activity for which there is not technologically, and economically feasible low-carbon alternative. It shall qualify as contributing substantially to climate change mitigation where it supports the transition to a climate-neutral economy consistent with a pathway to limit the temperature increase to 1,5°C above pre-industrial levels.*

OPEX KPI

Economic activities	Code(s)	Absolute OpEx	Proportion of Opex	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine	Circular economy	Pollution	Biodiversity and ecosystems	DNSH criteria ("Does No Significantly Harm"): Climate change mitigation	Climate change adaptation	Water and marine	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy -aligned proportion of OpEx, year 2022	Taxonomy - aligned proportion of Opex, year 2021	Category (enabling activity)[12]	Category (transitional activity)[13]
		M€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES			%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of low carbon technologies for transport	3.3	77	4.52%	100.00%	0.00%	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	4.52%	N/A	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**77**	**4.52%**	**100.00%**	**0.00%**	**-**	**-**	**-**	**-**								**4.52%**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of low carbon technologies for transport	3.3	546	32.08%																	
Manufacture of other low carbon technologies	3.6	57	3.35%																	
Renovation of existing buildings	7.2	1	0.06%																	
Installation, maintenance and repair of energy efficiency equipment	7.3	1	0.06%																	
Programming and broadcasting activities	8.3	23	1.35%																	
Libraries, archives, museums and cultural activities	13.2	0	0.00%																	
Motion picture, video and television program production, sound recording and music publishing activities	13.3	0	0.00%																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		628	36.90%																	
Total (A.1 + A.2)		**705**	**41.42%**														**4.52%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		997	58.58%																	
Total (A + B)		1,702	100.00%																	

[12] *Enabling economic activity shall qualify as contributing substantially to an objective by directly enabling other activities to make a substantial contribution to one or more of those objectives.*
[13] *Transitional activity refers to an economic activity for which there is not technologically, and economically feasible low-carbon alternative. It shall qualify as contributing substantially to climate change mitigation where it supports the transition to a climate-neutral economy consistent with a pathway to limit the temperature increase to 1,5°C above pre-industrial levels.*

KPI Calculation Methodology (Accounting Policy)

The Annexes of the Disclosure Delegated Act require to calculate the proportion of Turnover, CapEx and OpEx associated with eligible and aligned activities. All denominators of the KPIs described have been calculated at consolidated level, while numerators have been calculated as the sum of the values resulting from each entity considered in the Taxonomy perimeter.

TURNOVER

Denominator:

The Turnover KPI was calculated as the part of the net turnover derived from products or services, including intangibles (numerator) divided by the net turnover (denominator). The net turnover is defined as the amount derived from the sale of products and the provision of services after deducting sales rebates and value added taxes directly linked to the turnover. Following the description, the KPI denominator corresponds to the line item "Net Revenues" presented in Note 5 – Net Revenues of the Group's consolidated financial statements – and it is equal to € 41.844 million.

Numerator:

The Turnover numerator has been derived at entity-level, from the managerial profit & loss of each legal entity.
Due to this analysis, a share of the total Group turnover has been associated to the following eligible activities:

- *3.3 Manufacture of low carbon technologies for transport;*
- *3.6 Manufacture of other low carbon technologies;*
- *6.5 Transport by motorbikes, passenger cars and light commercial vehicles;*
- *8.3 Programming and broadcasting activities;*

Among these activities, a share of the activity 3.3 (0.41%) has been identified as aligned to the Regulation.

Following the EU Commission provisions[14], activities 8.3, 13.2 and 13.3 are marked as "eligible-to-be-enabling" for this reporting cycle, and revenues associated with GEDI's radio broadcasting activity and Juventus Museum and TV have been included in the numerator as eligible activities.

CAPEX

Denominator:

For the calculation of the CapEx KPI denominator[15], the Group considered the increases of the period related to Property Plant and Equipment (PP&E), Intangible Assets (excluding goodwill) and Right of Use Assets (RoU), as presented in Note 14 - Intangible assets and in Note 15 - Property, plant and equipment, to the Group consolidated financial statements. As required by the Regulation, the values considered correspond to the line items "Additions" of the tables presented in Note 14 and 15, thus excluding the effects resulting from amortization, depreciation, impairment losses, divestment, assets classified as held for sale, translation differences and other. The consolidated value resulting from the addition of tangibles, intangibles and RoU is equal to €2.934 million.

Numerator:

The CapEx numerator has been derived from managerial reports describing additions of assets occurred during the fiscal year 2022. In particular, the Group, in accordance with § 1.1.2.2 of the Disclosure Delegated Act, identified capital expenditures related to:

- assets or processes that are associated with Taxonomy-eligible/aligned economic activities;
- for Ferrari, the plan to expand Taxonomy-aligned economic activities;
- the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

[14] *Commission Notice, 2022/C 385/01, October 2022.*
[15] *The proportion of CapEx shall cover: the additions to tangible and intangible assets during the financial year and the additions to tangible and intangible assets resulting from business combinations.*

Based on this analysis, a share of the total CapEx of the Group has been associated to the following eligible activities:

- 3.3 Manufacture of low carbon technologies for transport;
- 3.6 Manufacture of other low carbon technologies;
- 4.15 District heating/cooling distribution;
- 4.16 Installation and operation of electric heat pumps;
- 4.25 Production of heat/cool using waste heat;
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles;
- 7.2 Renovation of existing buildings;
- 7.3 Installation, maintenance and repair of energy efficiency equipment;
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.6 Installation, maintenance and repair of renewable energy technologies;
- 8.3 Programming and broadcasting activities;

Among these activities, a share of the activity 3.3 (8.15%) has been identified as aligned to the Regulation.

OPEX

Denominator:

For the calculation of the OpEx KPI[16] denominator, the Group relied on the accounting records used for the preparation of EXOR consolidated financial statements, considering the share of costs falling into the categories mentioned by the Regulation: non-capitalized R&D, day to day servicing of assets, building renovation measures, short term lease, maintenance and repairs. For the calculation of the denominator, the following categories have been excluded[17]: i) overheads, ii) raw materials, iii) cost of employees operating the machine, iv) cost of managing R&D projects and v) electricity, fluids or reagents needed to operate property plant and equipment.

For all the categories of the OpEx KPI, the Group has considered both external (outsourced activities) and internal costs (labor, materials and tools costs).

The consolidated value resulting from the analysis conducted on the Group's operating expenditures is equal to €1.702 million.

Numerator:

The OpEx numerator has been derived from managerial reports describing operating expenditures occurred during the fiscal year 2022, taking into account only the categories pointed out by the Regulation. In particular, the Group, in accordance with § 1.1.2.2 of the Disclosure Delegated Act, identified operating expenditures related to the same perimeter as for the numerator of the CapEx KPI.

Based on this analysis, a share of the total OpEx of the Group has been associated to the following eligible activities:

- 3.3 Manufacture of low carbon technologies for transport;
- 3.6 Manufacture of other low carbon technologies;
- 4.15 District heating/cooling distribution;
- 4.16 Installation and operation of electric heat pumps;

[16] The proportion of OpEx shall be calculated as the numerator divided by the denominator associated with assets/ processes associated with taxonomy aligned activities. The denominator shall cover direct non-capitalized costs that relate to: Research and development, building renovation measures, short-term lease, maintenance and repair, the day-to-day servicing of assets.

[17] Commission Notice, 2022/C 385/01, October 2022.

- 4.25 Production of heat/cool using waste heat;
- 7.2 Renovation of existing buildings;
- 7.3 Installation, maintenance and repair of energy efficiency equipment;
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.6 Installation, maintenance and repair of renewable energy technologies;
- 8.3 Programming and broadcasting activities;

Among these activities, a share of the activity 3.3 (4.52%) has been identified as aligned to the Regulation.

VI. GRI CONTENT INDEX

Disclosures		Page	Comment
GRI 2: General Disclosures 2021			
2-1	Organizational details	317	
2-2	Entities included in the organization’s sustainability reporting	112	
2-3	Reporting period, frequency and contact point	1	
2-4	Restatements of information		No changes compared to FY2021.
2-5	External assurance		Not verified by an external third party.
2-6	Activities, value chain and other business relationships	9-14	
2-7	Employees	137-139	
2-8	Workers who are not employees		Not applicable.
2-9	Governance structure and composition	92-110	
2-10	Nomination and selection of the highest governance body	92-103	
2-11	Chair of the highest governance body	93-94	
2-12	Role of the highest governance body in overseeing the management of impacts	102-103	
2-13	Delegation of responsibility for managing impacts	102-103	
2-14	Role of the highest governance body in sustainability reporting	102-103, 116-117	
2-15	Conflicts of interest	99-100	
2-16	Communication of critical concerns	135	
2-17	Collective knowledge of the highest governance body	93-100	
2-18	Evaluation of the performance of the highest governance body	98-99	
2-19	Remuneration policies	158-168	
2-20	Process to determine remuneration	159-161	
2-21	Annual total compensation ratio	160	
2-22	Statement on sustainable development strategy	XII-XIII	
2-23	Policy commitments	134-135	
2-24	Embedding policy commitments	116	
2-25	Processes to remediate negative impacts	74-91	Exor is engaged in continuous dialogue with the companies through presence in the Board and provides input on subsidiary strategy including ESG topics.
2-26	Mechanisms for seeking advice and raising concerns	116	
2-27	Compliance with laws and regulations	74-91	No significant fines or non-monetary sanctions were incurred during FY2022. In February 2022, Exor has settled with the Italian Tax Authorities on a complex tax issue, specifically in respect of the Exit Tax.
2-28	Membership associations		Exor does not have a significant role in any association.
2-29	Approach to stakeholder engagement	116	

2-30	Collective bargaining agreements		No employees at the Exor holding level are covered by such agreements. Reference is made to the Code of Conduct (available on the Exor's website), where Exor recognizes the freedom of association and the right to collective bargaining.
Economic			
3-1	Process to determine material topics	135	
3-2 3-3	Management approach components and evaluation	114-122, 135	
201-1	Direct economic value generated and distributed	4	
203-2	Significant indirect economic impacts	115, 118-121	
205-2	Communication and training about anti-corruption policies and procedures	105	
205-3	Confirmed incidents of corruption and actions taken	105	
207-1	Approach to tax	137-138	
Environmental			
3-1	Process to determine material topics	135	
3-2 3-3	Management approach components and evaluation	114-122, 135	
305-1	Direct (Scope 1) GHG emissions	118-119	
305-2	Energy indirect (Scope 2) GHG emissions	118-119	
305-3	Other indirect (Scope 3) GHG emissions	118-119	
Social			
3-1	Process to determine material topics	135	
3-2 3-3	Management approach components and evaluation	114-122, 135	
401-1	New employee hires and employee turnover	137-139	
405-1	Diversity of governance bodies and employees	137-140	

VII. SASB STANDARDS

Exor uses the SASB Standards specific to the industry "Asset Management & Custody Activities", in line with the Sustainable Industry Classification System.

SASB DISCLOSURE TOPICS & ACCOUNTING METRICS

Topic	Accounting Metric	SASB code	Comment	Page
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	Not applicable: Exor N.V. has no customers or clients.	
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	Not applicable: Exor N.V. has no customers or clients.	
	Description of approach to informing customers about products and services	FN-AC-270a.3	Not applicable: Exor N.V. has no customers or clients.	
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	Exor discloses Board diversity metrics and workforce breakdown by gender, age, geographic location, contract type and category.	137-140
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	FN-AC-410a.1	Not applicable: Exor N.V. has no customers or clients.	
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	After identifying potential opportunities, Exor assesses them against a set of clear investment criteria. Following its assessment, Exor selects companies that it believes have the capacity to become great. One element of Exor's definition of great companies are those that act in responsible way: they align with the best standards and frameworks in ESG, they identify key material themes and put in place targets with metrics as they continue to the raise the bar in their aspiration of industry ESG leadership.	
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Exor engages with its operating companies through active representation and participation in the Boards, Regular Communication and meetings.	115- 116
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	In February 2022, Exor has settled with the Italian Tax Authorities on a complex tax issue, specifically in respect of the Exit Tax.	
	Description of whistleblower policies and procedures	FN-AC-510a.2	Description of whistleblowing mechanism is presented in the Sustainability Report.	135

SASB ACTIVITY METRICS

Activity Metric	SASB code	Comment	Page
(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	Not applicable: Exor N.V. has no customers or clients.	
Total assets under custody and supervision	FN-AC-000.B	Not applicable: Exor N.V. has no customers or clients.	

VIII. TCFD CONTENT INDEX

Topic	TCFD code	Page	Comment
Governance			
Describe the board's oversight of climate-related risks and opportunities.	TCFD - G(a)	102-103	The Board of Directors oversees ESG and climate matters through a dedicated ESG committee.
Describe management's role in assessing and managing climate-related risks and opportunities.	TCFD - G(b)	116-117	The management is responsible for implementing the ESG strategy within the Company.
Strategy			
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	TCFD - S(a)	116-117	Through a bottom up approach, Exor identified four main risks and two opportunities.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	TCFD - S(b)	116-117	The scenario analysis performed enabled Exor to understand the potential impacts of the environment on its activities.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	TCFD - S(c)	116-117	Exor's strategy resilience has been assessed at portfolio level by considering different climate pathway scenarios defined by internationally recognised providers.
Risk Management			
Describe the organization's processes for identifying and assessing climate-related risks.	TCFD - R(a)	116	The ESG Committee oversees processes in place to identify and assess climate-related risks and opportunities.
Describe the organization's processes for managing climate-related risks.	TCFD - R(b)	74-80	Climate related risks are managed within our ERM system, based on the COSO Framework and monitored by the Audit Committee.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	TCFD - R(c)	74-80	Climate-related risks and opportunities identification, assessment and management processes are fully integrated into Exor's ERM system.
Metrics & Targets			
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	TCFD - MT(a)	116-118	Exor quantifies the impact of climate-related risks and opportunities' using risk adjusted GAV.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	TCFD - MT(b)	118-119	Exor has calculated its GHG inventory in accordance with the internationally acknowledged and recognised standards of the Greenhouse Gas Protocol and PCAF for portfolio emissions.
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	TCFD - MT(c)	118-119	Exor has committed to reduce impacts to a minimum and has set climate targets at holding level.

REMUNERATION REPORT

REMUNERATION REPORT

Foreword

This section on the remuneration of the Executive and Non-Executive directors is divided into two sections.

Section I of the Remuneration Report provides general information regarding the current remuneration policy (the "Remuneration Policy") – as approved and adopted by the general meeting of shareholders held on 24 May 2022 and effective as per 1 January 2022 – and describes the policies, structures and principles applicable to the remuneration of executive directors (the "Executive Directors") and non-executive directors ("Non-Executive Directors") of EXOR N.V. ("Exor" or the "Company").

Section II of the Remuneration Report provides information on the application of the Remuneration Policy during the year and the compensation paid to the Executive and Non-Executive Directors (together, the "Directors" and each of them individually, a "Director") with reference to the period from 1 January 2022 until the end of the financial year (i.e. 31 December 2022). The Chief Executive Officer, Mr John Elkann, is the sole Executive Director of the Company.

Within the scope of Exor's Remuneration Policy, the remuneration of the Executive Directors is determined by the board of directors (the "Board") at the recommendation of the Compensation and Nominating Committee of the Company (the "CNC").

This Remuneration Report contains disclosures as required under the Shareholder Rights Directive II and its implementation into the Dutch Civil Code, and in line with this regulation, will be subject to an advisory vote at the 2023 annual general meeting of shareholders ("AGM").

SECTION I

Objectives and principles of the Remuneration Policy

Objectives and principles

The objective of the Remuneration Policy is to provide a compensation structure that allows the Company to attract and retain the most highly qualified executives and to motivate them to achieve business and financial goals that create long-term value for shareholders in a manner consistent with the Company's core business and leadership values.

For these objectives to be achieved, the Remuneration Policy is determined considering (i) best practices in compensation policy design (in accordance, inter alia, with the Dutch Corporate Governance Code); and (ii) the need for sustainable compensation and aligned with the medium-to-long-term interests of all stakeholders.

The Remuneration Policy aims to provide a total compensation package that is competitive compared to the compensation paid by comparable companies and to reinforce the Company's performance-driven culture and meritocracy. It furthermore assures that the interests of the Executive and Non-Executive Directors are closely aligned to those of the Company, its business and stakeholders, encouraging them to perform at the best of their ability with a view to the Company's sustainable success.

All the above is in the context of the specific characteristics of the Company, in particular of the ownership structure and the simple organizational structure. The Remuneration Policy is determined to be coherent with the Company's risk management policy and internal control system.

The Remuneration Policy is last amended by the AGM in May 2022 and was well received by the shareholders and approved by over 94% of the votes.

During the last 12 months, the CNC reviewed and assessed, in light of the separation of the position of Chief Executive Officer and Chairman, the effectiveness of the remuneration for the Non-Executive Chairman. It is envisaged that the Company will submit a new Remuneration Policy at the shareholders' meeting to be held on 31 May 2023. This proposal will include some more flexibility to provide a Non-Executive Chairman with a remuneration package that fully recognizes exceptional competences and experiences, in terms of both the base fee as well as a possibility of a one-off award to attract and retain a future Chairman. The proposed Remuneration Policy will be placed on the Company's website (www.exor.com) upon convening the 2023 AGM.

The 2021 Remuneration Report was presented to the shareholders for an advisory vote at the AGM held on 24 May 2022 and received 94.79% of the votes cast. No amendments have been made to this year's Remuneration Report. It was well received by institutional investors and the feedback received by some did not require amendments.

There have been no deviations from the Remuneration Policy nor the procedure for its implementation in the financial year 2022.

Scenario analysis

In the CNC, the Non-Executive Directors examined, by taking into account different scenario assumptions, the relationship between the performance criteria chosen and the possible results of the variable remuneration components and the manner in which this effects the remuneration of Exor's Executive Directors (scenario analysis).

As such, the Non-Executive Directors have also assessed the functioning of the Remuneration Policy taking into account the relationship between the Company's objectives, the chosen performance criteria and the long-term interest/value creation. The CNC believes that linking our remuneration primarily to financial performance criteria is in line with Exor's role as holding company and its purpose to build great companies and sustainable long-term perspective. The CNC will continue to assess the adequacy of the performance measures used in light of long-term sustainable value creation.

2022 Internal pay ratios

In line with the Dutch Corporate Governance Code and in order to make sure that the remuneration to be awarded is proportional to those set for employees within Exor, the internal pay ratio is taken into consideration when determining the Remuneration Policy for the Executive and Non-Executive Directors. Analysing the difference in remuneration levels of the Executive Directors, Non-Executive Directors and other employees helped the CNC in developing a balanced view of the remuneration levels. The ratio between the annual total remuneration of the Executive Director and the average total remuneration for all employees within the Holdings System (as defined in the section Alternative Performance Measures of this Annual Financial Report) was 6:1 for the 2022 financial year and down compared to the financial year 2021 (9:1).

The development of this ratio will be monitored and disclosed going forward. The CNC also monitors the ratio on a total compensation basis, incorporating the value of variable compensation delivered to the Executive Director and all employees within the Holdings System.

Framework for Executive Directors Remuneration

The Board determines the compensation for Executive Directors based on recommendations from the CNC and in accordance with the Remuneration Policy.

The compensation structure for Executive Directors includes a fixed component and a variable component based on short and long-term performance. A balanced combination hereof, that also takes into account suitably ambitious performance parameters, provides the Executive Directors with an incentive to implement the corporate strategy and to ensure Exor's sustained success. The CNC believe this reconciles the interests of all stakeholders, in particular those of the shareholders of the Company and those of the employees.

In determining the level and structure of the compensation of Executive Directors, the Non-Executive Directors will take into account, among other things, the Company's financial and operational results and other business objectives. The components of Executive Directors' variable remuneration are subsequently linked to predetermined, assessable targets. The Company establishes target compensation levels using a market-based approach and periodically benchmarks the compensation program of the Executive Directors against peer companies and monitors compensation levels and trends in the market, whilst also taking into account the broader public opinion. To this end, a reference group of ten large listed investment companies has been composed with a comparable size and international portfolio, seven of which have a seat in Europe, two in the US and one in Asia. The level of Exor's executive total direct compensation (i.e. base salary plus short and long-term performance at target) is aligned with the Company's relative position within the reference group.

Fixed components
The base salary is the fixed part of the annual cash compensation for Executive Directors. The primary objective is to attract and retain highly qualified senior executives. The base salary is set well below market level. This remuneration component is part of the Company's periodic benchmark.

Variable components
Executive Directors, taking into account the individual responsibilities, experience and required competences of the Executive Directors, are also eligible to receive variable compensation subject to the achievement of pre-established financial and non-financial performance criteria that are mainly of a long-term nature, in accordance with the Dutch Corporate Governance Code.

The CNC believes that linking the variable component of the remuneration primarily to financial performance criteria is in line with Exor's role as a holding company and with its purpose to build great companies and a sustainable long-term perspective. Exor focuses on economic growth and wants its Executive Directors to do the same with a view to achieving long-term value creation for all stakeholders. The CNC will continue to assess the adequacy of the performance measures used to support sustainable long-term value creation. This remuneration component was also part of the Company's periodic benchmark.

Short-term incentive pay
The primary performance objective of short-term variable cash incentives is to incentivize Executive Directors to focus on the Company's priorities for the current or next year. Executive Directors' variable remuneration is linked to the achievement of pre-determined short-term (i.e. annual) financial and if set non-financial objectives. Such objectives are proposed by the CNC and approved by the Board each year, and are based on the financial and strategic objectives of the Company for the relevant financial year and are ultimately considered to be in the best interest of all stakeholders.

Long-term Incentive pay
The primary performance objective of long-term variable incentive pay is to (i) align the interests of the Executive Directors with the interest of Exor's shareholders and other stakeholders; (ii) motivate the attainment of the Company's financial and other performance goals and reward sustained long-term value creation; and (iii) serve as an important attraction and long-term retention tool that is being used to strengthen loyalty to the Company.

Other Benefits
Executive Directors may also be entitled to customary fringe benefits including but not limited to, medical insurance, liability insurance, external advice and discounted fund management charges on funds managed by Exor. The CNC may grant other benefits to the Executive Directors in particular circumstances. In 2022 no such particular circumstances occurred.

SECTION II

2022 Application of the Executive Remuneration Framework
The applicability of the remuneration framework for the sole Executive Director, Mr John Elkann, is described hereafter.

Fixed components
The annual fixed remuneration of the Executive Director is Euro 500,000. No increase was made during 2022.

Variable components
The variable remuneration awarded consists of short-term incentive pay as well as long-term incentive pay.

Short-term incentive pay

Performance measure	2022 target	Achievement YTD
Loan-to-Value (LTV) Ratio	<20%	Achieved Positive net financial position
Net Free Cash Flow (FCF)	> 0	Achieved Net FCF estimated at €0.4 billion
Cash Holding Cost as a % of Gross Asset Value	< 10 bps	Achieved Cash holding cost estimated at 7bps

The LTV, FCF and Cash holding cost have been used in the past as short-term measures ensuring operational hygiene and performance. They are measurable and reliable targets can be set.

The short-term incentive only pays out when the targets, equally weighted, are fully met or exceeded. There is no reward for below-target performance, nor an extra award for over performance.

The short-term incentive pay for the Executive Director for 2022 amounted to maximum Euro 500,000 and will be fully paid out in cash.

Long-term incentive pay
With regard to long-term incentive pay, a performance share unit plan ("PSU Plan") has been implemented, under which performance share units ("PSUs") can be granted, being conditional rights to receive ordinary shares in the capital of Exor. For each vested PSU the holder is entitled to receive one Exor share. With the introduction of the PSU Plan in 2022, the first PSU vesting will take place in 2025. As there will be no PSU vesting in 2023 and 2024, the 2022 award for the Executive Director equals three annual grants, as set out in the Remuneration Policy. The grant date of the 2022 award is 1 July 2022 and vesting (to the extent the applicable conditions are met) as per 30 June 2025. Subsequent to vesting, an additional 2-year holding period applies to the shares to ensure sustainable performance and bringing the total holding period after grant to five years in compliance with the Dutch Corporate Governance Code.

The performance conditions attached to the PSUs granted are (i) the cumulative annual growth rate ("CAGR") of the total shareholder return ("TSR") target and (ii) the CAGR of the net asset value ("NAV") relative to the MSCI World Index target. These performance conditions apply during the three-year performance period. More details in relation to the application of these performance conditions are set out below.

TSR

- Initial TSR value: the average closing price of the Exor shares during the 30-day period ending on 30 June 2022, being Euro 64.68.
- End value TSR: the average closing price of the Exor shares during the 30-day period ending on 30 June 2025.
- In the aforementioned calculations (i) the Exor share price will be adjusted for any dividend paid by the Company, (ii) any variation of the Company's share capital and (iii) dividends are assumed to be reinvested at the ex-dividend date.

NAV

- Initial NAV value: the net asset value of the Company, being the total value of the Company's assets less the total value of its liabilities, calculated using the net asset value at 30 June 2022, being Euro 109.6 per share.
- End value NAV: the net asset value of the Company, being the total value of the Company's assets less the total value of its liabilities, calculated using the net asset value at 30 June 2025.
- The aforementioned calculations are (to be) (i) made in accordance with the methodology as set in the Company's most recent half-year financial report and (ii) verified by a third party (including the consistency of such calculation).

MSCI World Index

- Initial MSCI World Index value: calculated using the closing price of the MSCI World Index at 30 June 2022, being Euro 248.7 per share.
- End value MSCI World Index: calculated using the closing price of the MSCI World Index at 30 June 2025.
- In the aforementioned calculations, the MSCI World Index is the market cap weighted stock market index of companies throughout the world, maintained by MSCI (formerly Morgan Stanley Capital International) with ticker symbol WORLD:MSCI.

The target levels and performance levels are set out below. Linear vesting will apply between performance levels.

Performance level	TSR (CAGR)	NAV (CAGR) vs MSCI-WI
Threshold	4%	Not applicable*
Target	8%	—%
Maximum	20%	100%

* For NAV, the target level is the same as the threshold level. When NAV growth falls short of MSCI World Index growth, no vesting takes place.

Performance level	Executive Directors
Below threshold	—%
TSR Threshold (0.5 x target)	50%
Target	100%
Maximum	300%

By way of example, when TSR performance is at threshold, half of the PSUs granted in respect of the TSR target, i.e. 25% of the total PSUs granted, will vest, whereas, when performance is below threshold, no vesting takes place and the part of the grant is forfeited. For NAV performance, the target level is in effect the threshold, i.e. when NAV growth falls short of MSCI growth, no vesting takes place and the part of the grant is forfeited.

Historical awards - The 2016 Long Term Stock Option Plan

The general meeting of shareholders held on 25 May 2016 approved a stock option plan (the “2016 Long Term Stock Option Plan”). Under the 2016 Long Term Stock Option Plan, the CEO was awarded a number of options in 2016 made in lieu of annual long-term incentive awards for five years 2016 through 2020. The final tranche of the 2016 award has vested in 2021. In line with the Dutch Corporate Governance Code, each option may not be exercised until after 3 years from the vesting of the options and until 31 December 2026 and recipients who do not exercise their options by that date will cease to have any rights.

The 2016 Long Term Stock Option Plan will be serviced exclusively through treasury shares of the Company, without recourse to the issue of shares and, therefore, will not have a dilutive effect. If so required, the Company will purchase, in compliance with the applicable regulations, a quantity of own shares sufficient to cover the entire plan approved by the shareholders. In connection with the servicing of the plan no other financial instruments will be issued by the Company or by its subsidiary or by third parties.

At the end of 2022, the options outstanding are 2,013,950 granted to the Executive Director of the Company (of which 1,205,370 exercisable) and 895,936 to other beneficiaries (of which 525,878 exercisable) at the exercise price of EUR 32.38.

No awards were made under the 2016 Long Term Stock Option Plan during 2022.

Framework for Non-Executive Directors Remuneration

The remuneration of Non-Executive Directors is a cash remuneration only which is fixed and is not dependent on the Company’s financial results. Non-Executive Directors are not eligible for variable compensation and do not participate in any incentive plans. The committee membership and committee chair fee payments will be made all in cash. Based on the Remuneration Policy, the annual compensation for Non-Executive Directors is as follows:

- €50,000 for each Non-Executive Director;
- an additional €15,000 for each member of the Audit Committee and €20,000 for the Audit Committee Chair person;
- an additional €7,500 for each member of the Compensation and Nominating Committee and €10,000 for the Compensation and Nominating Committee Chair person; and
- an additional €7,500 for each member of the ESG Committee and €10,000 for the ESG Committee Chair person.

Director and Officer Overlaps

There is an overlap between the composition of the Board of Directors of Giovanni Agnelli B.V. and that of the Board of Directors of the Company.

More specifically, John Elkann, Alessandro Nasi and Andrea Agnelli are also Directors of Giovanni Agnelli B.V. of which John Elkann is also the Chairman.

Non-monetary benefits and supplementary insurance coverage

In line with best practice in the field of compensation and in consideration of the specific responsibilities assigned, the compensation plans of Directors include non-monetary benefits (such as, reimbursement of expenses for travel outside the municipality of residence). For all Directors there is also insurance cover for directors' civil liability relating to claims for compensation for non-fraudulent acts performed in the performance of the director's duties.

All the aforesaid being in addition to the reimbursement of out-of-pocket expenses incurred in the performance of the activities associated with the responsibilities assigned.

There are no pension arrangements in place for the Directors.

Treatment on cessation of office and non-competition agreements

There are no severance agreements or arrangements between the Company and its Directors which provide for indemnities in the event of early termination of the relationship or for the granting or maintaining of non-monetary benefits for Directors who have left the Company or for consulting arrangements covering periods after termination of the relationship or for compensation for non-competition agreements.

No severance has been paid out to any Directors in 2022.

Hold back, claw back and derogation from the Remuneration Policy

The Company is entitled to recover variable remuneration either in full or in part to the extent that payment thereof has been made on the basis of incorrect information about the realisation of the underlying goals or about the circumstances on which the entitlement to the variable remuneration was made dependent, in accordance with article 2:135(8) of the Dutch Civil Code. Furthermore, in accordance with 2:135(6) of the Dutch Civil Code, Exor may apply hold back measures in relation to all variable remuneration of the Executive Directors.

No variable remuneration has been clawed back and no hold back measures have been applied by Exor in 2022.

Loans to Directors

The Company does not provide loans, advance payments or guarantees to its Directors and has not done so in 2022.

Board of Directors

Hereafter follows an illustration, on an individual basis, of the compensation paid in whatever form to the Executive and Non-Executive Directors in the financial year 2022. The data in the tables relates to Board positions held in the Company and in the listed and non-listed (operating) subsidiaries.

In addition, the share ownership table sets out the number of common shares of Exor and the (operating) subsidiaries, owned by the members of the Board at the end of December 2022.

Directors' Compensation

The following table summarizes the remuneration paid or awarded to the members of the Board for the year ended 31 December 2022.

Amount in €			EXOR NV								OTHER[1]	
Directors of Exor N.V.	Office held	Year	Fixed Remuneration			Variable Remuneration		Extraor-dinary items	Pension & Similar	Total Exor N.V.	Total other	Total Remuneration
			Base salary or annual fee	Committee fee	Fringe benefits	One-year variable	Multi-year variable					
BANGA Ajay[2]	Chairman	2022	50,000	19,123	—	—	—	—	—	69,123	—	69,123
	Director	2021	30,000	6,000	—	—	—	—	—	36,000	—	36,000
ELKANN John[3][4]	CEO	2022	500,000	—	2,880	500,000	3,119,240	—	—	4,122,120	1,274,197	5,396,317
	Chairman and CEO	2021	850,043	—	2,880	882,924	1,473,676	—	—	3,209,523	379,025	3,588,548
NASI Alessandro[5]	Director	2022	—	—	—	—	—	—	—	—	464,757	464,757
		2021	—	3,000	—	—	—	—	—	3,000	271,858	274,858
AGNELLI Andrea[5]	Director	2022	—	—	—	—	—	—	—	—	547,568	547,568
		2021	—	—	—	—	—	—	—	—	566,423	566,423
ELKANN Ginevra[5][6]	Director	2022	—	—	—	—	—	—	—	—	—	—
		2021	—	—	—	—	—	—	—	—	—	—
BOLLAND Marc	Director	2022	50,000	22,062	—	—	—	—	—	72,062	—	72,062
		2021	50,000	10,500	—	—	—	—	—	60,500		60,500
BETHELL Melissa	Director	2022	50,000	17,938	—	—	—	—	—	67,938	—	67,938
		2021	50,000	21,500	—	—	—	—	—	71,500		71,500
DEBROUX Laurence	Director	2022	50,000	27,500	—	—	—	—	—	77,500	60,000	137,500
		2021	50,000	22,500	—	—	—	—	—	72,500	11,781	84,281
DUMAS Axel[7][8]	Director	2022	—	—	—	—	—	—	—	—	—	—
		2021	—	—	—	—	—	—	—	—		—
BAE Joseph[9][10]	Director	2022	—	—	—	—	—	—	—	—	—	—
		2021	—	—	—	—	—	—	—	—		—
HORTA-OSORIO Antonio[11]	Director	2022	—	—	—	—	—	—	—	—	—	—
		2021	20,000	4,000	—	—	—	—	—	24,000	252,464	276,464
Total 2022			**700,000**	**86,623**	**2,880**	**500,000**	**3,119,240**	**0**	**0**	**4,408,743**	**2,346,522**	**6,755,265**
Total 2021			1,050,043	67,500	2,880	882,924	1,473,676	0	0	3,477,023	1,481,551	4,958,574

(1) Related to the remuneration (base salary/annual fees and one-year variable), excluded the multi-year variable compensation, received from the management positions held respectively at CNH Industrial, Iveco Group, Ferrari, Juventus, and PartnerRe and FCA (in 2021).
(2) Chairman from 24 May 2022.
(3) Chairman until 24 May 2022.
(4) The proportion of fixed remuneration on total remuneration awarded by Exor N.V. is 13% (27% in 2021), while the proportion of variable remuneration is 87% (73% in 2021).
(5) Directors have waived their right to the annual fee of €50,000 as determined by the Exor Shareholders' Meeting.
(6) Director has waived her right to the committee fees of €10,767 as determined by the Exor Shareholders' Meeting.
(7) Director from 24 May 2022.
(8) Director has waived his right to the emolument of €34,973 as determined by the Exor Shareholders' Meeting, €30,411 for annual fee and €4,562 for committee fees.
(9) Director until 24 May 2022.
(10) Director has waived his right to the emolument of €28,404 as determined by the Exor Shareholders' Meeting, €19,589 for annual fee and €8,815 for committee fee.
(11) Director until 27 May 2021.

The following table summarizes the remuneration paid or awarded to the members of the Board for the year ended 31 December 2022 from the operating subsidiaries:

Amount in €			Other						
Directors of Exor N.V.	Office held	Year	CNH Industrial	Iveco Group	Ferrari	Juventus	PartnerRe	FCA	Total
ELKANN John	Executive Director (CEO)	2022	—	—	1,274,197	—	—	—	1,274,197
	Executive Director (Chairman and CEO)	2021	—	—	336,938	—	42,087	—	379,025
NASI Alessandro	Non-Executive Director (Vice Chairman)	2022	161,436	303,321	—	—	—	—	464,757
		2021	271,858	—	—	—	—	—	271,858
AGNELLI Andrea	Non-Executive Director	2022	—	—	—	547,568	—	—	547,568
		2021	—	—	—	558,537	—	7,886	566,423
DEBROUX Laurence	Non-Executive Director	2022	—	—	—	60,000	—	—	60,000
		2021	—	—	—	11,781	—	—	11,781
HORTA-OSORIO Antonio	Non-Executive Director	2022	—	—	—	—	—	—	—
		2021	—	—	—	—	252,464	—	252,464
Total 2022			**161,436**	**303,321**	**1,274,197**	**607,568**	**0**	**0**	**2,346,522**
Total 2021			271,858	0	336,938	570,318	294,551	7,886	1,481,551

With regard to the remuneration received from the operating subsidiaries reference is made to the information published in their respective annual reports.

Directors' Remuneration and Company Performance

In line with the Dutch Civil Code, the performance of the Company, the annual change of remuneration of each Director, and of the average employee remuneration other than directors from 2017 to 2022 financial years is disclosed in the following table.

Amount in €	2022 (Change to 2021)	2021 (Change to 2020)	2020 (Change to 2019)	2019 (Change to 2018)	2018 (Change to 2017)	2017
Company performance						
Net profit attributable to owner of the parent	4,227,000,000 (+146.2%)	1,717,000,000 (+5,823.3%)	(30,000,000) (-101%)	3,053,000,000 (+126.7%)	1,347,000,000 (-3.23%)	1,392,000,000 (n/a)
Net Asset Value per share	122.75 (-7.3%)	132.42 (+29.7%)	102.08 (+ 3.5%)	98.6 (+37.2%)	71.89 (-9.6%)	79.48
Earnings per share - diluted	18.3 (+132.4%)	7.79 (+6,092%)	(0.13) (-101%)	13.12 (+131.4%)	5.67 (-3.4%)	5.87
Executive Director						
ELKANN John	4,122,120 (+28.43%)	3,209,523 (-30.8%)	4,640,779 (-13.67%)	5,375,390 (-0.85%)	5,421,511 (-2.2%)	5,543,052
Non-Executive Directors						
NASI Alessandro	0 (-100%)	3,000 (-60%)	7,500 (0%)	7,500 (0%)	7,500 (0%)	7,500
AGNELLI Andrea	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0
ELKANN Ginevra	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0
BOLLAND Marc	72,062 (+19.1%)	60,500 (+384%)	12,500 (-75%)	50,000 (-14,29%)	58,333 (-17%)	70,000
BAE Joseph(1)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	n/a
BANGA Ajay(2)	69,123 (+92.0%)	36,000 (+100%)	n/a	n/a	n/a	n/a
BETHELL Melissa	67,938 (-4.98%)	71,500 (+120.0%)	32,500 (-53.57%)	70,000 (+13.51%)	61,667 (+23%)	50,000
DEBROUX Laurence	77,500 (+6.9%)	72,500 (+163.6%)	27,500 (-57.69%)	65,000 (+10.64%)	58,750 (+18%)	50,000
DUMAS Axel Olivier(3)	0 (0%)	n/a	n/a	n/a	n/a	n/a
HORTA-OSORIO Antonio(4)	0 (-100%)	24,000 (+6.7%)	22,500 (-62.5%)	60,000 (+7.46%)	55,833 (+12%)	50,000
Employees						
Average employee remuneration(5)	702,620 (+88.3%)	373,126 (+5.3%)	354,494 (+3.2%)	343,415 (-9.3%)	378,649 (-18.1%)	462,566

(1) Until 24 May 2022.
(2) From 27 May 2021.
(3) From 24 May 2022.
(4) Until 27 May 2021.
(5) Calculated as total employee cost divided by the average number of FTEs.

Share plans granted by Exor

The following table summarizes outstanding share based plan granted by Exor to the directors of Exor at 31 December 2022:

						Opening balance	Movements during the 2022			Closing balance			Fair value at Grant date		
Name/ Plan	Award name	Perfor-mance period	Grant Date	Vesting Date	End of holding period	Number of shares under award at 1 January 2022	Shares Granted	Shares Vested	Shares Forfeited	Number of shares under award at 31 December 2022	of which subject to a perfor-mance condition	of which subject to a holding period	Fair value of shares previously awarded	Fair value of shares awarded during the year	Annual accounting expense
ELKANN JOHN	Exor LTI 2022	2022-2025	01/07/2022	30/06/2025	30/06/2027	0	278,281	0	0	278,281	278,281	278,281		18,663,782	3,119,240

Share plans granted by Subsidiaries

The following table summarizes outstanding share based plan granted by Exor Subsidiaries to the directors of Exor at 31 December 2022:

						Opening balance	Movements during the 2022			Closing balance			Fair value per unit at Grant date	
Name/ Plan	Award name	Perfor-mance period	Grant Date	Vesting Date	End of holding period	Number of shares under award at 1 January 2022	Shares Granted	Shares Vested	Shares Forfeited	Number of shares under award at 31 December 2022	of which subject to a perfor-mance condition	of which subject to a holding period	Fair value of shares previously awarded	Fair value of shares awarded during the year
ELKANN JOHN	Ferrari Equity incentive Plan 2019-2021 PSUs and RSUs	2019-2021	April 2019	March 2022		20,703	—	20,179	524	—	—	—	—	—
ELKANN JOHN	Ferrari Equity incentive Plan 2020-2022 PSUs and RSUs	2020-2022	April 2020	March 2023		4,829	—	—	—	4,829	3,219	—	136.06 - 139.39	—
ELKANN JOHN	Ferrari Equity incentive Plan 2021-2023 PSUs and RSUs	2021-2023	April 2021	March 2024		4,448	—	—	—	4,448	2,965	—	130.42 - 171.86	—
ELKANN JOHN	Ferrari Equity incentive Plan 2021-2023 PSUs and RSUs	2022-2024	April 2022	March 2025		—	5,042	—	—	5,042	5,042	—	—	200.13 - 201.20

Share Ownership

The following table summarizes the number of ordinary shares of Exor and its subsidiaries owned by Exor directors at 31 December 2022:

	Exor N.V. ordinary shares	CNH Industrial N.V. common shares	Iveco Group N.V. common shares	Ferrari N.V. common shares	JUVENTUS S.p.A. ordinary shares
ELKANN John				25,849	
NASI Alessandro		348,994	69,798	375	
AGNELLI Andrea				1,122	96,711
BANGA Ajay	35,000				

Exor

Consolidated Financial Statements at 31 December 2022

CONSOLIDATED INCOME STATEMENT

(€ million)	Note	Years ended 31 December 2022	2021
Net revenues	5	41,844	33,617
Cost of sales	6	(32,339)	(25,979)
Selling, general and administrative expenses		(3,310)	(2,673)
Research and development costs	7	(2,088)	(1,823)
Other income (expenses), net	8	(156)	(378)
Result from investments	9	2,564	2,057
Net financial expenses	10	(620)	(169)
Profit (loss) before taxes		**5,896**	**4,653**
Tax expense	11	(1,060)	(1,302)
Profit (loss) from continuing operations		**4,836**	**3,350**
Profit (loss) from discontinued operations, net of tax	3	1,367	104
Profit (loss) for the period		**6,203**	**3,454**
Profit (loss) attributable to:			
Owners of the parent		*4,227*	*1,717*
Non-controlling interests		*1,976*	*1,737*
Profit (loss) from continuing operations attributable to:			
Owners of the parent		2,856	*1,630*
Non-controlling interests		*1,980*	*1,720*
Earnings per share (in €)	13		
Basic earnings per share		18.376	7.803
Diluted earnings per share		18.103	7.792
Earnings per share from continuing operations (in €)	13		
Basic earnings per share		12.416	7.409
Diluted earnings per share		12.225	7.398

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Years ended 31 December	
(€ million)		**2022**	**2021**
Profit (loss) for the period from continuing operations		4,836	3,350
Profit (loss) for the period from discontinued operations		1,367	104
Profit (loss) for the period (A)	22	**6,203**	**3,454**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		200	154
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees		214	252
Gains (losses) on financial assets at fair value through other comprehensive income		(414)	(28)
Gains (losses) on financial assets at fair value through other comprehensive income for equity method investees		(2)	—
Related tax effect		(26)	(20)
Items relating to discontinued operations, net of tax		—	197
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B1)		**(28)**	**555**
Items that may be reclassified to the Consolidated Income Statement in subsequent periods:			
Gains (losses) on cash flow hedging instruments		174	—
Foreign exchange translation gains (losses)		1,042	1,072
Share of other comprehensive income (loss) of equity method investees		159	261
Related tax effect		(35)	7
Items relating to discontinued operations, net of tax		135	2,193
Total items that may be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B2)		**1,475**	**3,533**
Total Other Comprehensive Income (Loss), net of tax (B)=(B1)+(B2)		**1,447**	**4,088**
Total Comprehensive Income (A)+(B)		**7,650**	**7,542**
Total Comprehensive Income (Loss) attributable to:			
Owners of the parent		5,312	3,811
Non-controlling interests		2,338	3,731
Total Comprehensive Income (Loss) attributable to owners of the parent:			
Continuing operations		3,821	3,017
Discontinued operations		1,491	794

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	At 31 December 2022	2021
Non current assets			
Intangible assets	14	9,293	8,639
Property, plant and equipment	15	6,539	6,185
Investments and other financial assets	16	15,893	11,835
Leased assets	17	1,478	1,592
Deferred tax assets	11	1,258	1,165
Other non current assets		660	78
Total non current assets		**35,121**	**29,494**
Current assets			
Inventories	18	8,031	6,951
Trade receivables	19	749	726
Receivables for financing activities	20	23,606	17,689
Current tax receivables		170	137
Investments and other financial assets	16	3,234	911
Other current assets		1,209	1,415
Cash and cash equivalents	21	11,577	7,905
Total current assets		**48,576**	**35,734**
Assets held for sale	3	2	25,883
Total Assets		**83,699**	**91,111**
Equity and Liabilities			
Equity attributable to owners of the parent	22	20,627	16,759
Non-controlling interests	22	9,043	7,611
Total Equity		**29,670**	24,370
Liabilities			
Provisions for employee benefits	24	1,305	1,592
Other provisions	25	4,045	3,384
Deferred tax liabilities	11	361	358
Financial debt and derivative liabilities	26	33,970	28,950
Trade payables	28	7,888	7,040
Tax payables		587	1,205
Other liabilities	29	5,872	5,987
Liabilities held for sale		1	18,225
Total Liabilities		54,029	66,741
Total Equity and Liabilities		**83,699**	**91,111**

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ million)	Note	Years ended 31 December 2022	2021
Cash and cash equivalents at beginning of the period		7,905	35,561
Cash and cash equivalents at the beginning of the period included in Assets held for sale		584	27
Total Cash and cash equivalents at the beginning of the period		**8,489**	**35,588**
Cash flows from operating activities:	33		
Profit (loss) from continuing operations		4,836	3,350
Amortisation and depreciation		1,853	1,728
Gains on disposal of non-current assets		(162)	(40)
Other non-cash items[1]		(1,985)	1,420
Dividends received		38	61
Change in provisions		506	357
Change in deferred taxes		(106)	(205)
Change in inventories, trade and other receivables and payables		(640)	(1,279)
Cash flows from operating activities – from continuing operations		**4,340**	**5,392**
Cash flows from operating activities – discontinued operations		**578**	**(1,215)**
Total		**4,918**	**4,177**
Cash flows used in investing activities:			
Investments in property, plant and equipment and intangible assets		(2,448)	(1,960)
Investments in joint ventures, associates, unconsolidated subsidiaries and financial assets		(869)	(2,928)
Proceeds from disposal of investments, tangible, intangible and financial assets		(289)	165
Net change in financial assets		(7,361)	(932)
Other changes		178	130
Cash flows used in investing activities from continuing operations		**(10,789)**	**(5,525)**
Net cash proceeds from disposal of PartnerRe Group	3	6,972	—
Deconsolidation of FCA Group	3	—	(22,532)
Other cash flows used in investing activities		(282)	(1,533)
Cash flows used in investing activities- discontinued operations		**6,690**	**(24,065)**
Total		**(4,099)**	**(29,590)**
Cash flows used in financing activities:			
Issuance of notes	26	1,197	1,355
Repayment of notes	26	(1,276)	(2,258)
Proceeds of other long-term debt	26	1,706	729
Repayment of other long-term debt	26	(1,118)	(562)
Net change in short-term debt and other financial assets/liabilities	26	3,231	(615)
Exercise of stock options		1	12
Buyback of treasury shares		(255)	—
Dividends paid		(601)	(455)
Other changes		(571)	(143)
Cash flows used in financing activities from continuing operations		**2,312**	**(1,937)**
Cash flows used in financing activities – discontinued operations		**(180)**	**(251)**
Total		**2,132**	**(2,188)**
Translation exchange differences		**137**	**502**
Total Change in Cash and cash Equivalents		**3,088**	**(27,099)**
Cash and cash equivalents at the end of the period		**11,577**	**8,489**
Less Cash and cash equivalents at the end of the period included in Assets held for sale	3	**—**	**(584)**
Cash and cash equivalents at the end of the period		**11,577**	**7,905**

1. In 2022 mainly related to the share in the profit (loss) of the investments accounted by the equity method. In 2021 mainly related to the share in the profit (loss) of the investments accounted by the equity method.

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share Capital	Treasury Stock Reserve	Other reserves	Cash flow hedge reserve	Currency translation differences	Financial assets measured at FVTOCI	Remeasure -ment of defined benefit plans	Cumulative share of OCI of equity method investments	Total Owners of the parent	Non-controlling interests	Total
At 1 January 2021	**2**	**(298)**	**15,347**	**11**	**(1,259)**	**(24)**	**(298)**	**(391)**	**13,090**	**24,570**	**37,660**
Share-based compensation	—	—	72	—	—	—	—	—	**72**	73	**145**
Buyback of treasury shares	—	—	—	—	—	—	—	—	**—**	—	**—**
Capital increase by subsidiaries	5	—	(5)	—	—	—	—	—	**—**	182	**182**
Dividends	—	—	(100)	—	—	—	—	—	**(100)**	(2,387)	**(2,487)**
Total comprehensive income	—	—	1,717	35	1,143	57	106	753	**3,811**	3,731	**7,542**
Loss of control of FCA Group and recognition of Stellantis	—	—	—	—	—	—	124	(124)	**—**	(18,044)	**(18,044)**
Effect of the change in the percentage ownership of companies[1]	—	—	(17)	—	—	—	—	—	**(17)**	(5)	(22)
Other changes	—	—	(114)	—	—	—	—	17	**(97)**	(509)	**(606)**
At 31 December 2021	**7**	**(298)**	**16,900**	**46**	**(116)**	**33**	**(68)**	**255**	**16,759**	**7,611**	**24,370**

1. Of which -€2 million relates to the CNH Industrial Group, +€2 million relates to the Ferrari Group, -€24 million relates to the Welltec Group and +€7 million relates to Exor Seeds.

(€ million)	Share Capital	Treasury Stock Reserve	Other reserves	Cash flow hedge reserve	Currency translation differences	Financial assets measured at FVTOCI	Remeasure -ment of defined benefit plans	Cumulative share of OCI of equity method investments	Total Owners of the parent	Non-controlling interests	Total
At 1 January 2022	**7**	**(298)**	**16,900**	**46**	**(116)**	**33**	**(68)**	**255**	**16,759**	**7,611**	**24,370**
Share-based compensation	—	—	64	—	—	—	—	—	**64**	89	**153**
Buyback of treasury shares	—	(255)	—	—	—	—	—	—	**(255)**	—	**(255)**
Capital increase	—	—	—	—	—	—	—	—	**—**	—	**—**
Dividends	—	—	(99)	—	—	—	—	—	**(99)**	(486)	**(585)**
Total comprehensive income	—	—	4,227	49	829	(290)	48	449	**5,312**	2,338	**7,650**
Disposal of PartnerRe	—	—	(712)	(38)	(201)	(1)	(26)	67	**(911)**	(177)	**(1,088)**
Effect of the change in the percentage ownership of companies	—	—	(7)	—	(4)	—	(1)	12	**—**	—	—
Other changes	—	—	(202)	2	(59)	(1)	5	12	**(243)**	(332)	**(575)**
At 31 December 2022	**7**	**(553)**	**20,171**	**59**	**449**	**(259)**	**(42)**	**795**	**20,627**	**9,043**	**29,670**

(The accompanying notes are an integral part of these consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

EXOR N.V. ("Exor N.V." or "Exor" or the "Company" and together with its subsidiaries the "Exor Group" or the "Group"), was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 30 September 2015 and in 2016 became the holding company for the Exor Group following the cross-border merger with EXOR S.p.A. (the "Merger").

Exor is one of Europe's largest diversified holding companies and is controlled by Giovanni Agnelli B.V. (Giovanni Agnelli) which holds approximately 52% of its share capital.

Exor and its subsidiaries operate through CNH Industrial N.V. and its subsidiaries ("CNH Industrial" or the "CNH Industrial Group") in agricultural equipment, construction equipment and commercial vehicles, Iveco Group N.V. and its subsidiaries ("Iveco" or the "Iveco Group") in commercial vehicles, Ferrari N.V. and its subsidiaries ("Ferrari" or the "Ferrari Group") in luxury performance sports car, Juventus Football Club S.p.A. and its subsidiaries ("Juventus" or "Juventus Group") in the professional football sector and GEDI Gruppo Editoriale S.p.A. and its subsidiaries ("GEDI" or the "GEDI Group") in the media sector.

2. Basis of preparation and significant accounting policies

Authorization of consolidated financial statements and compliance with International Financial Reporting Standards

These consolidated financial statements, together with the notes thereto, at and for the year ended 31 December 2022 (the "Consolidated Financial Statements") were authorised for issuance on 17 April 2023 and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as adopted by European Union ("EU-IFRS") and Part 9 of Book 2 of the Dutch Civil Code. The designation "IFRS" also includes International Accounting Standards ("IAS") as well as all interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of preparation

The Consolidated Financial Statements are prepared under the historical cost convention, except where the use of fair value is required for the measurement of certain financial assets and derivatives, as well as on the going concern assumption. In this respect the Group's assessment is that no material uncertainties (as defined in IAS 1 – Presentation of Financial Statements) exist about its ability to continue as a going concern. Despite operating in a continuously difficult economic and financial environment, including the Covid-19 pandemic, rising inflation, geopolitical instability and the conflict between Russia and Ukraine, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, in view also of the measures already undertaken by Exor and its subsidiaries and associates to preserve cash, contain costs, preserve industrial and financial flexibility and a strong liquidity position.

The Group's presentation currency is the Euro, which is also the functional currency of the Company and, unless otherwise stated, information is presented in millions of Euro.

Certain totals in the tables included in the Consolidated Financial Statements may not add due to rounding.

Format of the financial statements

The Group presents the income statement using a classification based on the function of expenses, rather than a presentation based on the nature of expenses, as it is more representative of the format used for internal reporting and management purposes and consistent with international practice.

As permitted by IAS 1 paragraph 60, until 31 December 2015, the statement of financial position was prepared using a mixed format for the presentation of current and non-current assets and liabilities. After the acquisition of PartnerRe Group in 2016, management assessed whether the application of the mixed format was still the best solution considering that the consolidated financial statements included both industrial companies and financial services companies (in particular PartnerRe operating in the reinsurance sector).

While a separate classification of current and non-current in the statement of financial position provided useful information for industrial business, for the entities that had diverse operations and for which financial services activities were significant (in particular considering the reinsurance business of PartnerRe), a presentation of assets and liabilities in increasing or decreasing order of liquidity provided information that was reliable and more relevant. On this basis, starting from 31 December 2016, the statement of financial position was presented in decreasing order of liquidity as permitted by IAS 1 paragraph 60.

Following the classification of PartnerRe as a discontinued operation pursuant to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations in the consolidated financial statements at 31 December 2021 and 31 December 2022, management assessed whether the presentation in decreasing order of liquidity was still applicable for a group with subsidiaries that operate in industrial business and have diverse operations and for which the financial activities are significant (in particular CNH Industrial, Iveco Group and Ferrari) and concluded that the application of a separate classification of current and non-current assets in the statement of financial position provides more useful information.
In particular, (as in the past before the acquisition of PartnerRe), management has adopted the mixed format where only the assets are classified as current and non-current. The investment portfolio of the financial services companies of CNH Industrial, Iveco Group and Ferrari are included within current assets as the investments are realized in their normal operating cycle. However, the financial services structure of such groups does not allow for the separation between current and non-current of the liabilities funding the financial services operations and of those funding the industrial operations. The structure of financial services within the Group means that any attempt to separate current and non-current liabilities in the consolidated statement of financial position is not meaningful.

Furthermore, certain line items within the prior period' statement of financial position have been reclassified to other line items. These reclassifications had no effect on the Group's consolidated results of operations, financial position or cash flows.

The tables below summarize all changes in presentation from the prior period to the current period (amounts in €/million).

At 31 December 2021 (as previously reported)		Reclassified in Current investments and other current financial assets	Reclassified from other assets to non current and current other assets	Other reclassification		At 31 December 2021
(€ million)						
Assets						**Assets**
Intangible assets	8,639				8,639	Intangible assets
Property, plant and equipment	7,777			(1,592)	6,185	Property, plant and equipment
Investments and other financial assets	12,746	(12,746)			—	
		11,835			11,835	Investments and other financial assets - Non-current
Investments of reinsurance companies	—				—	Investments of reinsurance companies
				1,592	1,592	Leased assets
			78		78	Other non current assets
Deferred tax assets	1,165				1,165	Deferred tax assets
		(911)	78	—	**27,902**	**Total Non-current assets**
Inventories	6,951				6,951	Inventories
Trade and other receivables	18,415			(17,689)	726	Trade receivables
				17,689	17,689	Receivable from financing activities
			137		137	Current tax receivables
		911			911	Investments and other financial assets - Current
Other assets	1,630		(1,630)		—	
			1,415		1,415	Other current assets
Cash and cash equivalents	7,905				7,905	Cash and cash equivalents
		911	(78)	—	**35,734**	**Total Current assets**
Assets held for sale	25,883				25,883	Assets held for sale
Total Assets	**91,111**	—	—	—	**91,111**	**Total Assets**
Equity and Liabilities					—	**Equity and Liabilities**
Equity attributable to owners of the parent	16,759				16,759	Issued capital and reserves attributable to owners of the parent
Non-controlling interests	7,611				7,611	Non-controlling interests
Total Equity	**24,370**	—	—	—	**24,370**	**Total Equity**
Liabilities					—	**Liabilities**
Provisions for employee benefits	1,592				1,592	Provisions for employee benefits
Other provisions	3,384				3,384	Other provisions
Technical reserves reinsurance companies	—				—	Technical reserves reinsurance companies
Deferred tax liabilities	358				358	Deferred tax liabilities
Financial debt and derivative liabilities	28,950				28,950	Financial debt and derivative liabilities
Trade liabilities	7,040				7,040	Trade payables
Tax liabilities	1,205				1,205	Tax liabilities
Other liabilities	5,987				5,987	Other liabilities
Liabilities held for sale	18,225				18,225	Liabilities held for sale
Total Liabilities	**66,741**	—	—	—	**66,741**	**Total Liabilities**
Total Equity and Liabilities	**91,111**	—	—	—	**91,111**	**Total Equity and Liabilities**

The statement of cash flows is presented using the indirect method.

New standards and amendments effective from 1 January 2022

The following amendments and interpretations, which were effective from 1 January 2022, were adopted by the Group. The adoption of these amendments had no material impact on the Consolidated Financial Statements.

Amendments to IAS 16 — Property, Plant and Equipment

In May 2020 the IASB issued amendments to IAS 16 — Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use and clarify the meaning of "testing whether an asset is functioning properly". These amendments are effective retrospectively from 1 January 2022. These amendments had no impact on these Consolidated Financial Statements.

Amendments to IAS 37 — Provisions, Contingent Liabilities and Contingent Assets

In May 2020 the IASB issued amendments to IAS 37 — Provisions, Contingent Liabilities and Contingent Assets, which specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract, including both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. These amendments are effective retrospectively from 1 January 2022. These amendments had no impact on these Consolidated Financial Statements.

Annual Improvements to IFRSs 2018 - 2020 Cycle

In May 2020 the IASB issued Annual Improvements to IFRSs 2018 - 2020 Cycle. The improvements have amended four standards with effective date 1 January 2022: i) IFRS 1 — First-time Adoption of International Financial Reporting Standards in relation to allowing a subsidiary to measure cumulative translation differences using amounts reported by its parent, ii) IFRS 9 — Financial Instruments in relation to which fees an entity includes when applying the '10 percent' test for derecognition of financial liabilities, iii) IAS 41 — Agriculture in relation to the exclusion of taxation cash flows when measuring the fair value of a biological asset, and iv) IFRS 16 — Leases in relation to an illustrative example of reimbursement for leasehold improvements.

Amendments to IFRS 3 — Business combinations

In May 2020 the IASB issued amendments to IFRS 3 — Business combinations to update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Accounting standards, amendments and interpretations not yet applicable and not early adopted

The main standards, amendments and interpretations not yet applicable and not early adopted by the Group are listed below.

Amendments to IAS 1 — Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

In February 2021 the IASB issued the amendments to IAS 1 — Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies which require companies to disclose their material accounting policy information rather than their significant accounting policies and provide guidance on how to apply the concept of materiality to accounting policy disclosures. These amendments are effective on or after 1 January 2023. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimate

In February 2021 the IASB issued amendments to IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates which clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. These amendments are effective on or after 1 January 2023. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IAS 12 — Income Taxes: Deferred Tax related to Assets and Liabilities Arising From a Single Transaction

In May 2021 the IASB issued amendments to IAS 12 — Income Taxes: Deferred Tax related to Assets and Liabilities Arising From a Single Transaction that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments clarify that no exemption applies on such transactions and that companies are required to recognize deferred tax when they recognize the related assets or liabilities for the first time. These amendments are effective on or after 1 January 2023, with early application permitted. The Group does not expect any material impact from the adoption of these amendments.

Furthermore, at the date of these Consolidated Financial Statements, the European Union has not yet completed its endorsement process for the amendments and improvements reported below.

Effective dates refer to those as issued by the IASB and may differ from those of the EU when the relevant standard is endorsed. The Group is currently evaluating the impact of the adoption of the following amendments on its Consolidated Financial Statements or disclosures and will introduce any new standards, amendments and interpretations once they are endorsed by European Union and as of their effective dates.

- On 22 September 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

The Group considers all the facts and circumstances in determining whether it controls an entity when it owns less than the majority of the voting rights or similar rights of the entity.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control, as indicated in paragraph 7 of IFRS 10.

Subsidiaries are consolidated on a line-by-line basis from the date on which control is achieved by the Group until the date that control ceases.

Equity attributable to non-controlling interests and non-controlling interests in the profit (loss) of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the statement of financial position and income statement respectively. Losses applicable to non-controlling interests that exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as an equity transaction. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners of the parent.

Subsidiaries are deconsolidated from the date that control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts, derecognizes the carrying amount of non-controlling interests in the former subsidiary and recognizes the fair value of any consideration received for the transaction.

Any retained interest in the former subsidiary is recognized at fair value. Any gains or losses recognized in other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e., reclassified to the income statement or transferred directly to retained earnings as required by other IFRS).

Subsidiaries that are either dormant or generate a negligible volume of business, are not consolidated. Their impact on the Group's assets, liabilities, financial position and profit/(loss) attributable to the owners of the parent is immaterial.

Associates

Associates are entities over which the Group has significant influence, as defined in IAS 28 – Investments in Associates and Joint Ventures. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies.

Investments in associates are accounted for using the equity method from the date that joint control or significant influence commences until the date it ceases. When the Group’s share of losses of an associate, if any, exceeds the Group’s interest in that associate, the carrying amount is reduced to nil and recognition of further losses is discontinued. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

Joint ventures and joint operations

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

When the Group undertakes its activities under joint operations, it recognizes its related interest in the joint operation including: (i) its assets, including its share of any assets held jointly, (ii) its liabilities, including its share of any liabilities incurred jointly, (iii) its revenue from the sale of its share of the output arising from the joint operation, (iv) its share of the revenue from the sale of the output by the joint operation and (v) its expenses, including its share of any expenses incurred jointly.

Investments in other companies

Investments in other companies are measured at fair value. Equity investments for which there is no quoted market price in an active market and insufficient financial information to determine fair value are measured at cost as an estimate of fair value, as permitted by IFRS 9. The Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income upon the initial recognition of an equity investment that is not held to sell. This election is made on an investment-by-investment basis. Dividends received from these investments are included in Other income/(expenses) from investments.

Transactions eliminated in consolidation

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated. Unrealized gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group’s interest in those entities. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

Foreign currency transactions

The functional currency of the Group’s entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign entities

All assets and liabilities of subsidiaries with a functional or reporting currency other than the Euro are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

The goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the functional currency and translated at the exchange rate at the acquisition date. These balances are subsequently retranslated at the exchange rate at the balance sheet date.

Iveco Group and CNH Industrial apply IAS 29 – Financial reporting in hyperinflationary economies for subsidiaries that prepare their financial statements in a functional currency of a hyperinflationary economy. According to this standard, non-monetary assets and liabilities not yet translated into the respective group's reporting currency at the reporting date are redetermined using a general price index. The financial statements of these subsidiaries are then translated at the closing spot rate.

The principal exchange rates used to translate other currencies into Euro are as follows:

	2022		2021	
	Average	At 31 December	Average	At 31 December
U.S. dollar	1.053	1.067	1.183	1.133
Brazilian real	5.439	5.568	6.378	6.310
Chinese renminbi	7.079	7.358	7.628	7.195
Polish zloty	4.687	4.690	4.565	4.597
Czech Koruna	24.566	24.116	25.640	24.858
Argentinian peso(1)	188.906	188.906	121.381	116.239
British pound	0.853	0.887	0.860	0.840
Swiss franc	1.005	0.985	1.081	1.033
Canadian dollar	1.370	1.444	1.486	1.439
Hong Kong dollar	8.245	8.316	9.193	8.833
Danish krone	7.440	7.437	7.437	7.436
Singapore dollar	1.451	1.430	1.589	1.528
Australian dollar	1.517	1.569	1.575	1.562
Japanese Yen	138.027	140.660	129.877	130.380
Turkish lira(2)	19.953	19.953	10.512	15.234

(1) Starting from 1 July 2018 Argentina's economy was considered to be hyperinflationary. From that date, transactions for entities with the Argentina peso as the functional currency were translated using the closing spot rate.
(2) Starting from 2022, Turkey's economy was considered to be hyperinflationary. With effect 1 January 2022, transactions for entities with the Turkish lira as the functional currency were translated using the closing spot rate.

Date of reference

The investments are consolidated using the financial statements at 31 December, Exor's year-end closing date, which cover a 12-month period, or accounting data prepared at the same date (whenever the closing date is different from Exor's), adjusted, where necessary, to conform with the accounting principles of the Group.

The Economist Group, whose financial year closes on 31 March of each year, has been consolidated using the equity method on the basis of the most recent data available (30 September 2022). At 31 December 2022 there were no significant variations to The Economist Group data used for the purposes of these consolidated financial statements.

Assets Held for Sale and Discontinued Operations

Pursuant to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group and the sale is highly probable, with the sale expected to be completed within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented separately in the consolidated statement of financial position. Non-current assets and disposal groups are not classified as held for sale within the consolidated statement of financial position for the comparative period.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale and (i) represents either a separate major line of business or a geographical area of operations, (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or (iii) is a subsidiary acquired exclusively with a view to resell and the disposal involves loss of control.

Classification as a discontinued operation occurs upon disposal or when the asset or disposal group meets the criteria to be classified as held for sale, if earlier. When the asset or disposal group is classified as a discontinued operation, the comparative information is reclassified within the consolidated income statement as if the asset or disposal group had been discontinued from the start of the earliest comparative period presented.

Business combinations

Business combinations are accounted for applying the acquisition method. Under this method:

- the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred and liabilities assumed by the Group and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred;
- at the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at that date, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefit arrangements, liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree, assets (or disposal groups) that are classified as held for sale, which are measured in accordance with the relevant standard;
- goodwill is measured as the excess of the aggregate of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a gain from a bargain purchase;
- non-controlling interest is initially measured either at fair value or at the non-controlling interest’s proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by-transaction basis;
- any contingent consideration arrangement in the business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in the business combination in order to determine goodwill. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognized retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which may not exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date. Any changes in fair value after the measurement period are recognized in profit or loss.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in the income statement under Result from investments. Changes in the equity interest in the acquiree that have been recognized in other comprehensive income in prior reporting periods are reclassified to the income statement as if the equity interest had been disposed of.

Fair value measurement

Some of the Group’s assets and liabilities are measured at fair value at the balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or a liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Additional information about fair value, fair value hierarchy, valuation techniques and inputs used in determining the fair value of assets and liabilities is provided in Note 16, Note 31 and, where required, in the individual notes relating to the assets and liabilities whose fair values were determined.

In addition, fair value measurements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement dated;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3: inputs that are not based on observable market data.

Intangible assets

Goodwill

Goodwill represents the excess of the fair value of consideration paid over the fair value of net tangible and identifiable intangible assets acquired in a business combination. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually or more frequently if events or circumstances indicate that the asset may be impaired.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at purchase or production cost less amortization and cumulative impairment losses. Amortization is calculated on a systematic basis over the asset's useful life and begins when the asset is available for use.

The main intangible assets with a finite useful life are as follows:

Development costs

Development costs for vehicle production projects (trucks, buses, agricultural and construction equipment and engines) are recognized as an asset if and only if both of the following conditions are met: a) development costs can be measured reliably, and b) the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalized development costs are amortized on a systematic basis from the start of production of the related product over the product's estimated average life, as follows:

	Trucks and buses	Agricultural and Construction Equipment	Engines
Number of years	4-8	5	8-10

All other development costs which do not meet the above criteria are expensed as incurred.

Players' registration rights

Players' registration rights are recognized at cost, including auxiliary expenses, and discounted to present value. They are amortized on a straight-line basis over the duration of the contracts the company has signed with the individual football players.

Other intangible assets

Other intangible assets with a finite useful life are recognized in accordance with IAS 38 – Intangible Assets when it is probable that the use of the asset will generate future economic benefits for the Group and the cost of the asset can be measured reliably. Other intangible assets are recorded at purchase or production cost and amortized on a straight-line basis over their estimated useful lives. Other intangible assets recognized subsequent to the acquisition of a company are recorded separately from goodwill if their fair value can be measured reliably.

Property, plant and equipment

Cost

Property, plant and equipment is initially recognized at cost which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant or equipment or an intangible asset that is deemed to be a qualifying asset are capitalized. All other borrowing costs are expensed when incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Buildings	Plant, machinery and equipment	Other assets
Depreciation rate	**2.5% - 10%**	**3% - 33%**	**3% - 33%**

Land is not depreciated.

Lease accounting policy

Lessee accounting

A lease is a contract that conveys the right to control the use of an identified asset (the leased asset) for a period of time in exchange for consideration. The lease term determined by the Group comprises the non-cancellable period of lease contract together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. For real estate leases, this assessment is based on an analysis by management of all relevant facts and circumstances including the leased asset's purpose, the economic and practical potential for replacing and any plans that the Group has in place for the future use of the asset. The Group combines lease and non-lease components.

For leases with terms not exceeding twelve months (short-term leases) and for leases of low-value assets, the Group recognizes the lease payments associated with those leases on a straight-line basis over the lease term as operating expense in the income statement.

For all other leases, at the commencement date (i.e., the date the underlying asset is available for use), the Group recognizes a right-of-use asset, classified within Property, plant and equipment, and a lease liability, classified within Other Debt.

At the commencement date, the right-of-use asset includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the same date, the lease liability is measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The incremental borrowing rate is determined considering macro-economic factors such as the specific interest rate curve based on the relevant currency and term, as well as specific factors contributing to Group's credit spread. The Group primarily uses the incremental borrowing rate as the discount rate for its lease liabilities.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated on a straight-line basis. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

After the commencement date, the lease liability is increased to reflect the accretion of interest, recognized within Financial income/(expenses) in the income statement, reduced for the lease payments made and remeasured to reflect any reassessment or lease modifications.

Before the adoption of IFRS 16, where the Group entered as lessee in a lease contract classified as finance, assuming substantially all the risks and rewards of ownership, assets held under finance lease were recognized as assets of the Group at the lower of fair value or present value of the minimum lease payments and depreciated. The corresponding liability to the lessor was included in the financial statement as a debt. Where the Group entered as lessee in a lease contract classified as operating, the lessor retained substantially all the risks and rewards of ownership of the asset. Operating lease expenditures were expensed on a straight-line basis over the lease terms.

Lessor accounting

Lease contracts where the Group acts as a lessor, can be classified as either an operating lease or finance lease. Leases where a significant portion of the risks and rewards are retained by the lessor are classified as operating leases. Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as a finance leases.

Where the Group is the lessor in a finance lease, the future minimum lease payments from lessees are classified as Receivables from financing activities. Lease payments are recognized as repayment of the principal and financial income remunerating the initial investment and the services provided.

Where the Group is the lessor in an operating lease, income from operating leases is recognized over the term of the lease on a straight-line basis. Leased assets include equipment leased to retail customers by the Group's leasing companies. They are stated at cost and depreciated at annual rates of between 20% and 33%.

The Group evaluates the carrying amount of equipment on operating leases for potential impairment when it determines a triggering event has occurred. When a triggering event occurs, a test for recoverability is performed comparing projected undiscounted future cash flows to the carrying amount of the asset. If the test for recoverability identifies a possible impairment, the asset’s fair value is measured in accordance with the fair value measurement framework. An impairment charge would be recognized for the amount by which the carrying amount of the asset exceeds its estimated fair value.

When leased assets are no longer leased and become held for sale, the Group reclassifies their carrying amount to Inventories

Impairment of assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. Assets with finite useful lives are tested for impairment only if impairment indicators are present. At the end of each reporting period the Group assesses whether there is any indication that its finite-lived intangible assets (including capitalized development expenditures) and its property, plant and equipment may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount, that is, the higher of fair value less costs of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Where an impairment loss for assets, other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in the income statement immediately.

Financial assets and liabilities

Financial assets primarily include trade receivables, receivables from financing activities, investments in other companies, derivative financial instruments, cash and cash equivalents and debt securities that represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents.

Financial liabilities primarily consist of debt, derivative financial instruments, trade payables and other liabilities.
Receivables from dealer financing activities are typically generated by sales of vehicles and are generally managed under dealer network financing programs. These receivables are interest-bearing with the exception of an initial, limited, non-interest-bearing period. The contractual terms governing the relationships with the dealer networks vary according to market and payment terms, which range from two to twelve months.

Classification and measurement

The classification of a financial asset is dependent on the Group's business model for managing such financial assets and their contractual cash flows. The Group considers whether the contractual cash flows represent solely payments of principal and interest that are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at fair value through profit or loss ("FVTPL").

Financial asset cash flow business model	Initial measurement(1)	Measurement category(3)
Solely to collect the contractual cash flows represented by principal and interest (Held to Collect)	Fair Value including transaction costs	Amortized Cost(2)
Collect both the contractual cash flows and generate cash flows arising from the sale of assets (Held to Collect and Sell)	Fair Value including transaction costs	Fair value through other comprehensive income ("FVTOCI")
Generate cash flows primarily from the sale of assets (Held to Sell)	Fair Value	Fair value through profit and loss ("FVTPL")

(1) A trade receivable without a significant financing component, as defined by IFRS 15, is initially measured at the transaction price.
(2) Receivables with maturities of over one year, which bear no interest or have an interest rate significantly lower than market rates are discounted using market rates.
(3) On initial recognition, the Group may irrevocably designate a financial asset at FVTPL that otherwise meets the requirements to be measured at amortized cost or at FVTOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Factors considered by the Group in determining the business model for a group of financial assets include:

- past experience on how the cash flows for these assets were collected;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales activity expectations;
- how the asset's performance is evaluated and reported to key management personnel; and
- how risks are assessed and managed and how management is compensated.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Cash and cash equivalents include cash at banks, units in money market funds and other money market securities, commercial paper and Certificates of deposits that are readily convertible into cash, with original maturities of three months or less at the date of purchase. Cash and cash equivalents are subject to an insignificant risk of changes in value and consist of balances across various primary national and international money market instruments. Money market funds consist of investments in high quality, short-term, diversified financial instruments that can generally be liquidated on demand and are measured at FVTPL. Cash at banks and other cash equivalents are measured at amortized cost.

Investments in other companies are measured at fair value. The Group may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income ("OCI") upon the initial recognition of an equity investment that is not held to sell. This election is made on an investment-by-investment basis. Generally, any dividends from these investments are recognized in Other income from investments within Result from investments when the Group's right to receive payment is established.

Other net gains and losses are recognized in OCI and will not be reclassified to the consolidated income statement in subsequent periods. Impairment losses (and the reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value in OCI.

Impairment of financial assets

The IFRS 9 impairment requirements are based on a forward-looking expected credit loss ("ECL") model. ECL is a probability-weighted estimate of the present value of cash shortfalls.

These estimates were assessed on an individual basis, taking into account the ageing of customers' balances, specific credit circumstances and historical experience, and on a collective basis, using loss forecast models that considered a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and delinquency.

In accordance with IFRS 9, the simplified approach, which requires recognition of expected lifetime losses, was applied to trade receivables. For receivables from financing activities the Group applied the general approach recording the credit losses either on a 12-month or lifetime basis.

The simplified approach for determining the lifetime ECL allowance is performed in two steps:

- All trade receivables that are in default, as defined below, are individually assessed for impairment; and
- A general reserve is recognized for all other trade receivables (including those not past due) based on historical loss rates.

The Group considers a financial asset to be in default when: (i) the borrower is unlikely to pay its obligations in full and without consideration of compensating guarantees or collateral (if any exist); or (ii) the financial asset is more than 90 days past due.

The Group applies the general approach as determined by IFRS 9 by assessing at each reporting date whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The Group considers receivables to have experienced a significant increase in credit risk when certain quantitative or qualitative indicators have been met or the borrower is more than 30 days past due on its contractual payments.

The "three-stages" for determining and measuring the impairment based on changes in credit quality since initial recognition are summarized below:

Stage	Description	Time period for measurement of ECL
Stage 1	A financial instrument that is not credit impaired on initial recognition	12-month ECL
Stage 2	A financial instrument with a significant increase in credit risk since initial recognition	Lifetime ECL
Stage 3	A financial instrument that is credit-impaired or has defaulted	Lifetime ECL

Considering forward-looking economic information, ECL is determined by projecting the probability of default, exposure at default and loss given default for each future contractual period and for each individual exposure or collective portfolio.
The discount rate used in the ECL calculation is the stated effective interest rate or an approximation thereof. Each reporting period, the assumptions underlying the ECL calculation are reviewed and updated as necessary. Since adoption, there have been no significant changes in estimation techniques or in significant assumptions that led to material changes in the ECL allowance.

The gross carrying amount of a financial asset is written-off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that a debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities.

Hedge accounting

Derivative financial instruments are used for economic hedging purposes, in order to reduce currency, interest rate and market price risks (primarily related to commodities and securities).

The fair value of other financial assets and liabilities, which mainly include derivative financial instruments, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial environment.

In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rates and interest rates at the balance sheet date;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps is determined using the exchange rates and interest rates prevailing at the balance sheet date and the discounted expected cash flow method;
- the fair value of swaps and options hedging commodity price risk is determined by using suitable valuation techniques and taking market parameters at the balance sheet date (in particular, underlying prices, interest rates and volatility rates).

IFRS 9 aims to simplify hedge accounting and to reflect the effect of an entity's risk management activities in the financial statements, allowing more hedging instruments and hedged items to qualify for hedge accounting.

Fair value hedges
Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability attributable to a particular risk that could affect the Consolidated Income Statement, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the Consolidated Income Statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the Consolidated Income Statement.

Cash flow hedges
Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect the Consolidated Income Statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in Other comprehensive income/(loss). When the hedged forecasted transaction results in the recognition of a non-financial asset, the gains and losses previously deferred in Other comprehensive income/(loss) are reclassified and included in the initial measurement of the cost of the non-financial asset. The effective portion of any gain or loss is recognized in the Consolidated Income Statement at the same time as the economic effect arising from the hedged item that affects the Consolidated Income Statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the Consolidated Income Statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains and is recognized in the Consolidated Income Statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income/(loss) is recognized in the Consolidated Income Statement immediately.

Hedges of a net investment
If a derivative financial instrument is designated as a hedging instrument for a net investment in a foreign operation, the effective portion of the gain or loss on the derivative financial instrument is recognized in Other comprehensive income/(loss). The cumulative gain or loss is reclassified from Other comprehensive income/(loss) to the Consolidated Income Statement upon disposal of the foreign operation.
Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match closely or exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match closely or perfectly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is measured by comparing the cumulative changes in fair value of the hedging instrument and cumulative change in fair value of the hedged item arising from the designated risk. The primary potential sources of hedge ineffectiveness are mismatches in timing or the critical terms of the hedged item and the hedging instrument.

The hedge ratio is the relationship between the quantity of the derivative and the hedged item. The Group's derivatives have the same underlying quantity as the hedged items, therefore the hedge ratio is expected to be one for one.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the Consolidated Income Statement.

Transfers of financial assets

The Group derecognizes financial assets when the contractual rights to the cash flows arising from the asset are no longer held or if it transfers substantially all the risks and rewards of ownership of the financial asset. On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the Consolidated Income Statement.

The Group transfers certain of its financial, trade and tax receivables, mainly through factoring transactions. Factoring transactions may be either with recourse or without recourse. Certain transfers include deferred payment clauses requiring first loss cover (for example, when the payment by the factor of a minor part of the purchase price is dependent on the total amount collected from the receivables), whereby the transferor has priority participation in the losses, or requires a significant exposure to the variability of cash flows arising from the transferred receivables to be retained. These types of transactions do not meet the requirements of IFRS 9 for the derecognition of the assets since the risks and rewards connected with ownership of the financial asset are not substantially transferred, and accordingly the Group continues to recognize these receivables within the Consolidated Statement of Financial Position and recognizes a financial liability for the same amount under Asset-backed financing, which is included within Financial Debt. These types of receivables are classified as held-to-collect, since the business model is consistent with the Group's continuing recognition of the receivables.

The fair value of financial instruments is measured in accordance with a fair value hierarchy that prioritizes the information used to measure fair value into three broad levels. Transfers between the hierarchy levels are recognized at the beginning of the period.

Inventories

Inventories of raw materials, semi-finished products and finished goods (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first-in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labour and indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

Employee benefits

Defined contribution plans

Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans

The Group's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods and deducting the fair value of any plan assets. The present value of the defined benefit obligation is measured using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible and attribute benefits to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method. Plan assets are recognized and measured at fair value.

When the net obligation is a potential asset, the recognized amount is limited to the present value of any economic benefits available in the form of future refunds or reductions in future contributions to the plan (asset ceiling).

The components of the defined benefit cost are recognized as follows:

- the service costs are recognized in the income statement by function and presented in the relevant line items (cost of sales, selling, general and administrative costs, research and development costs, etc.);
- the net interest on the defined benefit liability or asset is recognized in the income statement as financial income (expenses), and is determined by multiplying the net liability (asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year;
- the remeasurement components of the net obligations, which comprise actuarial gains and losses, the return on plan assets (excluding interest income recognized in the income statement) and any change in the effect of the asset ceiling are recognized immediately in Other comprehensive income. These remeasurement components are not reclassified in the Consolidated Income Statement in a subsequent period.

Past service costs arising from plan amendments and curtailments are recognized immediately in the income statement.

Other long-term employee benefits

The Group's obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long-term employee benefits are recognized in the Consolidated Income Statement in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of i) when the Group can no longer withdraw the offer of those benefits and ii) when the Group recognizes costs for a restructuring.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that are to be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the plan with a corresponding increase in equity.

Share-based compensation plans that are to be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value do not have any effect on the initial measurement and are recognized in the income statement.

Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Changes in estimates of provisions are reflected in the Consolidated Income Statement in the period in which the change occurs.

Treasury stock

The cost of any own share purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Revenue is recognized when control of the vehicles, equipment, services or parts has been transferred and the Group's performance obligations to its customers have been satisfied. Revenue is measured as the amount of consideration the Group expects to receive in exchange for transferring goods or providing services.

The timing of when the Group transfers the goods or services to the customer may differ from the timing of the customer's payment.

Revenues are stated net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, which are determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized.

The Group also enters into contracts with multiple performance obligations. For these contracts, the Group allocates revenue from the transaction price to the distinct goods and services in the contract on a relative standalone selling price basis. To the extent that the Group sells the good or service separately in the same market, the standalone selling price is the observable price at which the Group sells the good or service separately. For all other goods or services, the Group estimates the standalone selling price using a cost-plus-margin approach.

Sales of goods

The Group has determined that the customers from the sale of vehicles, equipment and parts are generally dealers, distributors and retail customers.

Transfer of control, and thus related revenue recognition, generally corresponds to when the vehicles, equipment and parts are made available to the customer. Therefore, the Group recognizes revenue at a point in time, when control is transferred to the customer at a sale price that the Group expects to receive.

For all sales, no significant uncertainty exists surrounding the purchaser's obligation to pay for vehicles, equipment and parts. The Group records appropriate allowance for credit losses and anticipated returns as required. Fixed payment schedules exist for all sales, but payment terms vary by geographic market and product line.

The cost of incentives, if any, is estimated at the inception of a contract at the expected amount that will ultimately be paid and is recognized as a reduction to revenue at the time of the sale. If a vehicle or equipment contract transaction has multiple performance obligations, the cost of incentives is allocated entirely to the vehicle or equipment as the intent of the incentives is to encourage sales of vehicles or equipment. If the estimate of the incentive changes following the sale to the customer, the change in estimate is recognized as an adjustment to revenue in the period of the change. The Group grants certain sales incentives to support sales of its products to retail customers. At the later of the time of sale or the time an incentive is announced to dealers, the Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. Subsequent adjustments to sales incentive programs related to products/vehicles previously sold are recognized as an adjustment to revenues in the period the adjustment is determinable.
The determination of sales allowances requires management to make estimates based upon historical data, estimated future market demand for products, field inventory levels, announced incentive programs, competitive pricing and interest rates, among other things.

With reference to the sales to dealers accompanied by "floor plan" agreements under which the Group offers wholesale financing including "interest-free" financing for a specified period of time (which also varies by geographic market and product line), two separate performance obligations exist. The first performance obligation consists of the sale of the equipment/vehicle to the dealer.
The interest-free financing represents a cash sale incentive recognized as a reduction of net sales. The second performance obligation consists of a credit facility extended to the dealer. The remuneration of this performance obligation is represented by the interest charged to the dealer. This remuneration is recognized over the period of the outstanding exposure.

For parts sales, when the Group provides its customers with a right to return a transferred product, revenue and corresponding cost of sales are recognized for parts that are not expected to be returned. The expected returns are estimated based on an analysis of historical experience. The portion of revenue (and corresponding cost of sales) related to the parts that are expected to be returned is recognized at the end of the return period. The amount received or receivable that is expected to be returned is recognized as a refund liability, representing the obligation to return the customer's consideration.

Furthermore, at the time of the initial sale, the Group recognizes a return asset for the right to recover the goods returned by the customer. This asset is initially measured at the former carrying amount of the inventory. At each reporting date, both the refund liability and the return asset are re-measured to record for any revisions to the expected level of returns, as well as any decreases in the value of the returned products.

Rendering of services

Revenues from services provided are primarily comprised of extended warranties and maintenance and repair services and are recognized over the contract period when the costs are incurred, that is when the claims are charged by the dealer. Amounts invoiced to customers for which the Group receives consideration before the performance is satisfied are recognized as contract liability. These services are either separately-priced or included in the selling price of the vehicle. In the second case, revenue for the services is allocated based on the estimated stand-alone selling price. In the event that the costs expected to be incurred to satisfy the remaining performance obligations exceed the transaction price, an estimated contract loss is recognized.

Shipping and other transportation activities performed as an agent are recognized on a net basis, by netting the related freight cost against the freight revenue.

Rents and other income on assets sold with buy-back commitments

The Group enters into transactions for the sale of vehicles to some customers with an obligation to repurchase ("buy-back commitment") the vehicles at the end of a period ("buy-back period") at the customer's request. For these types of arrangements, at inception, the Group assesses whether a significant economic incentive exists for the customer to exercise the option.

If the Group determines that a significant economic incentive exists for the customer to exercise the buy-back option, the transaction is accounted for as an operating lease. In such cases, vehicles are accounted for as Property, plant and equipment because the agreements typically have a long-term buy-back period. The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same period. The initial sale price received is recognized in "Other current liabilities" and is comprised of the repurchase value of the vehicle, and the rents to be recognized in the future recorded as contract liability. These rents are determined at the inception of the contract as the difference between the initial sale price and the repurchase price and are recognized as revenue on a straight-line basis over the term of the agreement. At the end of the agreement term, upon exercise of the option, the used vehicles are reclassified from Property, plant and equipment to Inventories. The proceeds from the sale of such vehicles are recognized as Revenues.

If the Group determines that a significant economic incentive does not exist for the customer to exercise the buy-back option, the transaction is treated as a sale with a variable consideration whose variable component is the buy-back provision accrual. The buy-back provision accrual is the difference between the repurchase price and the estimated market value of the used vehicle at the end of the buy-back period and is recorded only when the repurchase price is greater than the estimated market value of the used vehicle. The buy-back provision accrual is estimated and recognized as a reduction of revenues at the time of the sale. Any subsequent change following such periodic reassessment is recognized as a reduction of revenues at that time.

Finance and interest income of financial services activities

Finance and interest income on retail and other notes receivable and finance leases is recorded using the effective yield method. Deferred costs on the origination of financing receivables are recognized as a reduction in finance revenue over the expected lives of the receivables using the effective yield method. When a financial asset becomes credit-impaired and is, therefore, regarded as "Stage 3", the Group calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis. Receivables are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Delinquency is reported on receivables greater than 30 days past due. Charge-offs of principal amounts of receivables outstanding are deducted from the allowance at the point when it is determined to be probable that all amounts due will not be collected.

Cost of sales

Cost of sales comprises expenses incurred in the manufacturing and distribution of the Group's products, expenses directly attributable to the financial services and sports activities as follows:

Manufacturing and Distribution - all directly attributable material and production costs, all overheads directly related to production and/or the performance of services, depreciation of property, plant and equipment and the amortization of intangible assets relating to production and write-downs of inventories, freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales and provisions made to cover the estimated cost of product warranties.

Financial services - interest expenses related to financial services financing as a whole and provisions for risks and write-downs of assets.

Sports activities - includes costs for players' wages and technical staff, amortization and impairment losses on players' registration rights, operating and maintenance costs of sports facilities as well as all the costs incurred for sports events.

Government grants

Government grants are recognized when there is reasonable assurance that the Group is compliant with the conditions for receiving such grants and that the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated for accounting purposes as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and it is accounted for in accordance with the policies used for the recognition of government grants.

Income taxes

Income taxes include all taxes based upon the taxable profits of the Group. Income taxes are provided by each consolidated company on the basis of a reasonable estimate of the definition of taxable income for tax purposes, in accordance with existing laws in the individual countries in which the Group operates and takes into account tax credit entitlement.

Current and deferred taxes are recognized as income or expense and included in the Consolidated Income Statement for the period, except tax arising from a business combination or a transaction or event which is recognized, in the same or a different period, either in Other comprehensive income or directly in Equity.

Deferred taxes are accounted for under the full liability method.

Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their tax base, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit, or for differences related to investments in subsidiaries where reversal will not take place in the foreseeable future.

Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to the period when the asset is realized or liability is settled.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

The Group recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Group recognizes deferred tax liabilities associated with the existence of a subsidiary's undistributed profits, except when it is able to control the timing of the reversal of the temporary difference and it is probable that this temporary difference will not reverse in the foreseeable future.

The Group reassesses unrecognized deferred tax assets at the end of each year and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current income taxes and deferred taxes are offset when they relate to the same taxation authority and there is a legally enforceable right of offset.

Other taxes not based on income, such as property taxes and capital taxes, are included in other income (expenses).

Dividends

Dividends payable by the Group are reported as a movement in equity in the year in which they are approved by the shareholders' meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to owners of the parent entity by the weighted average number of common shares outstanding during the year. Special voting shares are not included in the earnings per share calculation as they are not eligible for dividends and have only limited economic rights. For diluted earnings per share, the weighted average number of common shares outstanding is adjusted assuming conversion of all shares having a potential dilutive effect.

Use of estimates

The Consolidated Financial Statements are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and related assumptions are based on elements that are known when the financial statements are prepared, on historical experience of the Group and on any other factors that are considered to be relevant. Actual results may differ from the estimates.

Particularly in light of the current economic uncertainty, developments may occur which may differ from Group's estimates and assumptions, and therefore might require significant adjustments to the carrying amounts of certain items, which as of the date of these Consolidated Financial Statements cannot be accurately estimated or predicted.

The principal items affected by estimates are the allowances for doubtful accounts receivable and inventories, non-current assets (tangible and intangible assets), the residual values of vehicles leased out under operating lease arrangements or sold with buy-back commitments, sales allowances, product warranties, pension and other post-employment benefits, deferred tax assets and contingent liabilities.

The estimates and underlying assumptions are reviewed periodically and if the items subject to estimates do not perform as assumed then the actual results could differ from the estimates, which would require adjustment accordingly. The effects of any changes in estimate are recognized in the Consolidated Income Statement in the period in which the adjustment is made, or also in future periods if the revision affects both current and future periods.

The following are the critical measurement processes and key assumptions and estimates which may have significant effects on the amounts recognized in the Consolidated Financial Statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future.

Recoverability of goodwill and intangible assets with indefinite useful lives

In accordance with IAS 36 – *Impairment of Assets*, goodwill and intangible assets with indefinite lives are not amortized and are tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired.

Goodwill and intangible assets with indefinite useful lives are allocated to operating segments or cash generating units ("CGUs") within the operating segments. The impairment test is performed by comparing the carrying amount and the recoverable amount of each CGU to which goodwill has been allocated.
If indicators of impairment are present, the carrying amount of the assets is reduced to its recoverable amount that is the higher of its fair value less disposal costs and its value in use. In assessing its value in use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized when the recoverable amount is lower than the carrying amount.

The assumptions used in the impairment test represent management's best estimate for the period under consideration including in relation to expected cash flows, growth rates, discount rates and future developments in the market where the Group operates.

Additional information about the impairment test on goodwill and intangible assets with indefinite useful lives is presented in Note 14 Intangible assets.

Recoverability of non-current assets with definite useful lives

Non-current assets with definite useful lives include property, plant and equipment, intangible assets and assets held for sale. Intangible assets with definite useful lives mainly consist of capitalized development expenditures of CNH Industrial Group and Ferrari Group. The Group's subsidiaries periodically review the carrying amount of non-current assets with definite useful lives when events or circumstances indicate that an asset may be impaired. The recoverability of non-current assets with definite useful lives is based on the estimated future cash flows, using the Group’s subsidiaries' current business plans of the cash generating units to which the assets relate.

The estimation of future cash flows is based on assumptions which are inherently uncertain in nature and therefore require management judgement.
The business plans of the Group’s subsidiaries could change in response to these evolving requirements and emerging technologies or in relation to any future business plans or strategies developed as part of partnership and collaborations, which may result in changes to estimated future cash flows and could affect the recoverability of non-current assets with definite useful lives. Any change in recoverability would be accounted for at the time such change to the business plan occurs.

Additional information about the impairment test on non-current assets with definite useful lives is presented in Note 15 Property, plant and equipment.

Residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment

The Group records assets rented to customers or leased to them under operating lease as tangible assets. Furthermore, new vehicle sales with a buy-back commitment are not recognized as sales at the time of delivery but are accounted for as operating lease if it is probable that the vehicle will be bought back. Income from such operating lease is recognized on a straight-line basis over the term of the lease. Depreciation expense for assets subject to operating lease is recognized on a straight-line basis over the lease term in amounts necessary to reduce the cost of an asset to its estimated residual value at the end of the lease term. The estimated residual value of leased assets is calculated at the lease commencement date on the basis of published industry information and historical experience and is reviewed quarterly. Realization of the residual values is dependent on the Group’s future ability to market the assets under the then-prevailing market conditions. The Group continually evaluates whether events and circumstances have occurred which impact the estimated residual values of the assets on operating lease. The used vehicle market is carefully monitored to ensure that write-downs are properly determined, however, it cannot be excluded that additional write-downs may be required if market conditions should deteriorate further.

Recognition of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized. The recoverability of deferred tax assets depends on the ability of the consolidated entities to generate sufficient future taxable income in the period in which it is assumed that the deductible temporary differences reverse and tax losses carried forward can be utilized.
The assessment of the recoverability of such deferred tax assets are autonomously made by each consolidated subsidiary, considering future taxable income based on the most recent budgets and plans prepared using the same criteria as those for the impairment of assets and goodwill.

Group's subsidiaries believe the amount of recognized deferred tax assets is appropriate, despite the risk of actual future results potentially being less than results included in these forecasts, considering many of the recognized net deferred tax assets relate to temporary differences and tax losses which, to a significant extent, may be recovered over an extended time period, but do not expire based on currently enacted tax law. As in all financial reporting periods, the Group's subsidiaries assessed the realizability of its various deferred tax assets, which related to multiple tax jurisdictions in all regions of the world. Given the uncertainty on evolution of certain macro-economic dynamics (i.e. Russia-Ukraine conflict, supply chain issue, energy price, it is reasonably possible the Group's recognition of deferred tax assets could change during 2023. Such changes could impact the Group's financial results.

Additional information about the recoverability of deferred tax assets is presented in Note 11 Tax expense.

Pension and other post-employment benefits

Group companies sponsor pension and other post-employment benefits in various countries, mainly in the United States, the United Kingdom and Germany.

Employee benefit liabilities, related assets, costs and net interest connected with them are measured on an actuarial basis which requires the use of estimates and assumptions to determine the net defined benefit liability/asset for the Group. The actuarial method takes into consideration parameters of a financial nature such as the discount rate, the rate for expected return on plan assets, the rate of salary increases and the healthcare costs trend rate and takes into consideration the likelihood of potential future events by using certain demographic parameters such as mortality rates and dismissal or retirement rates. The discount rates selected are based on yields or yield curves of high quality corporate bonds in the relevant market. Trends in healthcare costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends. Rates of salary increases reflect the Group's long-term actual expectations in the reference market and inflation trends. Changes in any of these assumptions may have an effect on future contributions to the plans.

The effects resulting from revising the estimates for the above parameters ("re-measurements") are recognized directly in other comprehensive income without reclassification to profit or loss in subsequent years: refer to "Employee benefits" section above for further details.

Significant future changes in the yields of corporate bonds, other actuarial assumptions referred to above and returns on plan assets may significantly impact the net liability/asset.

Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognized in the financial statements.

Sales allowance

The Group grants certain sales incentives to support sales of its products to retail customers. At the later of the time of sale or the time an incentive is announced to dealers, the Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. The expense for new programs is accrued at the inception of the program. The amounts of incentives to be paid are estimated. The determination of sales allowances requires management to make estimates based upon historical data, estimated future market demand for products, field inventory levels, announced incentive programs, competitive pricing and interest rates, among other things. The final cost of these programs is determined at the end of the measurement period for volume-based incentives or when the dealer sells the equipment to the retail customer. Changes in the mix and types of programs affect these estimates, which are periodically reviewed. Actual cost differences from the original cost estimate are recognized in Net revenues.

Product warranties

The Group makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information on the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimize warranty expenses arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

Contingent liabilities

Group's subsidiaries are subject to various proceedings, claims and governmental investigations on a wide range of topics. Some of these proceedings allege defects in specific products or general design defects. Such proceedings seek recovery for damage to property, personal injuries or wrongful death and in some cases include a claim for exemplary or punitive damages. Adverse decisions could require the relevant subsidiary to pay substantial damages or undertake service actions, recall campaigns or other costly actions.

Litigation is subject to many uncertainties and the outcome of the individual matters is not predictable. An accrual is recorded if it is probable that there will be an outflow of funds and when the amount can be reasonably estimated. Since such accruals represent estimates, the final resolution could require the Group to make payments in excess of the amounts accrued or in an amount or range that could not previously be estimated.

The subsidiaries of the Group monitor the status of pending legal proceedings and consult with experts on legal and tax matters on a regular basis.

Climate-related matter

The major Exor subsidiaries have established risk management processes that include the assessment and monitoring of climate-related risks. These assessments are used by such subsidiaries to identify not only risk exposure, but also opportunities, on which the climate change strategy is based. The identification of these climate-related risks and opportunities, along with the analysis of sustainability macrotrends, can lead to the definition of a decarbonisation strategy, which in turn can be incorporated within, and potentially regularly influence, the subsidiaries' business plan. To further address the potential impacts of climate change, certain Exor subsidiaries have implemented important projects and have defined long-term strategic targets.

The Group recognises the importance of climate change risk and promotes a responsible use of resources as well as more sustainable production activities to help mitigate climate change.

In particular, given that the financial statements information are presented through historical values which, by their nature, do not fully capture future events, all significant assumptions and estimates underlying the preparation of the following items were subject to an analysis in order to identify and address the new uncertainties related to climate change which could affect the business: going concern, inventory management, property, plant and equipment, goodwill, brands, intangible assets with a finite life, tax reliefs, revenue recognition, provisions and onerous contracts to name a few examples. The analysis conducted at subsidiary level was based on the respective strategy outlined in the context of the global supply chain environmental targets and did not highlight any critical situations that cannot be attributable to and addressed in the ordinary course of business.

Global business conditions

Significant uncertainties, including rising inflation, geopolitical instability, and the war in Ukraine, continue to create volatility in the global economy. These factors can lead to inefficiencies in the operations of Exor subsidiaries and impact costs. Group management continues to work to mitigate the impact of these issues in order to meet end-market demand and will continue to monitor the situation as conditions remain fluid and evolve.

The geopolitical situation and the Russia-Ukraine conflict have escalated since the end of February 2022. In response to these events, certain regions (including the EU, the United States and the United Kingdom) have imposed sanctions against Russia, as well as certain Russian individuals and entities. In particular, sanctions have been imposed on the export of Russian oil and gas internationally, with the consequence of limited supply and increased prices. Moreover, there is further disruption imposed on people and economic activity both at a regional and global scale across all sectors such as supply chains, commodity prices and exchange rates, in addition to volatility of the global markets and financial system. Primarily, all of the key investee companies (Stellantis, Ferrari, CNH Industrial and Iveco Group) are and could be impacted by supply chain interruptions, increased prices of oil and gas, costs of raw materials and shipping challenges caused by the sanctions, as well as inflationary pressures in general and volatility in the capital markets. These impacts can also be extended to affect all companies in which Exor has made an investment.

During the first quarter of 2022, CNH Industrial announced it was suspending non-domestic operations in Russia. CNH Industrial is supporting its businesses in this market through the continuation of employee salaries and payment of other administrative expenses. As a result of the suspension, CNH Industrial evaluated the carrying value of assets held within CNH Industrial's Russia operations and recorded a charge of $72 million related to asset write downs, financial receivable allowances and a valuation allowance against deferred tax assets.

During the first quarter of 2022, Iveco Group recorded a negative after-tax impact of €51 million in connection with its operations in Russia and Ukraine, primarily due to the impairment of certain assets and EU sanctions preventing further commercial activities with Russian legal entities and individuals. On 20 July 2022, Iveco Group executed a dissolution agreement with the Russian joint venture, IVECO AMT, also formally presenting its withdrawal from the legal entity. Accordingly, the Iveco Group stake (33.3%) was returned to IVECO AMT.

While Russia and Ukraine do not constitute a material portion of the Group business, a significant escalation or expansion of economic disruption, in particular related to prices for certain commodities, including natural gas, might create further volatility.

Exor and its investee companies continue to comply with and implement sanction regimes or other similar laws or regulations and are closely monitoring the impact of the Russia-Ukraine conflict on its employees and all aspects of its business, the Group's results of operations, financial condition and cash flows. The overall effect of these factors may have a negative impact on the business, financial condition, results of operations and prospects of Exor and its investee companies.

3. Scope of consolidation

The consolidated financial statements include the companies over which Exor exercises control, and from which, directly or indirectly, Exor is able to derive benefit by virtue of its power to govern their corporate financial and operating policies. The companies/groups included in the scope of consolidation at 31 December 2022 are the following:

Company/Group	Country	% Ownership	
		Group	Non-controlling interest
Operating subsidiaries / Segment entities			
CNH Industrial	the Netherlands	27.30	72.70
Ferrari	the Netherlands	24.42	75.58
Iveco Group	the Netherlands	27.06	72.94
Juventus Football Club	Italy	63.77	36.23
GEDI Gruppo Editoriale	Italy	89.62	10.38
Exor Seeds	USA	87.64	12.36
Shang Xia[(a)]	People's Rep.of China	82.30	17.70
Exor Capital LLP	United Kingdom	100.00	0.00
Other Exor entities			
Exor Nederland N.V.	the Netherlands	100.00	0.00
Exor S.A.	Luxembourg	100.00	0.00
Exor Investments Limited	United Kingdom	100.00	0.00
Exor SN LLC	USA	100.00	0.00
Ancom USA Inc.	USA	100.00	0.00

(a) Owned through the holding Company Full More Group (Hong Kong).

At 31 December 2022 the Exor Group includes 239 subsidiaries consolidated line-by-line by CNH Industrial, Ferrari, Iveco Group, GEDI and Juventus.

Changes in the Scope of Consolidation

2022 Demerger of Iveco Group from CNH Industrial

Effective 1 January 2022 the Commercial and Specialty Vehicles, Powertrain and related Financial Services businesses were separated from CNH Industrial. Iveco Group became a public listed company independent from CNH Industrial and, from 3 January 2022, its common shares are traded on Euronext Milan. Each holder of common shares in the share capital of CNH Industrial received one common share of Iveco Group for every five CNH Industrial common shares held. Exor, which continues to be the shareholder of reference in both entities following completion of the spin-off process, holding 366,927,900 CNH Industrial common shares, received 73,385,580 Iveco Group common shares (a 27.06% stake) and the same number of special voting shares. As the demerger is a "business combination involving entities or businesses under common control", it is outside the scope of application of IFRS 3 – Business Combinations and IFRIC 17 – Distributions of Non-cash Assets to Owners. Accordingly, in Exor's 2022 Consolidated Financial Statements, the opening balances at 1 January 2022 related to Iveco Group correspond to the carrying amounts of the assets and liabilities included within the financial statements of CNH Industrial pre-demerger at 31 December 2021. In certain disclosures where the composition of the balances is presented by entity, the comparative data at 31 December 2021 were re-presented to consider Iveco Group's assets and liabilities as separate line items.

2022 Change in scope of consolidation

Acquisition of Specialty Enterprises LLC

On 16 May 2022, CNH Industrial acquired Specialty Enterprises LLC, a manufacturer of agricultural spray booms and sprayer boom accessories. Total consideration was approximately $50 million. The results of Specialty Enterprises have been included in CNH Industrial's Agriculture segment.

2022 Investments held for sale and Discontinued operations

Disposal of PartnerRe Group

On 16 December 2021 Exor and Covéa signed a Definitive Agreement for the sale of PartnerRe, the global reinsurer wholly-owned by Exor. Subject to obtaining approvals from the applicable regulatory and competition authorities, it was expected that the transaction would be completed in mid-2022.

At 31 December 2021, the sale within the next twelve months became highly probable and PartnerRe Group operations met the criteria to be classified as a disposal group held for sale. It also met the criteria to be classified as a discontinued operation pursuant to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See section "2021 Investments held for sale and Discontinued operations" for further details.

On 12 July 2022 Exor completed the sale of PartnerRe to Covéa for a total consideration of €8.6 million, determining a gain from disposal of €2.4 billion.

The consideration was split as follows: $4.8 billion in US dollars (€4.8 billion) and €3.8 billion in Euro. The Euro portion of the proceeds was agreed and fixed at the signing of the Memorandum of Understanding in October 2021; the US dollars portion was not hedged.

The consideration in Euro was paid by cash, while the portion in US dollars was collected as follows: $3.9 billion (€3.8 billion) in cash, $0.2 billion (€ 0.2 billion) paid by PartnerRe as a special dividend in March 2022, $0.7 billion (€0.7 billion) in the form of interests in special purpose reinsurance vehicles managed by PartnerRe that invest in property catastrophe and other short-tail reinsurance contracts underwritten by PartnerRe.

Until 12 July 2022, PartnerRe was still a subsidiary of Exor and therefore the presentation of the net results and cash flows of PartnerRe Group are as follows:

- The net results of PartnerRe are excluded from the Group's continuing operations and are presented net of taxes as a single line item within the Consolidated Income Statement for the year ended 31 December 2022 and 2021. In order to present the financial effects of a discontinued operation, revenues and expenses arising from intercompany transactions are eliminated except for those revenues and expenses that are considered to continue after the disposal of the discontinued operation. However, no profit or loss impact is recognized for intercompany transactions.
- Cash flows arising from PartnerRe are presented separately as discontinued cash flows from operating, investing and financing activities within the Consolidated Statements of Cash Flows for the year ended 31 December 2022 and 2021. These cash flows represent those arising from transactions with third parties.

The following table represents the net gain on disposal of the PartnerRe business on 12 July 2022:

	$ million	€ million
Consideration received on disposal		
Portion in US dollars	4,815	4,794
Portion in Euro	3,863	3,847
Consideration received	**8,678**	**8,641**
Less:		
Dividend received		(177)
Equity value of PartnerRe at 12 July 2022		(6,711)
Reversal of OCI reserves of PartnerRe		834
Adjustment on fair value of interests in special purpose reinsurance vehicles received as part of the consideration		(163)
Net gain on disposal		**2,424**

The following table set out the results of the discontinued operations.

(€ million)	2022	2021
PartnerRe[(a)]		
Net revenues	1,870	6,144
Expenses	(2,860)	(5,648)
Other income (expenses) and Result of investments	(53)	215
Net financial expenses	(14)	(75)
Profit (loss) before taxes from discontinued operations	(1,057)	637
Tax expense	(2)	(32)
Adjustments	2	(4)
Total	**(1,057)**	**600**
Gain on disposal of PartnerRe shares	**2,424**	**—**
Total	**1,367**	**600**
FCA		
Exor Share of the FCA profit loss	—	8
Reversal of Exor's share in FCA OCI reserve	—	(490)
Other adjustments	—	(14)
Total	**—**	**(496)**
Profit (loss) from discontinued operation, net of tax	**1,367**	**104**

(a) In 2022 for the period 1 January - 12 July 2022.

The following table represents the assets and liabilities of the PartnerRe business which were classified as held for sale and sold on 12 July 2022:

(€ million)	Note	12 July 2022	31 December 2021
Assets classified as held for sale			
Intangible assets		1,343	1,192
Property, plant and equipment		69	66
Investments and other financial assets	a	1,171	1,153
Deferred tax assets		60	75
Trade and other receivables		5,993	4,476
Investments of reinsurance companies		17,249	16,821
Other assets		1,288	1,062
Cash and cash equivalents		771	584
Total Assets held for sale		**27,944**	**25,429**
Liabilities classified as held for sale			
Provisions for employee benefits		115	136
Technical reserves reinsurance companies	b	17,849	15,175
Deferred tax liabilities		2	102
Financial debt and derivative liabilities	c	2,109	1,937
Trade payables		777	746
Tax payables		33	11
Other liabilities		148	8
Total Liabilities held for sale		**21,033**	**18,114**

a. Investments of reinsurance companies

(€ million)	At 12 July 2022	At 31 December 2021
Fixed maturities, at fair value	12,422	12,425
Funds held by reinsured companies	484	500
Equities, at fair value	1,568	1,547
Short-term investments, at fair value	389	180
Accrued investment income, at fair value	98	84
Other invested assets	2,288	2,086
Total investments of reinsurance companies	**17,249**	**16,821**

At 12 July 2022 approximately €110 million (€93 million at 31 December 2021) of cash and cash equivalents and €5,148 million (€4,841 million at 31 December 2021) of securities of the PartnerRe Group were deposited, pledged or held in escrow accounts in favour of ceding companies and other counterparties of government authorities to comply with regulations on reinsurance contracts and insurance laws.

Net realised and unrealised gains of €404 million on investments designated as fair value through profit or loss, were recognized in the Consolidated Income Statement during the year 2021.

b. Technical reserves reinsurance companies

(€ million)	At 12 July 2022	At 31 December 2021
Unpaid losses and Loss expenses	11,891	10,637
Life and health technical reinsurance reserves	2,522	2,329
Unearned premium reserves	3,436	2,209
Total Technical reinsurance reserves	**17,849**	**15,176**

c. Financial debt and other financial liabilities

(€ million)	At 12 July 2022	At 31 December 2021
Notes	1,828	1,675
Lease liabilities	78	75
Payables represented by securities	166	179
Other financial debt	13	8
Total financial debt	**2,085**	**1,937**
Other financial liabilities	24	—
Total financial debt and derivative liabilities	**2,109**	**1,937**

Notes includes the Senior notes due 2026 issued for €750 million aggregate principal amount at 1.25% for €779 million, the Senior notes due 2029 issued for $500 million aggregate principal amount at 5.5% for €495 million, the Junior subordinate notes due 2050 issued for $500 million aggregate principal amount at 4.5% for €492 million and the Capital Efficient notes (CENts) due 2066 for €62 million.

2021 Investments held for sale and Discontinued operations

Deconsolidation of former FCA Group

On 17 December 2019, FCA and PSA entered into a combination agreement providing for the combination of FCA and PSA through a cross-border merger, with FCA as the surviving legal entity in the merger.

On 14 September 2020, FCA and PSA agreed to amend the combination agreement. According to the combination agreement amendment, the FCA extraordinary dividend, to be paid to former FCA shareholders was reduced to €2.9 billion, with PSA's 46% stake in Faurecia planned to be distributed to all Stellantis shareholders promptly after closing following approval by the Stellantis board and shareholders.

On 4 January 2021, PSA and FCA extraordinary general shareholders meetings approved the merger and on 16 January 2021, PSA merged with and into FCA. By virtue of the merger, FCA issued 1.742 FCA common shares for each outstanding PSA ordinary share and each PSA ordinary share ceased to exist. Each issued and outstanding common share of FCA remained unchanged as one common share in FCA.

The surviving entity changed its name to Stellantis on 17 January 2021, which was the accounting acquisition date for the business combination. Following the merger, Exor continues to hold 449,410,092 common shares of Stellantis, corresponding to 14.4% of the outstanding capital.

On 29 January 2021, the extraordinary dividend of approximately €2.9 billion (Exor’s share €827 million) was paid to holders of FCA common shares of record as of the close of business on Friday, 15 January 2021.

As part of the merger, Stellantis distributed to its shareholders its 39.34% stake in Faurecia and the proceeds amounting to approximately €308 million generated by the sales of ordinary shares of Faurecia effected in 2020. On 22 March 2021 Exor received 7,653,004 Faurecia ordinary shares and €43 million.

Exor accounted for the former FCA Group applying the line-by-line consolidation method for the period from 1 January 2021 to 16 January 2021 (the date of the completion of the merger). At that date, Exor lost control over FCA and therefore derecognized the former FCA Group net assets at 16 January 2021 and reclassified to the income statement, in the item Profit (loss) from discontinued operations, the amounts previously recognized in other comprehensive income related to the subsidiary.

At the date of completion of the merger, Exor determined that it had significant influence on Stellantis and started applying the equity method according to IAS 28 – Investments in Associates and Joint Ventures. On initial recognition the investment was accounted for at cost, equal to €6,660 million, to be attributed to Exor's share of Stellantis' net fair value as part of the purchase price allocation, to be completed within one year from the initial recognition. At 31 December 2021 the purchase price allocation process had been completed.

The presentation of the FCA Group is as follows:

- The net results of FCA have been excluded from the Group’s continuing operations and are presented net of taxes as a single line item within the Consolidated Income Statement for the year ended 31 December 2021. In order to present the financial effects of a discontinued operation, revenues and expenses arising from intercompany transactions were eliminated except for those revenues and expenses that are considered to continue after the disposal of the discontinued operation. However, no profit or loss is recognized for intercompany transactions.
- The assets and liabilities of the FCA Group at 16 January 2021 have been derecognized.
- Cash flows arising from FCA have been presented separately as discontinued cash flows from operating, investing and financing activities within the Consolidated Statements of Cash Flows for the year ended 31 December 2021. These cash flows represent those arising from transactions with third parties.

The following table represents the assets and liabilities of the FCA Group deconsolidated at 16 January 2021:

(€ million)	At 16 January 2021
Assets	
Intangible assets	25,853
Property, plant and equipment	27,874
Investments and other financial assets	3,145
Deferred tax assets	1,075
Inventories	9,626
Trade and other receivables	4,005
Other assets	5,273
Assets held for sale	321
Cash and cash equivalents	22,514
Total Assets	**99,686**
Liabilities	
Provisions for employee benefits	8,776
Other provisions	12,066
Deferred tax liabilities	1,895
Financial debt and other financial liabilities	21,593
Trade payables	20,293
Tax payables	499
Other liabilities	10,896
Liabilities held for sale	207
Total Liabilities	**76,225**

2021 Change in scope of consolidation

Acquisition of Shang Xia
At the end of December 2020 Exor acquired a 77.30% stake in Shang Xia (through the holding company Full More Group) for a total consideration of €79 million.

The transaction was accounted for in accordance with IFRS 3, by applying the acquisition method on the basis of the financial statements prepared in accordance with IFRS at 31 December 2020 (the acquisition date) and therefore did not have any effect on the 2020 income statement.

In 2021 Exor finalized the purchase price allocation process, identifying a trademark of €48 million and a residual goodwill of €49 million.

Acquisition of Raven Industries
On 30 November 2021, CNH Industrial completed the acquisition of Raven Industries, Inc. ("Raven"), a U.S.-based leader in precision agriculture technology. CNH Industrial acquired 100% of the capital stock of Raven for $58 per share funded with available cash on hand. Cash consideration paid to Raven shareholders and Raven equity award holders totalled $2.1 billion.

The valuation of assets acquired and liabilities assumed was preliminary at 31 December 2021 and tol be finalized during the one-year measurement period from the acquisition date. As a result, CNH Industrial recorded preliminary estimates for the fair value of assets acquired and liabilities assumed at the acquisition date, including $1.3 billion and $0.5 billion in preliminary goodwill and intangible assets. The Engineered Films and Aerostar businesses were subsequently sold during 2022.

The acquisition of Raven has been accounted for as a business combination using the acquisition method of accounting. The acquisition method requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at their fair values at the acquisition date. In the fourth quarter of 2022, the Company finalized the valuation of acquired assets and assumed liabilities.

Acquisition of Sampierana

On 30 December 2021, CNH Industrial completed its previously announced purchase of 90% of the capital stock of Sampierana S.p.A ("Sampierana").

The acquisition of the remaining 10% of the capital stock in Sampierana will occur over the next four years through predetermined mechanisms. Sampierana is an Italian company specializing in the development, manufacture and commercialization of earthmoving machines, undercarriages and spare parts.

The acquisition of Sampierana has been accounted for as a business combination using the acquisition method of accounting in accordance with IFRS 3 - Business Combinations.

The valuation of assets acquired and liabilities assumed was preliminary at 31 December 2021 and to be finalized during the one-year measurement period from the acquisition date. As a result, CNH Industrial recorded preliminary estimates for the fair value of assets acquired and liabilities assumed at the acquisition date, including approximately $51 million in preliminary goodwill.

The preliminary assessment will be updated as revised information becomes available, including the development and review of the necessary valuations.

4. Segment reporting

Reportable segments reflect the operating segments of the Group that are regularly reviewed by the Chief Executive Officer, who is the Chief Operating Decision Maker ("CODM"), as defined under IFRS 8 – Operating Segments, for making strategic decisions and allocating resources and assessing performance, and that exceed the quantitative threshold provided in IFRS 8, or the disclosure of which is considered useful for the users of the financial statements.

The Exor Group reportable segments coincide with the consolidated data of its principal investments, each of which represents an investment in a major business segment: Stellantis, CNH Industrial, Iveco Group, Ferrari, Juventus and GEDI. The column “Other and adjustments” includes unallocated income and expenses, share of profit in equity investments of EXOR N.V., expenses related to corporate activities and finance income and expense of EXOR N.V. and other Exor entities which are not included within the reportable segments as well as assets and liabilities of the Holdings System entities.

After the demerger of Iveco Group business from CNH Industrial, Exor segment reporting included Iveco Group as a reportable segment. Following the demerger, the economic and financial data of Iveco Group for the year ended 31 December 2021 have been presented in a single segment.

The following tables summarize selected financial information by reporting segment for the years 31 December 2022 and 2021. Data presented are prepared by each subsidiary for the Exor consolidation process and may differ from data published by each subsidiary in its financial report.

(€ million)	**Revenues from external customers**	**Revenues from other operating segments**	**Net revenues**	**Profit (loss) from continuing operations**	**Profit (loss) attributable to owner of the parent[(2)]**
FY 2022					
Stellantis[(1)]	*—*	*—*	*—*	*2,392*	*2,392*
CNH Industrial	*21,931*	*360*	*22,292*	*1,735*	*471*
Iveco Group	*13,027*	*1,330*	*14,357*	*159*	*40*
Ferrari	*5,017*	*78*	*5,095*	*939*	*228*
Juventus	*450*	*46*	*496*	*(157)*	*(100)*
GEDI	*487*	*2*	*490*	*(6)*	*(9)*
Other and adjustments[(3)]	*44*	*(929)*	*(886)*	*(226)*	*1,205*
Consolidated data	***40,957***	***887***	***41,844***	***4,836***	***4,227***
FY 2021					
Stellantis[(1)]	—	—	—	1,905	1,905
CNH Industrial	*16,445*	*21*	16,466	1,426	384
Iveco Group	*11,850*	*801*	12,651	76	14
Ferrari	*4,153*	*118*	4,271	833	201
Juventus	*401*	*45*	446	(215)	(137)
GEDI	*518*	*2*	520	(35)	(31)
Other and adjustments[(3)]	*(1,187)*	*450*	(737)	(640)	(619)
Consolidated data	**32,180**	**1,437**	**33,617**	**3,350**	**1,717**

(€ million)	**Cash and cash equivalents**	**Total Assets**	**Financial debt and derivative liabilities[(4)]**	**Total equity**	**Issued capital and reserves attributable to owners of the parent[(2)]**
At 31 December 2022					
Stellantis[(1)]	—	10,885	—	10,885	10,885
CNH Industrial	4,809	37,526	22,368	7,041	1,873
Iveco Group	2,288	16,013	4,479	2,391	642
Ferrari	1,389	7,766	2,832	2,602	633
Juventus	43	937	376	135	87
GEDI	18	708	209	194	167
Other and adjustments[(3)]	3,030	9,864	3,706	6,422	6,340
Consolidated data	**11,577**	**83,699**	**33,970**	**29,670**	**20,627**
At 31 December 2021					
Stellantis[(1)]	—	8,624	—	8,624	8,624
CNH Industrial	5,161	31,922	19,310	5,129	1,342
Iveco Group	897	16,560	5,828	2,311	620
Ferrari	1,344	6,863	2,667	2,211	533
Juventus	160	962	239	303	194
GEDI	14	675	161	193	171
Other and adjustments[(3)]	329	25,505	745	5,599	5,275
Consolidated data	**7,905**	**91,111**	**28,950**	**24,370**	**16,759**

(1) Consolidated with the equity method starting from 16 January 2021.
(2) Exor share of the result or equity attributable to the owners of the parent of each segment entity.
(3) The item includes the consolidation adjustments and data of Exor and entities of the Holdings System, as well as the result from discontinued operations.
(4) Corresponding to the item gross debt in the Board Report.

Information by geographical area

The following tables present an analysis of the net revenues of the Group by country, irrespective of the origin of the goods and services for the years ended 31 December 2022 and 2021:

	Years ended 31 December	
(€ million)	**2022**	**2021**
North America	10,832	7,810
Italy	4,390	4,132
France	3,277	2,947
Brazil	4,644	2,679
Germany	2,503	2,183
China	933	855
Other countries	15,265	13,011
Total net revenues	**41,844**	**33,617**

Other countries includes net revenues generated in the Netherlands for the year ended 31 December 2022 amounting to €333 million (€287 million for the year ended 31 December 2021).

The following table presents an analysis of non-current assets of the Group at 31 December 2021 and 2020 by country:

	At 31 December	
(€ million)	**2022**	**2021**
North America	7,080	6,764
Italy	7,472	6,725
France	890	1,019
China	165	439
Brazil	363	246
Poland	84	86
Other countries	2,838	2,926
Total non-current assets	**18,892**	**18,205**

Other countries includes non-current assets related to the Netherlands of €164 million at 31 December 2022 (€10 million at 31 December 2021).

5. Net revenues

Net revenues for the years ended 31 December 2022 and 2021 are as follows:

	Years ended 31 December	
(€ million)	**2022**	**2021**
Sales of goods	37,320	30,381
Services provided and other revenues	975	753
Revenues from sales of goods and services	**38,295**	**31,134**
Interest income of financial services activities	909	685
Rents and other income on operating leases	280	271
Other	2,360	1,527
Total net revenues	**41,844**	**33,617**

6. Cost of sales

Cost of sales for the years ended 31 December 2022 and 2021 are as follows:

	Years ended 31 December	
(€ million)	**2022**	**2021**
Cost of goods	31,714	25,655
Interest cost and other financial expenses from financial services companies	624	324
Total cost of sales	**32,338**	**25,979**

In 2022, cost of sales includes €112 million related to the write-down and allowances of certain assets in connection with the operations in Russia and Ukraine, of which €68 million charged by CNH Industrial and €44 million by Iveco Group.

7. Research and development costs

Research and development costs for the years ended 31 December 2022 and 2021 are as follows:

	Years ended 31 December	
(€ million)	**2022**	**2021**
Research and development costs expensed	1,427	1,424
Amortisation of capitalised development costs	645	383
Impairment and write-off of costs previously capitalised	15	16
Total research and development costs	**2,088**	**1,823**

Impairment and write-offs of capitalized development costs referred to the Iveco Group (€15 million in 2022 and €16 million in 2021).

8. Other income (expense), net

This line of the income statement consists of miscellaneous items which cannot be allocated to specific functional areas, such as accruals for various provisions not attributable to other items of Cost of sales or Selling, general and administrative costs, net of income arising from operations which is not attributable to the Sale of goods and services. In 2022 Other net expenses amount to €156 million, compared to a net expenses of €378 million for the year ended 31 December 2021.

In 2022 the items related to CNH Industrial Group amount to €40 million and mainly include €32 million of restructuring costs, €24 million of separation costs in connection with the demerger of the Iveco Group, €21 million of loss on the sale of the Raven Engineered Films and Aerostar divisions, net of income from the Raven businesses held for sale during the period and a €62 million gain from the sale of the Canada parts depot.

In 2022 the items related to Iveco Group amount to €88 million and included the negative impact of €14 million deriving from the first-time adoption of hyperinflation accounting in Turkey and the €52 million gain from the disposal of certain fixed assets in Australia.

In 2021 the item related to CNH Industrial Group amounted to €339 million and mainly included €66 million of restructuring costs, €158 million of separation costs in connection with the demerger of the Iveco Group, €48 million for the transaction costs related to the acquisition of Raven Industries and a pre-tax gain of €80 million related to a healthcare plan amendment in the U.S.

The restructuring costs of €55 million (€72 million in 2021) are related to CNH Industrial, Iveco Group and GEDI for €32 million, €15 million and €8 million, respectively (in 2021 €30 million, €36 million and €6 million, respectively).

9. Results from investments

Result from investments for the years ended 31 December 2022 and 2021 are as follows:

	Years ended 31 December	
(€ million)	**2022**	**2021**
Share of the profit of equity method investees	2,564	2,051
Impairment losses	—	(2)
Other income from investments	—	8
Total result from investments	**2,564**	**2,057**

The following table summarises the share of profits of equity method investees for the years ended 31 December 2022 and 2021:

	Years ended 31 December	
(€ million)	**2022**	**2021**
Joint ventures	92	70
Associates[1]	2,472	1,981
Share of the profit of equity method investees	**2,564**	**2,051**

1) Mainly related to Stellantis (€2,392 million in 2022 and €1,905 million in 2021).

10. Net financial expenses

Net financial expenses for the years ended 31 December 2022 and 2021 are as follows:

	Years ended 31 December	
(€ million)	**2022**	**2021**
Financial Income:		
Interest and other financial income	156	50
Financial services income	909	685
Gains on disposal of securities	10	—
Total financial income	**1,075**	**735**
Related to:		
Industrial companies (A)	*166*	*50*
Financial services companies (reported within net revenues)	*909*	*685*
Financial Expenses:		
Interest expenses and other financial expenses	(982)	(662)
Write-downs and losses on financial assets and securities	(123)	(42)
Net interest expenses on employee benefits provisions	(10)	(7)
Total interest and other financial expenses	**(1,115)**	**(711)**
Net expenses from derivative financial instruments and exchange rate differences	**(296)**	**167**
Total financial expenses	**(1,411)**	**(544)**
Related to:		
Industrial companies (B)	*(786)*	*(219)*
Financial services companies (reported within cost of revenues)	*(624)*	*(324)*
Net financial expenses relating to industrial companies (A+B)	**(620)**	**(169)**

Interest expenses and other financial expenses may be analysed as follows:

(€ million)	Years ended 31 December 2022	2021
Interest expenses on bonds	239	457
Interest expenses from banks	15	44
Interest on lease liabilities	15	13
Other interest and financial expenses	713	148
Total Interest expense	**982**	**662**

11. Tax expense

Exor N.V. and its subsidiaries have substantial worldwide operations. The Company's subsidiaries incur tax obligations in the jurisdictions in which they operate. Tax expense for the years ended 31 December 2022 and 2021 is as follows:

(€ million)	Years ended 31 December 2022	2021
Current tax	1,189	752
Deferred tax	(101)	(217)
Tax (benefit) expense relating to prior periods	(28)	767
Total tax expense	**1,060**	**1,302**

On 18 February 2022, Exor settled a complex tax issue, specifically in respect of the Italian exit tax and paid €746 million, of which €104 million represented by interest.

The issue relates to the Italian registered company Exor S.p.A. that in December 2016 merged with its Dutch subsidiary Exor Holding N.V. to create today's Exor domiciled fiscally in the Netherlands. At the time of this cross-border merger, the exiting company Exor S.p.A. applied the Participation Exemption (PEX) regulations as set out in Article 87 of the Italian Corporate Income Tax Act. Under this regime, 95% of any capital gains relating to the value of its holdings was exempt and therefore excluded from the holding company's taxable income for the determination of the Exit Tax.

With a subsequent principle of law "Legal Principle 10/2021", published on 11 May 2021, the Agenzia delle Entrate contended that the PEX should not apply to cases in which a holding company transfers its fiscal domicile abroad without maintaining a permanent establishment in Italy. As a result of the subsequent principle of law published in 2021, a complex matter of interpretation arose concerning the application of the PEX regulation to a 2016 merger. Exor remains convinced that it acted in accordance with the rules. However, with the objective of avoiding the time and costs of a major tax dispute, it decided to enter into a settlement agreement with the Agenzia delle Entrate.
At 31 December 2021, the effect of this settlement was a recognition of a liability of €744 million, of which €643 million of income taxes and €101 million of interest (recognized until 31 December 2021).

At the same time, Exor settled with the Agenzia delle Entrate a previous tax claim related to the treatment of financial income in the fiscal year 2015, against which Exor had appealed and other minor formal matters. The closing of this litigation generated income taxes of €32 million, interest of €3 million and a tax liability of €20 million.

There are no outstanding fiscal issues pending for Exor in respect of all the years in which it was tax resident in Italy, the ordinary statutory terms for any assessment having also expired.

The reconciliation between the income tax expenses recognized in the consolidated financial statements and the theoretical income tax expense, calculated on the basis of the theoretical tax rate in effect in the Netherlands, is as follows:

	Years ended 31 December	
(€ million)	**2022**	**2021**
Theoretical tax expense	**1,474**	**1,167**
Tax effect on:		
Recognition and utilisation of previously unrecognized deferred tax assets	(36)	(8)
Permanent differences	(665)	(459)
Deferred tax assets not recognized and write-downs	119	(60)
Differences between foreign tax rates and the theoretical tax rate and tax holidays	34	(42)
Taxes relating to prior years	(28)	663
Other differences	161	42
Total tax expense	**1,060**	**1,302**
Effective tax rate	**17.98 %**	**26.85 %**

The applicable tax rate used to determine the theoretical income expense are 25.8% and 25% in 2022 and 2021, respectively, which are the tax rates applicable in the Netherlands. The effective tax rate is impacted by the operations of the main subsidiaries (CNH Industrial, Iveco Group and Ferrari). The year 2021 was also affected by the settlement between Exor and the Italian Tax Authorities.

CNH Industrial's effective tax rates for 2022 and 2021 are 28.8% and 12.3%, respectively. The increased tax expense in 2022, as compared to 2021, is largely attributable to improved pre-tax results, increased profitability in high-tax jurisdictions, taxes associated with the disposition of Raven's Engineered Films Division and Raven's Aerostar Division, additional reserves for uncertain tax positions and the addition of unrecognized deferred tax assets in jurisdictions with highly inflationary economies in 2022. Although, these negative impacts in 2022 are partially offset by $5 million of benefits from the recognition of deferred tax assets in Italy, this impact is not as large as the $142 million in benefits from the recognition of deferred tax assets in Brazil in 2021. The 2021 rate was also reduced by a reduction in reserves for uncertain tax positions, and the utilization of unrecognized deferred tax assets.

Iveco's effective tax rates for 2022 and 2021 are 38.8% and, 57.8%, respectively. The effective tax rate reduction in 2022 is primarily driven by prior year taxes, the reduction of other discrete items compared to 2021, partially offset by deferred tax assets not recognized which in 2022 mainly reflects the effect of Russian and Ukrainian asset impairment.

Ferrari's effective tax rates for 2022 and 2021 are 20.2% and 20.1%, respectively.

Deferred tax assets and deferred tax liabilities recognized at 31 December 2022 and 2021 are as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Deferred tax assets	1,258	1,165
Deferred tax liabilities	(361)	(358)
Total, net	**897**	**807**

The increase of €90 million in net deferred tax assets is mainly due to the net increase recognized in the income statement of €76 million, largely driven by the disposition of Raven's Engineered Films Division and Raven's Aerostar Division.

Deferred tax assets and liabilities at 31 December 2021 and 2022 and the changes during the years then ended are as follows:

(€ million)	At 31 December 2021	Recognized in Income statement	Recognized in Other comprehensive income	Change in scope of consolidation	Transferred to Assets / (Liabilities) held for sale	Translation differences and other changes	At 31 December 2022
Deferred tax assets arising from:							
Provisions	1,022	199	—	—	—	106	1,327
Provision for employee benefits	181	(21)	(12)	—	—	(65)	83
Inventories	185	67	—	—	—	(4)	248
Allowances for doubtful accounts	121	21	—	—	—	2	144
Write-downs of financial assets	2	—	—	—	—	—	1
Measurement of derivative financial instruments	32	(23)	7	—	—	7	23
Other	708	(1)	—			(1)	706
Total deferred tax assets	**2,251**	**242**	**(5)**	**—**	**—**	**45**	**2,532**
Deferred tax liabilities arising from:							
Accelerated depreciation	(493)	54	—	—	—	(11)	(450)
Capitalisation of development costs	(530)	(39)	—	—	—	(3)	(572)
Inventories	(95)	(4)	—	—	—	(9)	(109)
Intangible assets	(101)	17	—	—	—	(32)	(90)
Provision for employee benefits	(13)	(4)	(14)	—	—	—	(30)
Other	(222)	30	(40)	—		(146)	(378)
Total deferred tax liabilities	**(1,454)**	**54**	**(54)**	**—**	**—**	**(201)**	**(1,629)**
Deferred tax assets arising on tax loss carry-forwards	**881**	**10**	**—**	**—**	**—**	**52**	**943**
Unrecognized deferred tax assets	**(871)**	**(149)**	**—**	**—**	**—**	**(21)**	**(1,041)**
Total Net deferred tax assets	**807**	**159**	**(59)**	**—**	**—**	**(10)**	**897**

(€ million)	At 31 December 2020	Recognized in Income statement	Recognized in Other comprehensive income	Deconsolidation of FCA	Transferred to Assets / (Liabilities) held for sale	Translation differences and other changes	At 31 December 2021
Deferred tax assets arising from:							
Provisions	4,232	179	—	(3,375)	(78)	63	1,022
Provision for employee benefits	1,623	4	(22)	(1,423)	(7)	7	181
Intangible assets	159	—	—	(275)	1	115	—
Inventories	428	46	—	(160)	12	(142)	185
Allowances for doubtful accounts	237	1	—	(118)	—	2	121
Write-down of financial assets	—	1	—	—	—	—	2
Measurement of derivative financial instruments	7	34	(12)	(1)	—	4	32
Other	2,239	(63)	(6)	(1,354)	(147)	40	708
Total deferred tax assets	**8,925**	**202**	**(40)**	**(6,706)**	**(219)**	**89**	**2,251**
Deferred tax liabilities arising from:							
Accelerated depreciation	(2,761)	29	—	2,315	—	(77)	(494)
Capitalisation of development costs	(3,493)	(47)	—	3,033	—	(22)	(529)
Inventories	(105)	(20)	—	2	—	27	(96)
Intangible assets	—	(6)	—	—	—	(95)	(101)
Provision for employee benefits	(74)	4	(55)	114	—	(1)	(12)
Other	(1,919)	21	17	1,584	152	(78)	(222)
Total deferred tax liabilities	**(8,352)**	**(19)**	**(38)**	**7,048**	**152**	**(246)**	**(1,454)**
Deferred tax assets arising on tax loss carry-forwards	**6,346**	**88**	**—**	**(5,391)**	**(94)**	**(68)**	**881**
Unrecognized deferred tax assets	**(6,983)**	**(66)**	**(1)**	**5,868**	**187**	**124**	**(871)**
Total Net deferred tax assets	**(64)**	**205**	**(79)**	**819**	**26**	**(101)**	**807**

At 31 December 2022 and 2021 the Group had the following recognized and unrecognized deferred tax assets:

	Deferred tax assets relating to			
(€ million)	Deductible temporary differences	of which not recognized	Tax loss carry forward	of which not recognized
At 31 December 2022	**2,533**	**285**	**943**	**756**
At 31 December 2021	2,251	271	881	600

At 31 December 2022 net deferred tax assets include the amount of €187 million (€281 million at 31 December 2021) in respect of benefits on unused tax loss carryforwards.

Total deductible and taxable temporary differences and accumulated tax losses at 31 December 2022, together with the amounts for which deferred tax assets have not been recognized, analysed by year of expiration, are as follows:

		Year of expiration					
(€ million)	**At 31 December 2022**	**2023**	**2024**	**2025**	**2026**	**Beyond 2026**	**Unlimited / Indeterminable**
Deductible temporary differences	**3,345**	(828)	1,338	906	733	1,191	6
Taxable temporary differences	**69**	(351)	124	126	132	34	3
Tax losses and tax credits	**1,729**	208	35	42	50	(554)	1,948
Temporary differences and tax losses for which deferred tax assets have not been recognized	**(981)**	(216)	(85)	(74)	(90)	(98)	(419)
Net temporary differences and tax losses	**4,161**	**(1,187)**	**1,411**	**1,000**	**825**	**573**	**1,539**

Deferred tax liabilities have not been recognized on the undistributed earnings of subsidiaries except where it is probable that distribution will occur in the foreseeable future.

At 31 December 2022, undistributed earnings in certain CNH Industrial subsidiaries outside the U.K. totalled approximately €8 billion (€8 billion at 31 December 2021) for which no deferred tax liability has been recorded because the remittance of earnings from those jurisdictions would incur no tax or such earnings are indefinitely reinvested. CNH Industrial has determined the amount of unrecognized deferred tax liability relating to the €8 billion undistributed earnings was approximately €115 million and was attributable to withholding taxes and incremental local country income taxes in certain jurisdictions. Further, CNH Industrial evaluated the undistributed earnings from its joint ventures in which it owned 50% or less and recorded €12 million of deferred tax liabilities at 31 December 2022. The repatriation of undistributed earnings to the U.K. is generally exempt from U.K. income taxes and as such there is no deferred tax liability associated with undistributed earnings from non-U.K. jurisdictions.

At 31 December 2022, undistributed earnings in certain Iveco Group subsidiaries totalled approximately €3.7 billion (€2.6 billion at 31 December 2021) for which no deferred tax liability has been recorded because the remittance of earnings from certain jurisdictions would incur no tax or such earnings are indefinitely reinvested. Iveco Group has determined the amount of unrecognized deferred tax liability relating to the €3.7 billion undistributed earnings is approximately €79 million and related to withholding taxes and incremental local country income taxes in certain jurisdictions. Dividend income in Italy is generally exempt at 95% from income taxes.

12. Other information by nature

In 2022 personnel costs for the Group's continuing operations amounted to €5,838 million (€4,978 million in 2021). These amounts include costs that were capitalised mainly in connection with product development activities.

In 2022 the Group's continuing operations had an average number of employees of 80,932 (74,353 in 2021).

13. Earnings per share

The following table summarises the composition of earnings per share:

		Years ended 31 December	
		2022	2021
Average number of ordinary shares outstanding		**230,032,572**	**220,077,794**
Profit (loss) attributable to owners of the parent	**€ million**	**4,227**	**1,717**
basic earnings per share	**€**	18.376	7.80
diluted earnings per share	**€**	18.103	7.79
Profit (loss) from continuing operations attributable to owners of the parent	**€ million**	**2,856**	**1,630**
basic earnings per share	**€**	12.416	7.409
diluted earnings per share	**€**	12.225	7.398
Profit from discontinued operations attributable to owners of the parent	**€ million**	**1,371**	**87**
basic earnings per share	**€**	5.960	0.394
diluted earnings per share	**€**	5.859	0.383

In order to calculate the diluted earnings per share, the profit attributable to owners of the parent was adjusted to take into account the dilutive effects arising from the theoretical exercise of the stock option plans granted by the subsidiaries using their own equity instruments.

14. Intangible assets

Changes in 2022 are the following:

(€ million)	Goodwill	Trademark and Intangible assets with an indefinite useful life	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at 31 December 2021								
Original cost	4,817	576	3,938	4,884	1,214	1,814	860	18,103
Accumulated amortisation and impairment	(1,035)	(59)	(2,967)	(2,932)	(1,102)	(909)	(461)	(9,464)
Net carrying amount	**3,782**	**517**	**971**	**1,952**	**112**	**905**	**399**	**8,639**
Changes during the year (original cost)								
Additions	45	—	510	461	63	180	233	1,492
Disposals	—	—	(35)	(292)	(16)	(40)	(301)	(684)
Transfer to assets held for sale	—	—	—	—	—	—	—	—
Change in scope of consolidation	43	(8)	4	(4)	6	(102)	—	(62)
Translation differences	252	24	(1)	88	18	104	—	485
Other changes	2	—	(6)	(5)	31	(25)	1	(4)
Total	**342**	**16**	**472**	**247**	**102**	**116**	**(67)**	**1,228**
Changes during the year (accumulated amortisation and impairment)								
Amortisation	—	(1)	(360)	(285)	(65)	(120)	(164)	(995)
Impairment losses	(20)	—	(6)	(7)	—	(10)	—	(43)
Disposals	—	—	33	292	16	39	236	616
Change in scope of consolidation	—	—	—	—	—	—	—	—
Transfer to assets held for sale	—	—	(3)	3	—	30	—	30
Translation differences	(61)	(3)	—	(59)	(18)	(58)	—	(199)
Other changes	—	—	8	4	—	4	—	17
Total	**(81)**	**(4)**	**(327)**	**(53)**	**(67)**	**(115)**	**72**	**(574)**
Balance at 31 December 2022								
Original cost	5,159	593	4,410	5,132	1,316	1,929	793	19,332
Accumulated amortisation and impairment	(1,116)	(63)	(3,294)	(2,985)	(1,169)	(1,024)	(389)	(10,039)
Net carrying amount	**4,043**	**530**	**1,116**	**2,147**	**147**	**906**	**404**	**9,293**

Changes in 2021 were the following:

(€ million)	Goodwill	Trademark and Intangible assets with an indefinite useful life	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at 31 December 2020								
Original cost	14,239	3,739	24,889	8,170	6,021	2,781	866	60,705
Accumulated amortisation and impairment	(1,093)	(118)	(14,039)	(5,738)	(4,140)	(1,864)	(395)	(27,387)
Net carrying amount	**13,146**	**3,621**	**10,850**	**2,432**	**1,881**	**917**	**471**	**33,318**
Changes during the year (original cost)								
Additions	—	—	495	347	37	159	158	1,196
Disposals	—	—	(114)	(900)	(55)	(16)	(164)	(1,249)
Deconsolidation of FCA	(10,373)	(3,024)	(21,445)	(2,815)	(1,872)	(3,585)	—	(43,113)
Transfer to assets held for sale	(583)	(214)	—	—	(8)	(1,152)	—	(1,957)
Change in scope of consolidation	1,128	6	(25)	25	4	424	—	1,562
Translation differences	465	71	144	109	36	214	—	1,039
Other changes	(59)	(2)	(7)	(52)	(2,949)	2,987	—	(81)
Total	**(9,422)**	**(3,163)**	**(20,952)**	**(3,285)**	**(4,807)**	**(967)**	**(6)**	**(42,602)**
Changes during the year (accumulated amortisation and impairment)								
Amortisation	—	(1)	(378)	(256)	(65)	(111)	(179)	(990)
Impairment losses	—	—	(17)	—	—	—	(20)	(36)
Disposals	—	—	115	898	55	9	132	1,209
Deconsolidation of FCA	118	65	11,375	2,216	1,622	1,865	—	17,260
Change in scope of consolidation	—	—	22	(22)	—	(1)	—	(1)
Transfer to assets held for sale	—	—	—	—	—	750	—	750
Translation differences	(80)	(4)	(53)	(81)	(35)	(117)	—	(368)
Other changes	20	—	8	51	1,461	(1,440)	—	100
Total	**58**	**59**	**11,073**	**2,806**	**3,037**	**956**	**(66)**	**17,923**
Balance at 31 December 2021								
Original cost	4,817	576	3,937	4,885	1,214	1,814	860	18,103
Accumulated amortisation and impairment	(1,035)	(59)	(2,966)	(2,932)	(1,103)	(908)	(461)	(9,464)
Net carrying amount	**3,783**	**518**	**970**	**1,953**	**111**	**906**	**399**	**8,639**

Goodwill

The analysis of goodwill by segment is as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Goodwill		
Agricultural	*2,980*	*2,704*
Construction	*43*	*42*
Financial Services	*108*	*106*
CNH Industrial	3,131	2,852
Commercial and Specialty Vehicles	*53*	*53*
Powertrain	*4*	*5*
Financial Services	*12*	*12*
Iveco Group	69	70
Ferrari	785	785
Shang Xia	29	49
Juventus	2	2
GEDI	9	6
Other	19	19
Total goodwill	**4,044**	**3,783**

The acquisition of Specialty Enterprises LLC (Specialty) by CNH Industrial Group during the second quarter of 2022 led to the increase in goodwill for Agriculture of €41 million. Goodwill related to the acquisitions was calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. The valuation of assets acquired and liabilities assumed has not yet been finalized 31 December 2022. Thus, goodwill associated with the acquisitions is subject to adjustment during the measurement period.

The acquisitions of Raven and Sampierana by CNH Industrial Group during the fourth quarter of 2021 led to an increase in goodwill for Agriculture and Construction of €1.1 billion and €42 million, respectively. Goodwill related to the acquisitions was calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. The valuation of assets acquired and liabilities assumed was finalized during the fourth quarter of 2022. Measurement period adjustments were recorded in the current year that increased Goodwill by €73 million for Agriculture, primarily related to updates of certain of the valuations.

During the fourth quarter of 2021, CNH Industrial recorded $0.5 billion in intangible assets based on the preliminary valuation for the Raven Industries, Inc. and Sampierana S.p.A. acquisitions. Measurement period adjustments were recorded in 2022 and decreased the net amount of intangible assets by €68 million.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently if a triggering event occurs.

Impairment testing

The impairment tests are performed by comparing the carrying amount (which mainly comprises property, plant and equipment, goodwill, brands and capitalised development expenditures) with the recoverable amount of each CGU or group of CGUs to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use.

The assumptions used in the impairment test represent management's best estimate for the period under consideration and reflect a number of underlying assumptions (for example volumes and sales mix, gross margins, operating costs, income tax rates, capital expenditures and changes in working capital requirements) that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends over the period considered.
Expected cash flows used for the purposes of the impairment tests reflect the current expectations regarding economic conditions and market trends as well as the Group's initiatives for the specific business plan periods.

Cash flows reflect the CGU's in their condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes.

Expected future cash flows include a normalised terminal period to estimate the future result beyond the time period explicitly considered in the business plans of the respective Group companies. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity.

Post-tax cash flows are discounted using a post-tax discount rate (WACC) which reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration.

As well as determining the recoverable amount using the income approach, as described above, certain of the Group companies perform additional analysis using a market approach based on multiples of comparable publicly traded companies, such as revenue and EBITDA multiples, and for financial services CGUs, book value, tangible book value and interest margin multiples, and by comparing to market capitalisation. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

CNH Industrial impairment testing

At 31 December 2022 and 2021, CNH Industrial completed its annual impairment assessment and concluded there were no impairments to goodwill for any of the reporting units.

CNH Industrial determines the recoverable amount of these cash-generating units using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach, with reference to the cash-generating units with the most significant allocated goodwill.

Under the income approach, CNH Industrial calculates the recoverable amount of a cash-generating unit based on the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales in the discrete future period, the weighted average cost of capital (discount rate) and terminal value growth rates, and also less significant assumptions such as gross margins, operating costs, income tax rates, capital expenditures and changes in working capital requirements. Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units.

The following discount rates before taxes at 31 December 2022 and 2021 were selected:

	2022	**2021**
Agricultural	14.7 %	14.5 %
Construction	n.a.	n.a.
Financial Services	20.3 %	19.7 %

Expected cash flows used under the income approach are developed in conjunction with CNH Industrial budgeting and forecasting processes. CNH Industrial used nine years of expected cash flows for Agriculture, and five years of expected cash flows for Financial Services, as management believes that these periods generally reflect the underlying market cycles for its businesses. Under the market approach, CNH Industrial estimates the recoverable amount of the Agriculture cash-generating unit, using earnings before interest, tax, depreciation and amortization multiples, and estimates the recoverable amount of the Financial Services cash-generating unit using book value multiples.

The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the-counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analysis in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate was 1.0% in 2022 and 2021 for the Agriculture cash-generating unit, and 1.5% in 2022 and 2021 for Financial Services.

At 31 December 2022, the estimated recoverable amounts, (excluding the balance of the 2021 acquisitions) calculated using the above method, of the Agriculture and Financial Services cash-generating units exceeded the carrying values by approximately 294% and 75%, respectively. Thus, CNH Industrial did not recognize an impairment for these cash-generating units.

The sum of the recoverable amounts of CNH Industrial's cash generating units was in excess of CNH Industrial's market capitalization at 31 December 2022. CNH Industrial believes that the difference between the recoverable amount and market capitalization is reasonable (in the context of assessing whether any asset impairment exists) when market-based control premiums are taken into consideration.

Finally, the estimates and budget data to which the above-mentioned parameters have been applied are those determined by management based on past performance and expectations of developments in the markets in which CNH Industrial operates. Impairment assessments inherently involve management judgments regarding a number of assumptions such as those described above. Due to the many variables inherent in the estimation of a cash generating unit's recoverable amount, differences in assumptions could have a material effect on the estimated recoverable amount and could result in a goodwill impairment loss in a future period. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by CNH Industrial.

Iveco Group impairment testing

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently if a triggering event occurs.

Goodwill impairment testing is performed at the cash generating unit level, the segment level, comparing the recoverable amount of the cash generating unit to the carrying amount to determine if there is an impairment loss. The results of the impairment tests obtained in 2022 and 2021 confirmed the absence of an impairment loss.

The vast majority of goodwill, representing approximately 77% of the total, related to Commercial and Specialty Vehicles and, as such, the following discussion relates to the impairment testing performed at year-end for this cash-generating unit.

The recoverable amount of the Commercial and Specialty Vehicles cash-generating unit is determined using an income approach, based on the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales in the discrete future period, the weighted average cost of capital (discount rate), and also less significant assumptions such as gross margins, operating costs, income tax rates, capital expenditures and changes in working capital requirements.

Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the cash-generating unit. The discount rate before taxes selected was approximately 15.6% 31 December 2022 and 11.8% at 31 December 2021.

Expected cash flows used under the income approach are developed in conjunction with budgeting and forecasting processes. Iveco Group used 5 years in both 2022 and 2021 of expected cash flows for Commercial and Specialty Vehicles as the Company believes that these periods reflect the underlying market cycle for its business. Furthermore, instead of including a terminal value, an additional 5-year discounted cash flow has been included at the end of the projection period in order to conservatively reflect the remaining value that the cash-generating unit is expected to generate.

Due to the many variables inherent in the estimation of a cash generating unit's recoverable amount, differences in assumptions could have a material effect on the estimated recoverable amount and could result in a goodwill impairment loss in a future period. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by Iveco Group.

Ferrari impairment testing

The assumptions used in this process represent management's best estimate for the period under consideration.

The expected future cash flows covering the period from 2023 through 2026 have been derived from the Ferrari business plan. In particular the estimate considers expected EBITDA adjusted to reflect the expected capital expenditure. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flows are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends for the CGU over the period considered.

The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered, which were calculated by using the specific medium/long-term growth rate for the sector equal to 2.0% in 2022 and in 2021.

The expected future cash flows have been estimated in Euro, and discounted using a post-tax discount rate appropriate for that currency, determined by using a base WACC of 8.10% in 2022 (6.84% in 2021). The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration. The increase in the WACC in 2022 compared to 2021 is primarily the result of central banks raising interest rates in several regions where the Group operates, which has increased the risk free rate.

The recoverable amount of the CGU was significantly higher than its carrying amount. Furthermore, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount of the goodwill will continue to be recoverable, even in the event of difficult economic and market conditions.

Exor impairment testing

At 31 December 2022 the investment in Shang Xia was tested for impairment, considering the recent performance of the company, that during 2022 was strongly impacted by the Covid-19 situation in China where the company operates.

In 2022 Shang Xia reported a reduction on revenues of €14 million (-34% compared to 2021) and a negative EBITDA of €24 million in 2022 (compared to a negative €13 million EBITDA in 2021).

The estimation of the recoverable amount was made applying the discounted cash flows method to the updated Shang Xia approved business figures for the period 2023-2025. Applying a discount rate based on a target 10-years return estimated at the timing of the acquisition (20%) and a terminal value calculated as an exit multiple on the revenues (4.1x), an impairment of €20 million was charged in the 2022 income statement.

Trademark and Other intangible assets with indefinite useful lives

Other intangible assets with indefinite useful lives amounting to €530 million at 31 December 2022 (€518 million at 31 December 2021) mainly includes trademarks and other intangible assets of the CNH Industrial Group attributable to the segments Agriculture and Construction and consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic factors that limit their useful lives.
For the purposes of impairment testing, the assets of CNH Industrial Group are attributed to the respective cash-generating unit.

No impairment loss was recognized in 2022 and 2021.

Development costs and other intangible assets with finite useful lives

The amortization of development costs and impairment losses are reported in the income statement as Research and development costs.

Development costs are tested for impairment at the cash-generating unit level.

Intangible assets with finite useful lives are amortized over their estimated useful lives and tested for impairment if events or changes in circumstances indicate that the asset may be impaired.

Impairment of development costs in 2022 primarily refers to the bus business of Iveco Group, as a consequence of the acceleration of the emission-related technological transition.

15. Property, plant and equipment

(€ million)	At 31 December 2022	At 31 December 2021
Other tangible assets	6,009	5,683
Right-of-use assets	530	502
Total Property, plant and equipment	**6,539**	**6,185**

Details of Property, plant and equipment at 31 December 2022 and the related changes during the year are as follows:

(€ million)	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at 31 December 2021							
Original cost	302	3,362	10,917	1,973	983	495	18,033
Accumulated depreciation and impairment	(3)	(2,047)	(8,880)	(597)	(819)	(4)	(12,350)
Net carrying amount	**299**	**1,315**	**2,037**	**1,376**	**165**	**491**	**5,683**
Changes during the year (original cost)							
Additions	17	109	445	412	65	412	**1,460**
Disposals	(6)	(44)	(82)	(190)	(26)	(5)	**(353)**
Transfer to assets held for sale	—	—	—	—	—	2	**2**
Change in scope of consolidation	3	9	1	—	4	(1)	**16**
Translation differences	2	53	95	1	6	3	**160**
Other changes	70	3	192	(171)	(13)	(378)	**(295)**
Total	**86**	**130**	**652**	**53**	**35**	**34**	**990**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	—	(106)	(546)	(215)	(48)	—	**(916)**
Impairment losses	—	(14)	(3)	(2)	(1)	—	**(20)**
Disposals	—	6	80	153	20	—	**259**
Transfer to assets held for sale	—	5	—	—	—	—	**5**
Change in scope of consolidation	—	—	3	—	1	—	**4**
Translation differences	—	(33)	(75)	2	(7)	—	**(113)**
Other changes	—	50	58	(12)	16	3	**116**
Total	**—**	**(92)**	**(484)**	**(74)**	**(18)**	**3**	**(665)**
Balance at 31 December 2022							
Original cost	389	3,493	11,569	2,026	1,019	529	19,024
Accumulated depreciation and impairment	(4)	(2,139)	(9,364)	(671)	(836)	(1)	(13,015)
Net carrying amount	**385**	**1,354**	**2,205**	**1,354**	**182**	**528**	**6,009**

Property, plant and equipment at 31 December 2021 and the related changes during the year are as follows:

(€ million)	**Land**	**Industrial buildings**	**Plant, machinery and equipment**	**Assets sold with a buy-back commitment**	**Other tangible assets**	**Advances and tangible assets in progress**	**Total**
Balance at 31 December 2020							
Original cost	1,137	10,980	59,625	2,151	3,579	5,059	82,531
Accumulated depreciation and impairment	(33)	(5,307)	(42,208)	(778)	(2,812)	(14)	(51,152)
Net carrying amount	**1,104**	**5,673**	**17,417**	**1,373**	**768**	**5,045**	**31,380**
Changes during the year (original cost)							
Additions	17	78	472	586	40	377	**1,571**
Disposals	(3)	(6)	(203)	(330)	(634)	(1)	**(1,178)**
Transfer to assets held for sale	—	(7)	(7)	—	(2)	—	**(16)**
Deconsolidation of FCA	(861)	(7,886)	(49,661)	—	(2,561)	(4,692)	**(65,661)**
Change in scope of consolidation	—	46	92	—	18	4	**160**
Translation differences	12	120	440	—	36	50	**658**
Other changes	—	37	159	(434)	507	(301)	**(32)**
Total	**(835)**	**(7,618)**	**(48,708)**	**(178)**	**(2,596)**	**(4,564)**	**(64,498)**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	—	(110)	(626)	(220)	(58)	—	**(1,015)**
Impairment losses	—	(5)	(2)	(4)	(3)	—	**(14)**
Disposals	—	6	199	153	326	—	**684**
Transfer to assets held for sale	—	5	4	—	2	—	**10**
Deconsolidation of FCA	28	3,418	34,063	—	1,927	8	**39,444**
Change in scope of consolidation	2	(7)	(65)	—	(59)	—	**(129)**
Translation differences	—	(65)	(295)	(1)	(28)	—	**(390)**
Other changes	—	18	50	253	(112)	3	**211**
Total	**30**	**3,260**	**33,328**	**181**	**1,993**	**10**	**38,802**
Balance at 31 December 2021							
Original cost	302	3,362	10,917	1,973	983	495	18,033
Accumulated depreciation and impairment	(3)	(2,047)	(8,880)	(597)	(819)	(4)	(12,350)
Net carrying amount	**299**	**1,315**	**2,037**	**1,376**	**165**	**491**	**5,683**

In 2022 additions total €1,460 million and mainly refer to the CNH Industrial Group for €313 million, the Iveco Group for €731 million, the Ferrari Group for €348 million and Juventus for €52 million. In 2021 additions were 1,571 million and mainly refer to the CNH Industrial Group for €1,031 million and the Ferrari Group for €352 million.

In 2022, translation differences, a net positive of €47 million (a net positive of €268 million in 2021), primarily reflect the foreign currency translation impacts of the US dollar in relation to the Euro.

In 2022 impairment losses of €20 million mainly include €16 million related to the CNH Industrial Group and €4 million the Iveco Group. In 2021 Impairment losses of €14 million mainly included €6 million related to the CNH Industrial Group.

Changes in right-of-use assets are as follows:

(€ million)	**Land**	**Industrial buildings**	**Plant, machinery and equipment**	**Other assets**	**Total**
Balance at 31 December 2021	**15**	**333**	**32**	**122**	**502**
Depreciation	—	(77)	(48)	(42)	**(168)**
Additions	6	101	40	54	**200**
Disposals	—	(20)	(4)	(3)	**(27)**
Change in scope of consolidation	—	—	—	—	**—**
Translation differences	—	2	1	1	**3**
Other changes	—	16	51	(47)	**19**
Balance at 31 December 2022	**21**	**355**	**70**	**84**	**530**

(€ million)	**Land**	**Industrial buildings**	**Plant, machinery and equipment**	**Other assets**	**Total**
Balance at 31 December 2020	**33**	**1,506**	**330**	**306**	**2,175**
Depreciation	—	(93)	(22)	(76)	**(191)**
Additions		79	18	93	**190**
Disposals	—	(11)	(2)	(10)	**(23)**
Deconsolidation of FCA	(18)	(1,152)	(295)	(194)	**(1,659)**
Change in scope of consolidation	—	—	—	2	**2**
Translation differences	—	22	3	7	**32**
Other changes	—	(18)	—	(6)	**(24)**
Balance at 31 December 2021	**15**	**333**	**32**	**122**	**502**

Short-term and low-value leases are not recorded in the statement of financial position, but a charge is recorded in the income statement for these leases on a straight-line basis over the lease term.

At 31 December 2022 the real estate mortgage charge securing a loan from the *Istituto per il Credito Sportivo* to Juventus for the construction of the stadium and for the renovation of premises in the east section, amounts to a maximum amount of €140 million. In addition, following the signing of the loan agreement for the purchase of the buildings of the headquarters and the J*uventus Training & Media Center Continassa*, on the same property a mortgage charge of €59.5 million was registered in favour of the bank.

At 31 December 2022 the Group has contractual commitments for the acquisition of property, plant and equipment amounting to €421 million (€158 million at 31 December 2021).

16. Investments and other financial assets

Investments and other financial assets at 31 December 2022 and 2021 are as follows:

	At 31 December 2022		At 31 December 2021	
(€ million)	Non current	Current	Non Current	Current
Equity method investments	12,841	—	10,214	—
Investments at FVTOCI	1,032	—	1,077	—
Other investments	80	550	76	568
Total investments	**13,954**	**550**	**11,367**	**568**
Financial receivables	20	48	50	46
Debt securities and investments funds	112	2,329	61	122
Investment funds managed by Exor Capital	1,185	—	357	—
Reinsurance vehicles	622	—	—	—
Derivative assets	—	308	—	175
Total other investments and other financial assets	**15,893**	**3,235**	**11,835**	**911**

Investments

Changes in investments in 2022 are set out below:

€ million	At 31 December 2021	Revaluations/ (Write-downs)	Acquisition and capitalizations	Fair value re-measurements	Translation differences	Change in scope of consolidation	Disposals and other changes	At 31 December 2022
Investments in joint ventures	357	60	38	—	(3)	(112)	(92)	248
Investments in associates	9,857	2,504	10	(2)	264	406	(446)	12,593
Equity method investments	**10,214**	**2,564**	**48**	**(2)**	**261**	**294**	**(538)**	**12,841**
Investments at FVTOCI	1,077	—	377	(403)	—	—	(19)	1,032
Other investments	644	—	10	(1)	37	—	(60)	630
Total investments	**11,935**	**2,564**	**435**	**(406)**	**298**	**294**	**(617)**	**14,503**

The increase is mainly due to the share in the profit of Stellantis Group for €2,392 million.

On 1 July 2022 Exor and Institut Mérieux, the privately held global healthcare holding company of the Mérieux family, signed a long-term partnership agreement under which Exor will obtain, by way of a reserved capital increase, a 10% shareholding in Institut Mérieux. On 29 July 2022 Exor paid an initial amount of €278 million, corresponding to one third of the €833 million total investment, by way of a reserved capital increase.
The remaining amount of €555 million, accounted for as a non-current asset and a financial liability, is to be contributed based on Institut Merieux's needs and as new investment opportunities are identified, expected within the following 12 months.

During the year Exor invested €71 million to acquire a 44.67% stake in Lifenet, an Italian company active in the healthcare sector, particularly in the management of hospitals and outpatient clinics.

Exor invested also €41 million to acquire a stake in Casavo, a leading European next-generation real estate platform. Considering also the stake owned through Exor Seeds and the board representation, Exor assessed that it can exercise significant influence in accordance with IAS 28.

Investments in joint ventures

Investments in joint ventures at 31 December 2022 and 2021 are as follows:

		At 31 December	
(€ million, except percentages)		2022	2021
Investments in joint ventures			
New Holland HFT Japan Inc.	50.00 %	79	73
Turk Traktor Ve Ziraat Makineleri A.S. (Turk Traktor")	37.50 %	74	43
CNH de Mexico SA de CV	50.00 %	33	31
SAIC IVECO Commercial Vehicle Investment Company Limited	50.00 %	—	166
Nuo S.p.A.	50.00 %	38	22
Other		24	22
Total Investments in joint ventures		**248**	**357**

Summarized financial information relating to the material joint ventures is as follows:

	At 31 December		
	2022	2021	
(€ million)	Turk Traktor Ve Ziraat Makineleri	Turk Traktor Ve Ziraat Makineleri	SAIC IVECO Ltd
Cash and cash equivalents	293	123	128
Non-current assets	134	72	—
Current assets	271	182	207
Total assets	**698**	**377**	**335**
Debt	202	77	—
Other liabilities	300	185	—
Total liabilities	**502**	**262**	**—**
Total equity	**196**	**115**	**335**

	2022	2021	
(€ million)	Turk Traktor Ve Ziraat Makineleri	Turk Traktor Ve Ziraat Makineleri	SAIC IVECO Ltd
Net revenues	1,206	1,053	—
Depreciation and amortisation	12	15	—
Net financial income (expenses)	(30)	(9)	—
Profit (loss) before taxes	157	145	15
Income tax (expenses)	9	(28)	—
Profit (loss) from continuing operations	**165**	**117**	**15**
Profit (loss) from discontinued operations	**—**	**—**	**—**
Profit (loss)	**165**	**117**	**15**
Total Other Comprehensive income, net of tax	**—**	**—**	**—**
Total Comprehensive income	**165**	**117**	**15**

This summarized financial information may be reconciled to the carrying amount of the % interest held in the associate as follows:

(€ million)	2022 Turk Traktor Ve Ziraat Makineleri	2021 Turk Traktor Ve Ziraat Makineleri	SAIC IVECO Ltd
Total equity	**196**	**116**	**336**
CNH Group's interest (%)	37.5	37.5	50.0
Pro-quota equity	**74**	**43**	**168**
Adjustments made by using the equity method	—	—	(2)
Carrying amount	**74**	**43**	**166**

Investments in associates

Investments in associates at 31 December 2022 and 2021 are as follows:

(€ million, except percentages)		At 31 December	
		2022	2021
Investments in associates			
Stellantis	14.29 %	10,885	8,624
Christian Louboutin	24.00 %	581	562
The Economist	43.40 %	300	317
Institut Merieux	3.57 %	278	—
CNH Capital Europe	49.90 %	208	186
Welltec	47.61 %	104	73
Lifenet	44.67 %	68	—
Casavo Group	18.68 %	56	—
Other		113	95
Total Investments in associates		**12,593**	**9,857**

The market capitalization of Stellantis at 31 December 2022 was lower than the carrying amount. Exor management determined that no impairment was required based on the following main considerations:

– no impairment indicators emerged in Stellantis financial statements at 31 December 2022; Stellantis recorded adjusted operating income and profit before tax for 2022 of €23.3 billion and €19.2 billion, respectively;

– the share market price showed high volatility during the year 2022, also due to the worsening macroeconomic environment lead by risks from Russia Ukraine conflicts and higher FED and ECB rates.

Summarized financial information relating to Stellantis, a material associate of the Group, is as follows:

(€ million)	At 31 December 2022	At 31 December 2021
Non-current assets	101,380	96,971
Current assets	84,776	74,795
Total assets	**186,156**	**171,766**
Non-current liabilities	46,949	50,602
Current liabilities	66,825	64,857
Total liabilities	**113,774**	**125,028**
Total Equity	**72,382**	**46,738**

(€ million)	FY 2022	FY 2021
Net revenues	179,592	149,419
Profit (loss) before taxes	19,244	14,392
Profit (loss) from continuing operations	16,779	13,218
Profit (loss) from discontinued operations	—	990
Profit (loss)	**16,779**	**14,208**
Total Other comprehensive income, net of tax	2,985	3,826
Total Comprehensive income	**19,764**	**18,034**

Exor's interest in the Stellantis Group at 31 December 2022 is as follows:

€ million	At 31 December 2022	At 31 December 2021
Exor's Interest (%)	14.29	14.35
Share of the profit (loss) for the period (From 17 January to 31 December for 2021)	2,392	1,905
Dividend received[1]	467	550
Carrying amount	10,885	8,624
Market value	5,961	7,499

1) Eliminated from the income statement following the application of the equity method. At 31 December 2021 includes €363 million corresponding to 7,653,004 ordinary shares of Faurecia, distributed as a part of the merger of PSA with and into FCA, €144 million as ordinary dividend and €43 million as cash from the distribution of Faurecia.

Investments at FVTOCI

Investments at FVTOCI include:

– The fair value (€52 million) of the approximately 5.0% investment held by Iveco Group in Nikola Corporation ("Nikola"), made in the context of the strategic partnership with Nikola to industrialize fuel-cell and battery electric Heavy-Duty trucks. During 2022, Iveco Group recorded in Other comprehensive income a pre- and after-tax loss of €172 million (a pre-tax loss of €95 million and an after-tax loss of €94 million during 2021) from the remeasurement at fair value of the investment in Nikola.

– The fair value of the 7,653,004 Faurecia ordinary shares received in 2021 from Stellantis, as part of the merger agreement, for a total of €141 million. In 2022 Exor increased the investment for €36 million and recorded in Other comprehensive income a pre-tax loss of €215 million from the remeasurement at fair value of the investment in Faurecia.

– The fair value of the Via Transportation shares for a total of €477 million. In 2022 Exor recorded in Other comprehensive income a pre-tax gain of €28 million from the remeasurement at fair value of the investment in Via Transportation.

Other investments

Other investments at 31 December 2022 and 2021 are as follows:

	At 31 December	
(€ million)	2022	2021
Investments at FVTPL	622	634
Unconsolidated subsidiaries	9	10
Total other investments	**631**	**644**

Debt securities and investments funds

Debt securities primarily relate to bonds which are issued by leading counterparties and listed on active markets as well as mutual funds and other non-current securities.

Debt securities and investments funds at 31 December 2022 and 2021 are as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Debt securities at FVTPL	57	398
Debt securities at amortised cost	349	120
Debt securities at FVTOCI	24	22
Investments funds at FVTPL	2,011	—
Total Debt securities and investments funds	**2,440**	**540**

The cash received from the disposal of the investments in PartnerRe was allocated to selected investment funds represented by cash instruments with an average duration below 12 months.

Derivative assets

Derivative assets represent the fair value of derivative financial instruments analysed in Note 27 Other financial assets and other financial liabilities.

17. Leased assets

This item changed as follows in 2022 and 2021:

(€ million)	At 31 December 2021	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	At 31 December 2022
Gross carrying amount	2,027	557	—	89	(771)	1,902
Less: Depreciation and impairment	(434)	—	(224)	(18)	252	(424)
Net carrying amount of Leased assets	**1,592**	**557**	**(224)**	**71**	**(519)**	**1,478**

(€ million)	At 31 December 2020	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	At 31 December 2021
Gross carrying amount	1,993	529	—	150	(645)	2,027
Less: Depreciation and impairment	(378)		(234)	(28)	206	(434)
Net carrying amount of Leased assets	**1,614**	**529**	**(234)**	**122**	**(439)**	**1,592**

Leased assets include equipment leased to retail customers by the Group's leasing companies.

At 31 December 2022, minimum lease payments receivable for assets under non-cancelable operating leases amount to €497 million (€470 million at 31 December 2021) and fall due as follows:

(€ million)	At 31 December	
	2022	**2021**
Less than one year	216	216
One to two years	151	139
Two to three years	84	77
Three to four years	32	30
Four to five years	12	8
More than five years	2	—
Total Undiscounted lease payments	**497**	**470**

No leased assets have been pledged as security at 31 December 2022 and 2021.

18. Inventories

Inventories at 31 December 2022 and 2021 are as follows:

	At 31 December	
(€ million)	2022	2021
Raw materials	2,668	2,050
Work-in progress	920	1,078
Finished goods	4,444	3,823
Total inventories	**8,031**	**6,951**

At 31 December 2022 inventories included assets of the CNH Industrial Group which are no longer subject to operating lease arrangements or buy-back commitments and were held for sale for a total amount of €22 million (€75 million at 31 December 2021).

At 31 December 2022, the amount of inventories of the CNH Industrial Group and Iveco Group measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) is €1,288 million and €750 million, respectively (at 31 December 2021 €422 million and €546 million, respectively).

There were no inventories pledged as security at 31 December 2022 and 2021.

In 2022 the amount of inventory write-downs recognized as an expense was €42 million (€33 million in 2021), while amounts recognized as income from the reversal of write-downs on items sold during the year were not significant.

19. Trade receivables

The analysis of trade receivables by due date, at 31 December 2022 and 2021 is as follows:

	At 31 December	
(€ million)	2022	2021
Due within one year	671	726
Due between one and five years	11	—
Due beyond five years	67	—
Total trade receivables	**749**	**726**

The following table shows the expected credit loss (ECL) allowance for trade receivables measured at amortised cost at 31 December 2022 and 2021:

(€ million)	At 31 December 2022			At 31 December 2021		
	Current and less than 90 days past due	90 days or more past due	Total	Current and less than 90 days past due	90 days or more past due	Total
Gross amount	725	91	**816**	617	126	**743**
ECL allowance	(14)	(53)	**(67)**	(55)	(31)	**(86)**
Carrying amount	**711**	**38**	**749**	**562**	**95**	**657**

The movement in the allowance for expected credit losses for trade receivables is as follows:

(€ million)	2022	2021
At 1 January	**86**	**338**
Provision for expected credit losses	5	5
Change in scope of consolidation	(16)	(212)
Use and other changes	(8)	(45)
At 31 December	**67**	**86**

20. Receivables from financing activities

Receivables from financing activities at 31 December 2022 and 2021 are as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Retail		
Retail financing	11,678	9,547
Finance leases	562	503
Total Retail	**12,240**	**10,050**
Wholesale		
Dealer financing	11,324	7,560
Total Wholesale	**11,324**	**7,560**
Other	**42**	**79**
Total receivables from financing activities	**23,606**	**17,689**

The analysis of receivables from financing activities by due date, for the years ended 31 December 2022 and 2021 is as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Due within one year	14,701	10,235
Due between one and five years	8,308	7,018
Due beyond five years	597	436
Total receivables from financing activities	**23,606**	**17,689**

The detail of the receivables from financing activities is as follows:

	At 31 December	
(€ million)	**2022**	**2021**
CNH Industrial	18,108	13,636
Iveco Group	4,092	2,909
Ferrari	1,406	1,144
Total receivables from financing activities	**23,606**	**17,689**

Receivables from financing activities mainly refer to CNH Industrial and Iveco Group which account for credit risk by appropriately providing for expected credit losses on a timely basis.

CNH Industrial and Iveco Group provide and administer financing for retail purchases of new and used equipment and vehicles sold through their dealer networks. The terms of retail and other notes and finance leases generally range from two to six years, and interest rates on retail and other notes and finance leases vary depending on prevailing market interest rates and certain incentive programs offered by Industrial Activities.

Wholesale receivables arise primarily from the sale of goods to dealers and distributors and, to a lesser extent, the financing of dealer operations. Under the standard terms of the wholesale receivable agreements, these receivables typically have "interest-free" periods of up to twelve months and stated original maturities of up to twenty-four months, with repayment accelerated upon the sale of the underlying equipment by the dealer.

During the "interest-free" period, Financial Services is compensated by Industrial Activities based on market interest rates. After the expiration of any "interest-free" period, interest is charged to dealers on outstanding balances until CNH Industrial and Iveco Group receive payment in full. The "interest-free" periods are determined based on the type of equipment sold and the time of year of the sale. CNH Industrial and Iveco Group evaluate and assesses dealers on an ongoing basis as to their credit worthiness. CNH Industrial and Iveco Group may be obligated to repurchase the dealer's equipment upon cancellation or termination of the dealer's contract for such causes as change in ownership, closeout of the business, or default. There were no significant losses in 2022 and 2021 relating to the termination of dealer contracts.

CNH Industrial and Iveco Group assess and monitor the credit quality of its financing receivables based on whether a receivable is classified as performing or non-Performing. Financing receivables are considered past due if the required principal and interest payments have not yet been received as of the date such payments were due. Delinquency is reported on financing receivables greater than 30 days past due. Non-performing financing receivables represent loans for which CNH Industrial has ceased accruing finance income. These receivables are generally 90 days past due. Finance income for non-performing receivables is recognized on a cash basis. Accrued interest is charged-off to interest income. Interest income charged-off was not material for the year ended 31 December 2022 and 2021. Interest accrual is resumed if the receivable becomes contractually current and collection becomes probable. Previously suspended income is recognized at that time.

CNH Industrial

The ageing of Receivables from financing activities of CNH Industrial at 31 December 2022 and 31 December 2021 is as follows:

	At 31 December 2022					
€ million	**Total current**	**31-60 Days Past Due**	**61-90 Days Past Due**	**Total Performing**	**Non-Performing**	**Total**
Retail						
North America	6,874	39	11	**6,924**	—	**6,924**
South America	2,564	11	—	**2,575**	4	**2,579**
Asia Pacific	1,249	8	8	**1,265**	2	**1,267**
Europe, Middle East, Africa	3	—	—	**3**	10	**13**
Total Retail	**10,690**	**58**	**19**	**10,767**	**16**	**10,783**
Wholesale						
North America	3,167	—	—	**3,167**	—	**3,167**
South America	1,328	—	—	**1,328**	—	**1,328**
Asia Pacific	463	—	—	**463**	—	**463**
Europe, Middle East, Africa	2,333	7	2	**2,341**	—	**2,341**
Total Wholesale	**7,290**	**7**	**2**	**7,299**	**—**	**7,299**
Other	—	—	—	**—**	—	**26**
Total CNH Industrial	**—**	**—**	**—**	**—**	**—**	**18,108**

€ million	At 31 December 2021 Total current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total
Retail						
North America	5,845	10	—	**5,855**	—	**5,855**
South America	1,836	—	—	**1,836**	—	**1,836**
Asia Pacific	1,094	9	7	**1,110**	5	**1,115**
Europe, Middle East, Africa	37	4	—	**41**	—	**41**
Total Retail	**8,812**	**23**	**7**	**8,842**	**5**	**8,847**
Wholesale						
North America	2,065	—	—	**2,065**	—	**2,065**
South America	553	—	—	**553**	19	**572**
Asia Pacific	396	2	—	**398**	—	**398**
Europe, Middle East, Africa	1,709	—	—	**1,709**	—	**1,709**
Total Wholesale	**4,723**	**2**	**—**	**4,725**	**19**	**4,744**
Other	—	—	—	—	—	**45**
Total CNH Industrial	**—**	**—**	**—**	**—**	**—**	**13,636**

Iveco Group

The ageing of Receivables from financing activities of Iveco Group at 31 December 2022 and 2021 is as follows:

(€ million)	At 31 December 2022 Total current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total	Allowance	Total net allowance
Total Retail	**102**	**—**	**1**	**103**	**26**	**129**	**(62)**	**67**
Total Wholesale	**4,063**	**7**	**5**	**4,075**	**60**	**4,135**	**(120)**	**4,015**
Other	—	—	—	**—**	—	**10**	**—**	**10**
Total Iveco Group						**4,274**	**(182)**	**4,092**

(€ million)	At 31 December 2021 Total current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total	Allowance	Total net allowance
Total Retail	**115**	**1**		**116**	**43**	**159**	**(89)**	**70**
Total Wholesale	**2,837**	**5**	**2**	**2,844**	**59**	**2,903**	**(98)**	**2,805**
Other	—	—	—	**—**	—	**34**	**—**	**34**
Total Iveco Group						**3,096**	**(187)**	**2,909**

Receivables from financing activities have significant concentrations of credit risk in the agriculture, construction and truck business sectors, and in the Commercial and Specialty Vehicles segment. On a geographic basis, there is not a disproportionate concentration of credit risk in any area. CNH Industrial and Iveco Group typically retain as collateral a security interest in the equipment associated with retail notes, wholesale notes and finance leases.

A financial asset has experienced a significant increase in credit risk when the customer shows signs of operational or financial weakness including past dues, which requires significant collection effort and monitoring and generally occurs when the customer becomes past due greater than 30 days. The assessment considers available information regarding the financial stability of the customer and other market/industry data; an account is typically considered in default when it is 90 days past due.

CNH Industrial and Iveco Group utilize three categories for receivables from financing activities that reflect their credit risk and how the loan provision is determined.

Internal risk grade	IFRS 9 classification	Definition	Basis for recognition of expected credit loss provision
Performing	Stage 1	Low risk of default; payments are generally less than 30 days past due	12 month expected credit losses
Performing	Stage 2	Significant increase in credit risk; payments generally between 31 and 90 days past due	Lifetime expected credit losses
Non-performing	Stage 3	Accounts are credit impaired and/or a legal action has been initiated; payments generally greater than 90 days past due	Lifetime expected credit losses

Charge-off of principal amounts of receivables outstanding are deducted from the allowance at the point when it is estimated that amounts due are deemed uncollectible. CNH Industrial and Iveco Group continue to engage in collection efforts to attempt to recover the receivables. When recoveries are collected, these are recognized as income.

Allowance for Credit Losses

CNH Industrial and Iveco Group segregated their allowance for credit losses into two portfolio segments: retail and wholesale. A portfolio segment is the level at which such companies develop a systematic methodology for determining their allowance for credit losses. Further, CNH Industrial evaluates its retail and wholesale portfolio segments by class of receivable: North America, Europe, Middle East, Africa, South America and Asia Pacific regions. Typically, CNH Industrial's receivables within a geographic region have similar risk profiles and methods for assessing and monitoring risk. These classes align with management reporting.

These companies account for their credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, CNH Industrial and Iveco Group consider historical loss rates for each category of customers and adjusts for forward looking macroeconomic data. The calculations depend also on whether the receivable has been individually identified as being impaired. The first component of the allowance for credit losses covers the receivables specifically reviewed by management for which companies have determined it is probable that it will not collect all of the contractual principal and interest. Receivables are individually reviewed for impairment based on, among other items, amounts outstanding, days past due and prior collection history.

Expected credit losses are measured by considering: the unbiased and probability-weighted amount; the time value of money; and reasonable and supportable information (available without undue costs or effort) at the reporting date about past events, current conditions and forecasts of future economic conditions. Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of each financial asset.

The second component of the allowance for credit losses covers all receivables that have not been individually reviewed for impairment. The allowance for these receivables is based on aggregated portfolio evaluations, generally by financial product. The allowance for wholesale and retail credit losses is based on loss forecast models that consider a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and delinquency. The loss forecast models are updated on a quarterly basis. The calculation is adjusted for forward looking macroeconomic factors. In addition, qualitative factors that are not fully captured in the loss forecast models are considered in the evaluation of the adequacy of the allowance for credit losses. These qualitative factors are subjective and require a degree of management judgment.

CNH Industrial

Allowance for credit losses activity for the year ended 31 December 2022 is as follows:

	31 December 2022							
	Retail				Wholesale			
(€ million)	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Opening balance	50	21	66	**137**	19	—	38	**57**
Provision (benefit)	26	10	33	**69**	8	—	(1)	**7**
Charge-off net of recoveries	2	—	(18)	**(16)**	1	—	(8)	**(7)**
Transfers	6	(20)	14	**—**	1	—	(1)	**—**
Foreign currency translation and other	4	3	6	**13**	(2)	—	5	**3**
Ending balance	**88**	**14**	**101**	**203**	**27**	**—**	**33**	**60**
Receivables	—	—	—	**—**	—	—	—	**—**
Ending balance	**10,568**	**131**	**83**	**10,782**	**7,190**	**20**	**89**	**7,299**

At 31 December 2022, the allowance for credit losses included an increase in reserves due to growth in the retail portfolio and additionally included €14 million for domestic Russian receivables, €9 million for the addition of revolving charge accounts in North America and €7 million in China related to Construction customers. CNH Industrial will update the macroeconomic factors and qualitative factors in future periods, as warranted.

Allowance for credit losses activity for the year ended 31 December 2021 is as follows:

	Year ended 31 December 2021							
	Retail				Wholesale			
(€ million)	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Opening balance	39	21	76	**136**	13		38	**51**
Provision (benefit)	(13)	4	30	**21**	2	—	4	**6**
Charge-off net of recoveries	(4)	—	(18)	**(22)**	—	—		**—**
Transfers	24	(4)	(20)	**—**	2		(2)	**—**
Foreign currency translation	5		(3)	**2**	2	—	(1)	**1**
Ending balance	**51**	**21**	**65**	**137**	**19**	**—**	**39**	**58**
Receivables	—	—	—	**—**	—	—	—	**—**
Ending balance	**8,633**	**169**	**45**	**8,847**	**4,627**	**46**	**71**	**4,744**

At 31 December 2021, the allowance for credit losses includes a reduction in retail reserves primarily due to the improved outlook for the agricultural industry and a reduced expected impact on credit conditions from the Covid-19 pandemic.

Allowance for credit losses activity for the year ended 31 December 2022 is as follows:

	Year ended 31 December 2022							
	Retail				**Wholesale**			
(€ million)	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Opening balance	3	—	86	**89**	8	—	90	**98**
Provision (benefit)	(1)	—	(8)	**(9)**	17	—	19	**36**
Charge-off net of recoveries	—	—	(18)	**(18)**	—	—	(16)	**(16)**
Transfers	—	—	—	**—**	—	—	—	**—**
Foreign currency translation and other	—	—	—	**—**	—	—	2	**2**
Ending balance	**2**	**—**	**60**	**62**	**25**	**—**	**95**	**120**
Receivables	—	—	—	**—**	—	—	—	**—**
Ending balance	**13**	**—**	**54**	**67**	**4,111**	**4**	**41**	**4,156**

Allowance for credit losses activity for the year ended 31 December 2021 is as follows:

	Year ended 31 December 2021							
	Retail				**Wholesale**			
(€ million)	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Opening balance	32	—	80	**112**	8	—	90	**98**
Provision (benefit)	—	—	(2)	**(2)**	17	—	19	**36**
Charge-off net of recoveries	—	—	(21)	**(21)**	—	—	(16)	**(16)**
Transfers	(29)	—	29	**—**	—	—	—	**—**
Foreign currency translation	—	—	—	**—**	—	—	2	**2**
Ending balance	**3**	**—**	**86**	**89**	**25**	**—**	**95**	**120**
Receivables	—	—	—	**—**	—	—	—	**—**
Ending balance	**44**	**—**	**26**	**70**	**2,718**	**6**	**81**	**2,805**

Finance lease receivables mainly relate to vehicles and equipment leased out under finance lease arrangements. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term. The average interest rate implicit in total finance lease receivables varies depending on prevailing market interest rates.

The item may be analysed as follows stated gross of an allowance of €91 million at 31 December 2022 (€79 million at 31 December 2021):

	At 31 December	
(€ million)	2022	2021
Less than one year	132	114
One to two years	81	86
Two to three years	73	64
Three to four years	56	56
Four to five years	33	32
More than five years	8	13
Total undiscounted receivables for future minimum lease payments	**383**	**365**
Unearned finance income	**(45)**	**(37)**
Present value of future minimum lease payments	**338**	**328**

Troubled Debt Restructuring

A restructuring of a receivable constitutes a troubled debt restructuring ("TDR") when the lender grants a concession it would not otherwise consider to a borrower that is experiencing financial difficulties. As a collateral-based lender, CNH Industrial typically will repossess collateral in lieu of restructuring receivables. As such, for retail receivables, concessions are typically provided based on bankruptcy court proceedings. For wholesale receivables, concessions granted may include extended contract maturities, inclusion of interest-only periods, modification of a contractual interest rate to a below market interest rate and waiving of interest and principal.

TDRs are reviewed along with other receivables as part of management's ongoing evaluation of the adequacy of the allowance for credit losses. The allowance for credit losses attributable to TDRs is based on the most probable source of repayment, which is normally the liquidation of the collateral. In determining collateral value, CNH Industrial estimates the current fair market value of the equipment collateral and considers credit enhancements such as additional collateral and third-party guarantees.

Before removing a receivable from TDR classification, a review of the borrower is conducted. If concerns exist about the future ability of the borrower to meet its obligations based on a credit review, the TDR classification is not removed from the receivable.

At 31 December 2022, and 2021, CNH Industrial's TDRs for retail and wholesale receivables were immaterial

Transfers of financial receivables

CNH Industrial and Iveco Group transfer a number of their financial receivables to securitization programs or factoring transactions.

A securitization transaction entails the sale of a portfolio of receivables to a securitization vehicle. This structured entity finances the purchase of the receivables by issuing asset-backed securities (i.e. securities whose repayment and interest flow depend upon the cash flow generated by the portfolio). Asset-backed securities are divided into classes according to their degree of seniority and rating: the most senior classes are placed with investors on the market; the junior class, whose repayment is subordinated to the senior classes, is normally subscribed for by the seller.

The residual interest in the receivables retained by the seller is therefore limited to the junior securities it has subscribed for. In accordance with IFRS 10 – Consolidated Financial Statements, all securitization vehicles are included in the scope of consolidation because the subscription of the junior asset-backed securities by the seller implies its control in substance over the structured entity.

Furthermore, factoring transactions may be either with recourse or without recourse; certain without recourse transfers include deferred payment clauses (for example, when the payment by the factor of a minor part of the purchase price is dependent on the total amount collected from the receivables), requiring first loss cover, meaning that the transferor takes priority participation in the losses, or require a significant exposure to the cash flows arising from the transferred receivables to be retained. These types of transactions do not comply with the requirements of IFRS 9 – Financial Instruments for the derecognition of the assets, since the risks and rewards connected with collection are not substantially transferred and, accordingly, the Group continues to recognize the receivables transferred by this means in its consolidated statement of financial position and recognizes a financial liability of the same amount under Asset-backed financing (see Note 19 Financial Debt and derivative liabilities).

The gains and losses arising from the transfer of these assets are only recognized when the assets are derecognized.

At 31 December 2022 and 2021, the carrying amount of CNH Industrial transferred financial assets not derecognized and the related liability and the respective fair values were as follows:

	At 31 December 2022			At 31 December 2021		
(€ million)	**Receivables from financing activities transferred**	**Other financial assets transferred**	**Total**	**Receivables from financing activities transferred**	**Other financial assets transferred**	**Total**
Carrying amount of assets	10,639	632	11,271	9,113	954	10,067
Carrying amount of the related liabilities	(8,494)	(650)	(9,144)	(6,868)	(969)	(7,837)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:						
Fair value of the assets	10,344	632	10,976	9,159	954	10,113
Fair value of the liabilities	(8,299)	(649)	(8,948)	(6,775)	(968)	(7,743)
Net position	**2,045**	**(17)**	**2,028**	**2,384**	**(14)**	**2,370**

Other financial assets transferred also include the cash with a pre-determined use restricted to the repayment of the securitization debt.

CNH Industrial has discounted receivables and bills without recourse having due dates beyond 31 December 2022 amounting to €16 million which refer to trade receivables and other receivables. At 31 December 2021, the amount of discounted receivables and bills without recourse with due dates beyond that date, was €170 million, of which, €157 million referred to trade receivables and other receivables and €12 million referred to receivables from financing activities.

At 31 December 2022, the carrying amount of Iveco Group transferred financial assets not derecognized and the related liability and the respective fair values were as follows:

(€ million)	**At 31 December 2022**	**At 31 December 2021**
Carrying amount of assets	3,353	1,959
Carrying amount of the related liabilities	(3,145)	(1,925)
Liabilities for which the counterparty has the right to obtain relief on the		
Fair value of the assets	3,353	1,959
Fair value of the liabilities	(3,145)	(1,926)
Total restricted receivables	**208**	**33**

Other financial assets transferred also include the cash with a pre-determined use restricted to the repayment of the securitization debt.

Iveco Group has discounted receivables and bills without recourse having due dates beyond 31 December 2022 amounting to €183 million (€141 million at 31 December 2021, with due dates beyond that date), which refer to trade receivables.

21. Cash and cash equivalents

Cash and cash equivalents at 31 December 2022 and at 31 December 2021 are as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Cash at banks	8,885	6,997
Money market securities and other cash equivalents	1,746	15
Restricted cash	946	893
Total cash and cash equivalents	**11,577**	**7,905**

Cash and cash equivalents include cash at bank and other easily marketable securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Restricted cash mainly includes bank deposits that may be used exclusively for the repayment of the debt relating to securitizations classified as Asset-backed financing.

The credit risk associated with cash and cash equivalents is considered not significant, because these consist mainly of deposits spread across primary international financial institutions.

The Ferrari Group may be subject to restrictions which limit its ability to use cash in relation to its interest in Ferrari International Cars Trading (Shanghai) Co. Ltd. In particular, cash held in China is subject to certain repatriation restrictions and may only be repatriated as a repayment of payables or debt, or through a payment of dividends or capital distributions. The Ferrari Group does not believe that such transfer restrictions have any adverse impacts on its ability to meet liquidity requirements. Cash held in China by Ferrari Group at 31 December 2022 amounted to €97 million (€90 million at 31 December 2021).

Cash collected from the settlement of receivables under securitization programs of Ferrari Group is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the related funding. Such cash amounted to €44 million at 31 December 2022 (€48 million at 31 December 2021).

22. Equity

Share capital

At 31 December 2022 the total issued capital of Exor N.V. was equal to Euro 7,398,809, divided into no. 241,000,000 ordinary shares each with a nominal value of Euro 0.01 and no.124,717,163 Special Voting Shares A each with a nominal value of Euro 0.04.
At 31 December 2022 Giovanni Agnelli B.V. owns 85.89% of the voting rights on Exor's outstanding capital.

Exor N.V. adopted a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each Exor N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each Exor N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period.

AGM resolution

The Exor Annual General Meeting held on 24 May 2022 adopted the 2021 Annual Report, expressed a positive opinion with respect to the 2021 remuneration report and approved the dividend distribution of €0.43 per outstanding share, for a maximum distribution of approximately €99 million. The Annual General Meeting also authorized the purchase of Exor shares on the market for 18 months from the date of the Shareholders' resolution, for a maximum number of shares such as not to exceed the limit set by law, with a maximum disbursement of €500 million.

Treasury stock

At 31 December 2022 Exor holds the following treasury stock:

	Amount			% of class
	No. of shares	Per share (€)	Total (€ thousand)	
Balance at 31 December 2020	**9,993,244**	**29.78**	**297,579**	**4.147**
Buyback of treasury shares	—	—	—	
Exercise of stock options	(702,000)	0.00	(7)	
Balance at 31 December 2021	**9,291,244**	**32.03**	**297,572**	**3.860**
Buyback of treasury shares	3,862,624	65.94	254,707	
Exercise of stock options	(27,249)	0.00	—	
Balance at 31 December 2022	**13,126,619**	**42.07**	**552,279**	**5.450**

1. Considering only the treasury shares bought back in the context of the different programs, the average carrying value per share is € 59.06.

In 2018 the Exor Board of Directors approved a share buyback program for a total amount of up to €300 million. The total invested amount was €297.23 million for a total of 5,483,361 ordinary shares.

On 8 March 2022 Exor announced the launch of a share buyback program for a total amount of up €500 million; the first tranche was completed on 20 June 2022 (total invested amount of €100.19 million for a total of 1,524,103 ordinary shares.

On 29 July 2022 Exor announced its intention to continue with the execution of the buyback, with a second tranche of purchases of up €250 million. At 31 December 2022, 2,338,521 ordinary shares have been repurchased in the context of this second tranche, for a total invested amount of €154.52 million.

At 31 December 2022, the company held in total 13,126,619 ordinary shares in treasury (5.45% of ordinary issued share capital).

On 22 December 2022 Exor started the process of implementing the Board resolution to cancel 7,007,464 ordinary shares acquired as part of the share buyback program which started on 14 November 2018 and was completed on 6 November 2020 (for a total of 5,483,361 ordinary shares) and as the first tranche of the share buyback program which started on 8 March 2022 and was completed on 20 June 2022 (for a total of 1,524,103 ordinary shares).

The cancellation of Exor ordinary shares was completed on 1 March 2023, bringing the total number of ordinary shares in the share capital of Exor to 233,992,536. This cancellation, in line with the intention announced at the launch of the buyback program, was conducted in the framework of the resolution adopted by the Annual General Meeting of Shareholders held on 24 May 2022.

Other comprehensive income

Other comprehensive income for the years ended 31 December 2022 and 2021 is as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:		
Gains (losses) on remeasurement of defined benefit plans	200	154
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees	214	252
Gains (losses) on financial assets at FVTOCI	(414)	(28)
Gains (losses) on financial assets at FVTOCI for equity method investees	(2)	
Items relating to discontinued operations	—	197
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B1)	**(2)**	**575**
Items that may be reclassified to the Consolidated Income Statements in subsequent periods:		
Gains (losses) on cash flow hedging instruments arising during the period	(81)	—
Gains (losses) on cash flow hedging instruments reclassified to the income Statement	255	—
Gains (losses) on cash flow hedging instruments	**174**	**—**
Foreign exchange translation gains (losses) arising during the period	1,042	1,061
Foreign exchange translation gains (losses) reclassified to the income Statement	—	11
Foreign exchange translation gains (losses)	**1,042**	**1,072**
Share of other comprehensive income of equity method investees arising during the period	159	288
Share of other comprehensive income (loss) of equity method investees reclassified to the income statement	—	(27)
Share of other comprehensive income (loss) of equity method investees	**159**	**261**
Items relating to discontinued operations	135	2,193
Total Items that may be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B2)	**1,510**	**3,526**
Total Other Comprehensive Income, before tax effect (B1)+(B2)=(B)	**1,508**	**4,101**
Tax effect	(61)	(20)
Tax effect - discontinued operations	—	7
Total Other Comprehensive Income (Loss), net of tax	**1,447**	**4,088**

With reference to the defined benefit plans of the Group, the gains and losses arising from the remeasurement mainly include actuarial gains and losses arising during the period, the return on plan assets (net of interest income recognized in the income statement) and any changes in the effect of the asset ceiling.

The tax effect relating to other comprehensive income for the years ended 31 December 2022 and 2021 is as follows:

(€ million)	At 31 December					
	2022			2021		
	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance
Gains (losses) on remeasurement of defined benefit plans	200	(26)	174	406	(20)	386
Gains (losses) on financial assets at FVTOCI	(414)	—	(414)	(28)	—	(28)
Gains (losses) on cash flow hedging instruments	174	(33)	141	—	—	—
Foreign exchange translation gains (losses)	1,042	—	1,042	1,072	—	1,072
Share of other comprehensive income (loss) of equity method investees	371	(2)	369	261	—	261
Items relating to discontinued operations	135		135	2,390	7	2,397
Total Other Comprehensive Income (Loss)	**1,508**	**(61)**	**1,447**	**4,101**	**(13)**	**4,088**

Non-controlling interests

Non-controlling interests at 31 December 2022 and 2021 is as follows:

(€ million)	Attributable to non-controlling interests		
	%	Net Result	Equity
At 31 December 2022			
CNH Industrial	72.70 %	1,264	5,180
Ferrari	75.58 %	712	1,969
Iveco Group	72.94 %	119	1,754
GEDI Gruppo Editoriale	10.38 %	(1)	23
Shang Xia Trading	17.70 %	(4)	2
Juventus	36.23 %	(57)	49
Exor Seeds	12.36 %	(61)	67
PartnerRe[1]	—	4	—
Total		**1,976**	**9,043**
At 31 December 2021			
CNH Industrial	72.94 %	1,104	5,501
Ferrari	75.83 %	632	1,678
PartnerRe[1]	—	17	177
GEDI Gruppo Editoriale	10.38 %	(3)	22
Shang Xia Trading	22.70 %	(3)	—
Juventus	36.23 %	(78)	110
Exor Seeds	20.04 %	68	123
Total		**1,737**	**7,611**

(1) Related to preferred shares.

23. Share-based compensation

Exor and the subsidiaries of the Group have several equity incentive plans which, amongst others, include a combination of performance share units (“PSU”) and retention restricted share units (“RSU”). The PSU and RSU represent the right to receive one common share of the relevant entity. PSU awards have financial performance targets whilst the RSU awards have a service condition only. The total number of shares that will be issued may therefore vary from the original award.

Exor

Stock Option Plan Exor 2016

The Stock Option Plan Exor 2016 has a maximum of 3,500,000 options corresponding to the same number of shares. The number of stock options outstanding at 31 December 2022, of which 1,734,248 exercisable, is 2,909,886 (average exercise price of €32.38 per share).

Changes during 2022 and 2021 were as follows:

	2022		2021	
	Number of options	Weighted average exercise price (€)	Number of options	Weighted average exercise price (€)
Outstanding at the beginning of the year	**2,937,135**	**32.38**	2,937,135	32.38
Granted during the year	—	—	—	—
Forfeited during the year	—	—	—	—
Exercised	(27,249)	32.38	—	—
Expired	—	—	—	—
Outstanding at the end of the year	**2,909,886**	**32.38**	2,937,135	32.38
Exercisable at the end of the year	**1,734,248**	**—**	1,173,679	—

No costs have been recognized in 2022 on Stock Option Plan Exor 2016.
In 2021 the cost for the year recorded in the stock option reserve amounted to €2,166 thousand, including €1,474 thousand classified as compensation to the Chairman and Chief Executive Officer.

Exor LTI 2022

In 2022 a long-term incentive plan ("Plan") has been implemented in favour of the Chief Executive Officer, selected employees of companies in the Holdings System and selected suppliers, under which performance share units (“PSUs”) and restricted share units ("RSUs") are granted, being conditional rights to receive one Exor ordinary share for each vested PSU and RSU. With the introduction of the Plan in 2022, the first PSU vesting will take place in 2025, while the RSUs vest upon a time-based service requirement in 3 tranches from 30 June 2023 to 30 June 2025. The total number of shares that will eventually be issued may vary from the original estimate due to forfeiture or the level of achievement of the performance goals. The grant dates of the 2022 awards were 1 July 2022 and 1 November 2022.

The performance conditions attached to the PSUs granted are (i) the cumulative annual growth rate (“CAGR”) of the total shareholder return (“TSR”) target and (ii) the CAGR of the net asset value (“NAV”) relative to the MSCI World Index target. These performance conditions apply during the three-year performance period. More details in relation to the application of these performance conditions are set out below.

TSR

- Initial TSR value: the average closing price of the Exor shares during the 30-day period ending on 30 June 2022, being Euro 64.68.
- End value TSR: the average closing price of the Exor shares during the 30-day period ending on 30 June 2025.
- In the aforementioned calculations (i) the Exor share price will be adjusted for any dividend paid by the Company, (ii) any variation of the Company’s share capital and (iii) dividends are assumed to be reinvested at the ex-dividend date.

NAV
- Initial NAV value: the net asset value of the Company, being the total value of the Company's assets less the total value of its liabilities, calculated using the net asset value at 30 June 2022, being Euro 109.6 per share.
- End value NAV: the net asset value of the Company, being the total value of the Company's assets less the total value of its liabilities, calculated using the net asset value at 30 June 2025.
- The aforementioned calculations are (to be) (i) made in accordance with the methodology as set in the Company's most recent half-year financial report and (ii) verified by a third party (including the consistency of such calculation).

MSCI World Index
- Initial MSCI World Index value: calculated using the closing price of the MSCI World Index at 30 June 2022, being Euro 248.7 per share.
- End value MSCI World Index: calculated using the closing price of the MSCI World Index at 30 June 2025.
- In the aforementioned calculations, the MSCI World Index is the market cap weighted stock market index of companies throughout the world, maintained by MSCI (formerly Morgan Stanley Capital International) with ticker symbol WORLD:MSCI.

The target levels and performance levels are set out below. Linear vesting will apply between performance levels.

Performance level	TSR (CAGR)	NAV (CAGR) vs MSCI-WI
Threshold	4%	Not applicable*
Target	8%	—
Maximum	20%	100%

* For NAV, the target level is the same as the threshold level. When NAV growth falls short of MSCI World Index growth, no vesting takes place.

Performance level	Executive Directors
Below threshold	—
TSR Threshold (0.5 x target)	50%
Target	100%
Maximum	300%

The weighted average fair value of the awards that were issued in 2022 was €71 for the PSUs and €59.45 for the RSUs.Changes during 2022 were as follows:

	Outstanding PSU Awards	Outstanding RSU Awards
Balance at 31 December 2021	**—**	**—**
Granted	581,597	25,401
Forfeited	—	—
Vested	—	—
Balance at 31 December 2022	**581,597**	**25,401**

The following table sets forth information related to the income statement expense recognized and to be recognized in relation to the PSU and RSU awards:

	Years ended 31 December
(€ million)	**2022**
Total expense	43
Expense recognized in the year	7
Unrecognized expense	36

CNH Industrial

CNH Industrial’s equity awards are governed by several plans: i) CNH Industrial N.V. Equity Incentive Plan (“CNH Industrial EIP”) and CNH Industrial N.V. Directors’ Compensation Plan (“CNH Industrial DCP”).

Performance Share Units

2021-2023 Long-Term Incentive Plan

In February 2020, the board of directors approved the 2021-2023 Long-Term Incentive Plan. In December 2020, CNH Industrial issued a new grant of PSUs to its key executive officers and select employees with the financial performance goals covering a three-year period culminating with a cliff vest date of 28 February 2024. Two internal financial metrics: Industrial ROIC (the ratio of Industrial Activities Adjusted EBIT (after-tax) over Average Industrial Invested Capital) and Adjusted EPS (the net profit (loss) excluding any non-recurring items (after-tax), divided by the weighted average outstanding number of common shares on a fully diluted basis), weighted 50% each, and a multiplier-based on CNH Industrial’s percentile ranking of Total Shareholder Return among a comparator group, will determine the total PSUs earned. The internal financial metrics have a payout factor of up to 200% and the market based TSR determinant has a payout factor of 125%. These metrics are considered performance vesting conditions. As such, compensation cost will be accrued based on whether it is considered probable that the performance conditions will be satisfied. The fair value of the PSU awards issued under this plan will be calculated by using the CNH Industrial N.V. stock price on the grant date adjusted for the present value of future dividends that would not be received during the vesting period.

At 31 December 2020 CNH Industrial issued 5 million PSUs. The total number of shares that will eventually be issued may vary from the original estimate due to forfeiture or the level of achievement of the performance goals. The weighted average fair value of the awards that were issued in 2020 was $10.83 per share. The 2020 PSU awards distributed under this plan were issued on 4 December 2020 to key executive officers and select employees and on 14 December 2020 to the Chair of CNH Industrial. During 2021, CNH Industrial issued an additional 3 million PSUs to key executive officers and select employees. The weighted average fair value of the awards that were issued in 2021 was $13.13 per share.

Effective 1 January 2022, the Iveco Group Business was separated from CNH Industrial N.V. by way of a legal statutory demerger to Iveco Group N.V. (the Demerger) and Iveco Group became a public listed company independent from CNH Industrial. As part of the Demerger, any awards outstanding under the CNH Industrial Equity Incentive Plan (or “CNH Industrial EIP”), and held by directors, officers and other employees vesting in April 2022 were accelerated in December 2021 and the related equity incentives were issued by CNH Industrial in CNH Industrial stock. Further, as a result of the Demerger, remaining outstanding awards vesting in 2023 and 2024 were converted to the entity the participant is employed with post Demerger. The conversion of the CNH Industrial EIP includes appropriate adjustment mechanisms to ensure that the value of the unvested awards granted to all the beneficiaries under such plan remain unchanged pre and post demerger for employees in both the Iveco Group N.V. and CNH Industrial N.V.

2022-2024 Long-Term Incentive Plan

In 2022, the CNH Industrial board of directors approved the 2022-2024 Long-Term Incentive Plan under the EIP. Just as the previous 2021-2023 EIP, the 2022-2024 EIP features financial performance goals covering a three-year vesting period. Similar to the 2021-2023 EIP, two internal financial metrics: Industrial ROIC (the ratio of Adjusted EBIT (after-tax) over Average Industrial Invested Capital) and Adjusted EPS (the net profit/(loss) excluding any non-recurring items (after-tax), divided by the weighted average outstanding number of common shares on a fully diluted basis), weighted 50% each, and a multiplier-based on CNH Industrial’s percentile ranking of Total Shareholder Return among a comparator group, will determine the total PSUs earned. However the difference between the two EIPs is that the 2022-2024 EIP has a higher performance achievement threshold for both ROIC and EPS but a smaller list of comparator group for its TSR percentile ranking.

In 2022 CNH Industrial issued 2.5 million PSUs. The total number of shares that will eventually be issued may vary from the original estimate due to forfeiture or the level of achievement of the performance goals. The weighted average fair value of the awards that were issued in 2022 was $14.04 per share.

The following table reflects the activity of PSUs under the CNH Industrial 2021-2023 Long-Term Incentive Plan for the year ended 31 December 2022 and 2021.

	2022		2021	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**9,421,225**	**11.55**	**6,931,030**	**10.83**
Less:				
Awards transferred to Iveco Group	(1,950,170)	10.87	—	—
Plus: Adjustments to awards for continuing employees	1,093,025	n.a.	—	—
Outstanding shares unvested at 5 January 2022	**8,564,080**	**7.31**	—	—
Granted	2,456,659	14.04	3,035,985	13.15
Forfeited/cancelled	(173,331)	8.89	(545,790)	10.83
Vested	—	—	—	—
Outstanding shares unvested at the end of the year	**10,847,408**	**8.81**	**9,421,225**	**11.55**

Restricted Share Units

In 2020, 2021 and 2022 CNH Industrial issued approximately 5 million, 1 million and 2 million restricted share units ("RSUs") to key executive officers and select employees with a weighted average fair value of $10.87, $14.39 and $13.90 per share, respectively. The fair value of the award is measured using the CNH Industrial N.V. stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period. The RSUs vest upon a time-based service requirement.

2021-2023 Long-Term Incentive Plan

On 4 December 2020, CNH Industrial issued two separate RSU grants to key executive officers and select employees. Under the first RSU grant, 1.7 million RSUs were awarded to select employees with a weighted average fair value of $11.43. These awards vested on 31 December 2020. Under the second RSU grant, 5 million RSUs were awarded to select employees and are set to vest in three equal instalments over a three-year period. The first tranche which consisted of 1.7 million RSUs is set to vest on 28 February 2022. The second and third tranches are set to vest on 28 February 2023 and 28 February 2024, respectively. The weighted average fair values for the December 2020 three tranche award group are $11.23, $11.02, and $10.82, respectively.

On 14 December 2020, CNH Industrial issued 120 thousand RSUs to the Chair of CNH Industrial, of which 17 thousand vested on 31 December 2020. The weighted average fair value for these awards is $10.96. The remaining 103 thousand RSUs vest in three equal instalments on 28 February 2022, 2023, and 2024, respectively. The fair values for these awards are $10.76, $10.55 and $10.35, respectively.

During 2021, CNH Industrial issued an additional 1.5 million RSUs to select employees and key executive officers. Of the awards that were issued, 1.2 million are set to vest in three equal instalments over a three year period. The first tranche, which consists of 0.4 million RSUs, was set to vest on 30 April 2022. The second and third tranches are set to vest on 30 April 2023 and 30 April 2024, respectively. The weighted average fair value of these awards are $14.04 per share for the first tranche, $13.84 per share for the second tranche, and $13.66 per share for the third tranche. The remaining awards issued in 2021 had a cumulative weighted average fair value of $16.73. In 2021, CNH Industrial, in anticipation of the Demerger, accelerated the vesting of awards with a vest date of 30 April 2022, to 1 December 2021, excluding shares awarded to the CEO and Chairperson. As a result, CNH Industrial recorded $5 million of expense due to the acceleration of these awards. The weighted average fair value of the shares vested during 2021 was $11.75 per share.

2022-2024 Long-Term Incentive Plan

In 2022 CNH Industrial issued 2.3 million PSUs. The total number of shares that will eventually be issued may vary from the original estimate due to forfeiture or the level of achievement of the performance goals. The weighted average fair value of the awards that were issued in 2022 was $13.90 per share.

The following table reflects the activity of RSUs under the 2017-2019 Long-Term Incentive Plan and 2021-2023 Long-Term Incentive Plan for the years ended 31 December 2022 and 2021.

	2022		2021	
	Restricted shares	Weighted average grant-date fair value ($)	Restricted shares	Weighted average grant-date fair value ($)
Outstanding shares unvested at the beginning of the year	**4,370,079**	**11.72**	**5,443,197**	**10.95**
Less:				
Awards transferred to Iveco Group	(1,039,271)	10.98	—	—
Plus: Adjustments to awards for continuing employees	485,692	n.a.	—	—
Outstanding shares unvested at 5 January 2022	3,816,500	6.76	**5,443,197**	**10.95**
Granted	2,275,329	13.90	1,464,305	14.42
Forfeited	(143,310)	10.96	(396,086)	11.88
Vested	(524,524)	6.62	(2,141,337)	11.59
Outstanding shares unvested at the end of the year	**5,423,995**	**11.72**	**4,370,079**	**11.72**

The following table sets forth information related to the income statement expense recognized and to be recognized in relation to the CNH Industrial's equity awards:

	Years ended 31 December	
(€ million)	2022	2021
Total expense	83	84
Unrecognized expense	135	164
Weighted average remaining period over which expense will be recognized (years)	1.6	2.1

Iveco Group

As part of the Demerger, any awards outstanding under the CNH Industrial Equity Incentive Plan ("CNH Industrial EIP"), and held by directors, officers and other employees vesting in 2022, were accelerated in December 2021 and the related equity incentives were issued by CNH Industrial in CNH Industrial N.V. stock. As a result of the Demerger, remaining outstanding awards vesting in 2023 and 2024 were converted to the entity the participant is employed with post spin. As such, for Iveco Group employees, the underlying stock awards under the CNH Industrial EIP vesting in 2023 and 2024 were converted at the effective date of the Demerger, subject to its terms, to Common Shares of Iveco Group N.V. The conversion of the CNH Industrial EIP included appropriate adjustment mechanisms to ensure that the value of the unvested awards granted to all the beneficiaries under such plan remained unchanged pre and post Demerger for employees in both Iveco Group and CNH Industrial. No incremental cost has been recognized as a consequence of the conversion.

On 25 February 2022, the Iveco Group board of directors adopted the Equity Incentive Plan ("the EIP" or "the Plan"). The EIP relates to the grant of stock-based awards to eligible top performers and key leaders of the Company and its subsidiaries. The EIP is an umbrella programme defining the terms and conditions for any subsequent long term incentive programme.

The Iveco Group board of directors also approved a new long-term incentive programme ("LTIP"), tied to the Company's five-year Strategic Business Plan which spans in total over a five-year performance period, 2022 through 2026. Shareholders at the 13 April 2022 AGM voted in favour to allow up to a maximum of 16 million common shares which may be issued under the LTIP, of which 4 million (rights to subscribe for) common shares are reserved for issuance to the Executive Directors.

Under the LTIP, performance share rights ("PSUs") representing the right to receive one common share in the capital of the Company, will be awarded to the Chairman and to the Chief Executive Officer. A combination of PSUs and restricted share rights ("RSUs"), each representing the right to receive one common share in the capital of the Company, will be awarded to members of the Senior Leadership Team ("SLT") and other key members of the Group. The PSUs will be subject to the achievement of certain performance targets while the RSUs will be subject only to the participant's continuing service as officer, director or employee of the Company; both PSUs and RSUs are also subject to acceptable individual performance.

Performance Share Units

2021-2023 LTIP Awards from the Demerger

Under the CNH Industrial EIP, 1.9 million of non-vested PSUs on CNH Industrial N.V.'s shares related to Iveco Group key executive officers and select employees were outstanding at 31 December 2021. As a result of the Demerger, such non-vested outstanding PSUs were converted to 3.0 million awards on Iveco Group N.V.'s shares.

The PSUs will vest on 28 February 2024, based on the achievement of each target of Adjusted diluted EPS and Industrial ROIC (the ratio of Adjusted EBIT (after-tax) over Average Industrial Invested Capital), weighted 50% each, determined independently, and adjusted according to the TSR multiplier. The payout of the two independent metrics ranges from 50% at threshold results to a cap of 200% at or above outstanding results. These metrics are considered performance vesting conditions. As such, compensation cost will be accrued based on whether it is considered probable that the performance conditions will be satisfied.

2022-2024 LTIP Awards

In February 2022, the board of directors approved the equity incentive plan in which employees and executive directors may participate. In May 2022, Iveco Group issued approximately 2 million of PSUs to its key executive officers and select employees. The Executive Directors (CEO and Chairperson) have only been awarded PSUs.

The PSUs will vest on 28 February 2025 after the end of the performance period, based on the achievement of each target determined independently related to: (i) 3 years average of the Adjusted EBIT Margin %, weighted 40%; (ii) Relative Total Shareholder Return ("Relative TSR" is the annualised rate of return, reflecting stock price performance, and compared to a pre-selected comparator group), weighted 40% and (iii) CO2 Reduction % over the 3 years compared to 2019, weighted 20%. The payout ranges from 50% of target award to a cap of 200% of target award. The Adjusted EBIT Margin % and CO2 Reduction % metrics payout 50% of target award at threshold, 100% at target achievement and capped at 200% of target award for outstanding performance. No payout below threshold results. Relative TSR only pays out at or above target (median ranking) and is also capped at 200% of target award for 1st place ranking among the comparator companies.

In October 2022, Iveco Group issued 19 thousand PSUs to select employees, set to vest on 28 February 2025.

The following table reflects the activity of PSUs under the 2021-2023 LTIP Awards from the Demerger and the 2022-2024 LTIP Awards during the year ended 31 December 2022:

	2022	
	Performance shares	**Weighted average grant date fair value (in €)**
Outstanding shares unvested at the beginning of the year	**3,037,764**	**4.29**
Granted	1,907,289	3.99
Forfeited/Cancelled	(451,581)	4.12
Vested	—	—
Outstanding shares unvested at the end of the year	**4,493,472**	**4.18**

Restricted Share Units

2021-2023 LTIP Awards from the Demerger

Under the CNH Industrial EIP, 1.0 million of non-vested RSUs on CNH Industrial N.V.'s shares related to Iveco Group key executive officers and select employees where outstanding at 31 December 2021. As a result of the Demerger, such non-vested RSUs outstanding were converted to 1.6 million awards on Iveco Group N.V.'s shares.

The RSUs are set to vest 50% on 30 April 2023 and 50% on 30 April 2024. The RSUs vest upon a time-based service requirement.

2022-2024 LTIP Awards

In February 2022, the board of directors approved the equity incentive plan in which employees and executive directors may participate. In May 2022, Iveco Group issued 1 million of RSUs to its key executive officers and select employees.

The RSUs will vest on 28 February 2025, subject only to the participant's continuing service as officer, director or employee of the company. The fair value of the award is measured using the stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period.

In October and November 2022, Iveco Group issued total 80 thousands RSUs to select employees, set to vest on 28 February 2025.

The following table reflects the activity of RSUs under the 2021-2023 LTIP Awards from the Demerger and the 2022-2024 LTIP Awards during the year ended 31 December 2022:

	2022	
	Restricted shares	**Weighted average grant date fair value (in €)**
Outstanding shares unvested at the beginning of the year	**1,618,878**	**4.06**
Granted	1,142,039	4.99
Forfeited/Cancelled	(171,394)	4.27
Vested	—	—
Outstanding shares unvested at the end of the year	**2,589,523**	**4.46**

The following table sets forth information related to the income statement expense recognized and to be recognized in relation to the Iveco Group's equity awards:

	Years ended 31 December
(€ million)	**2022**
Total expense	17
Unrecognized expense	25
Weighted average remaining period over which expense will be recognized (years)	1.5

Ferrari

Ferrari has several equity incentive plans under which a combination of performance share units ("PSUs") and retention restricted share units ("RSUs"), which each represent the right to receive one Ferrari common share, have been awarded to the Executive Chairman, the Chief Executive Officer ("CEO"), members of the Ferrari Leadership Team ("FLT"), formerly Senior Management Team ("SMT") and other key employees of the Group.

Equity incentive plan 2019-2021

In the first quarter of 2022, 68,013 PSU awards and 54,112 RSU awards vested under the plan. As a result, 122,125 common shares, which were previously held in treasury, were assigned to the beneficiaries. There are no further awards outstanding for the Equity Incentive Plan 2019-2021.

Equity Incentive Plan 2020-2022

Under the Equity Incentive Plan 2020-2022 approved in 2020, Ferrari awarded approximately 60 thousand 2020-2022 PSUs and approximately 48 thousand 2020-2022 RSUs to the Executive Chairman, members of the FLT and other key employees of the Group. These PSUs and RSUs cover the three-year performance and service periods from 2020 to 2022 and vest in 2023.

2020-2022 PSU awards

The vesting of the awards is based on the achievement of defined key performance indicators as follows:

i. TSR Target - 50 percent vest based on the achievement of the TSR ranking of Ferrari compared to an industry specific Peer Group of eight;

ii. EBITDA Target - 30 percent vest based on the achievement of an EBITDA target determined by comparing Adjusted EBITDA to the Adjusted EBITDA targets derived from the business plan;

iii. Innovation Target - 20 percent vest based on the achievement of defined objectives for technological innovation and the development of the new model pipeline over the performance period.

Each target is settled independently of the other targets.

Equity Incentive Plan 2021-2023

Under the Equity Incentive Plan 2021-2023 approved in 2021, Ferrari awarded approximately 50 thousand 2021-2023 PSUs and approximately 41 thousand 2021-2023 RSUs to the Executive Chairman, members of the FLT and other key employees of the Group. The PSUs and RSUs cover the three-year performance and service periods from 2021 to 2023.

2021-2023 PSU awards

The vesting of the awards is based on the achievement of defined key performance indicators as follows:

i. TSR Target - 50 percent vest based on the achievement of the TSR ranking of Ferrari compared to an industry specific Peer Group of eight;

ii. EBITDA Target - 30 percent vest based on the achievement of an EBITDA target determined by comparing Adjusted EBITDA to the Adjusted EBITDA targets derived from the Group's business plan;

iii. Innovation Target - 20 percent vest based on the achievement of defined objectives for technological innovation and the development of the new model pipeline over the performance period.

Each target is settled independently of the other targets. The awards vest in 2024 and the total number of shares assigned upon vesting depends on the level of achievement of the targets.

2021-2023 RSU awards

The awards vest in 2024, subject to the recipient's continued employment with the company at the time of vesting.

Equity Incentive Plan 2022-2024

Under a new Equity Incentive Plan 2022-2024 approved in 2022, Ferrari awarded approximately 72 thousand 2022-2024 PSUs to the Executive Chairman, the CEO, the remaining members of the FLT and other employees of the Group, and approximately 26 thousand 2022-2024 RSUs to members of the FLT and other employees of the Group. These PSUs and RSUs cover the three-year performance and service periods from 2022 to 2024.

2022-2024 PSU awards

The vesting of the awards is based on the achievement of defined key performance indicators as follows:

i. TSR Target - 40 percent vest based on the achievement of the TSR ranking of Ferrari compared to an industry specific Peer Group of eleven;

ii. EBITDA Target - 40 percent vest based on the achievement of an EBITDA target determined by comparing Adjusted EBITDA to the Adjusted EBITDA targets derived from the Group's business plan;

iii. ESG Target - 20 percent vest based on the achievement of defined objectives relating to environmental and social factors. In particular, 50 percent of the ESG Target is based on the reduction of CO2 carbon emission and 50 percent is based on the maintenance of the equity salary certification.

Each target is settled independently of the other targets. The awards vest in 2025 and the total number of shares assigned upon vesting depends on the level of achievement of the targets.

2022-2024 RSU awards

The awards vest in 2025, subject to the recipient's continued employment with the Company at the time of vesting.

TSR Target

The number of 2022-2024 PSUs with a TSR Target that vest under the Equity Incentive Plan 2022-2024 is based on the Ferrari's TSR performance over the relevant performance period compared to an industry-specific Peer Group as summarized below.

Ferrari TSR Ranking	**1**	**2**	**3**	**4**	**5**	**6**	**>6**
% of Target Awards that Vest[(1)]	175 %	150 %	125 %	100 %	75 %	50 %	0

The defined peer groups (including Ferrari) for the TSR Target are presented below.

Equity Incentive Plan 2022-2024	Ferrari	Aston Martin	Burberry	Estee Lauder
	Hermes	Kering	LVMH	Mercedes Benz
	Moncler	Prada	Richemont	

EBITDA Target

The number of 2022-2024 PSUs with an EBITDA Target that vest under the Equity Incentive Plan 2022-2024 is determined by comparing Adjusted EBITDA to the Adjusted EBITDA targets derived from the Group's business plan, as summarized below.

Actual Adjusted EBITDA Compared to Business Plan	% of Awards that Vest
+15%	175%
+10%	150%
+5%	125%
Business Plan Target	100%
-5	75%
<-5%	0%

Changes in the outstanding number of PSU and RSU share awards under all the Ferrari equity incentive plans are as follows:

	Outstanding PSU Awards	Outstanding RSU Awards
Balance at January 1, 2021	**414,839**	**159,063**
Granted[1]	49,861	41,460
Forfeited	(19,775)	(13,048)
Vested	(292,753)	(63,814)
Balance at 31 December 2021	**152,172**	**123,661**
Granted[2]	72,373	26,574
Forfeited	(16,327)	(8,934)
Vested	(68,013)	(54,112)
Balance at 31 December 2022	**140,205**	**87,189**

1. Granted under the Equity Incentive Plan 2021-2023.
2. Grander under the Equity Incentive Plan 2022-2024.

Other share awards

During 2022, Ferrari awarded 15,271 share awards, which each represent the right to receive one Ferrari common share, to certain employees, of which 6,643 share awards vested immediately at the grant date. At 31 December 2022, 6,628 share awards remained outstanding and will vest in 2023 and 2024, subject to the recipient's continued employment with the company at the time of vesting. The fair value of the awards was equal to €203, measured using the share price at the grant date adjusted for the present value of future distributions which the recipients will not receive during the vesting period.

The following table sets forth information related to the income statement expense recognized and to be recognized in relation to the PSU and RSU awards:

	Years ended 31 December	
(€ million)	**2022**	**2021**
Total expense	16	12
Unrecognized expense	16	11
Period over which expense will be recognized	over the remaining vesting periods through 2024	over the remaining vesting periods through 2023

In 2022 and 2021 Ferrari also recognized share-based compensation expense of €4.7 million and €2.2 million, respectively, as part of commercial agreements with certain suppliers.

24. Provisions for employee benefits

The Group's provisions and net assets for employee benefits are as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Present value of defined benefit obligations:		
Pension plans	1,489	2,155
Healthcare and life insurance plans	163	255
Other post-employment benefits	271	321
Total present value of defined benefit obligations	**1,922**	**2,731**
Fair value of plan assets on pension plan	(1,191)	(1,626)
Fair value of plan assets of healthcare and life insurance plans	(54)	(115)
Asset ceiling	60	17
Total net defined benefits plan	**738**	**1,007**
of which:		
Net defined benefit liability (A)	*750*	*1,039*
(Defined benefit plan assets)	*(12)*	*(32)*
Other provisions for employees (B)	**555**	**553**
Total provisions for employee benefits (A) + (B)	**1,305**	**1,592**

The Group provides post-employment benefits for certain of its active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates.

The Group provides post-employment benefits under defined contribution and defined benefit plans. The plans are classified by the Group on the basis of the type of benefit provided as follows: pension benefits, healthcare plans, life insurance plans, and other post-employment benefits. Moreover, the Group provides post-employment benefits, such as pension or healthcare benefits, to its employees under defined contribution plans. In this case, the Group pays contributions to the publicly or privately administered insurance plans on a legally mandatory, contractual, or voluntary basis. By paying these contributions the Group fulfils all of its obligations. The Group recognises the cost for defined contribution plans over the period in which the employee renders service. In 2022 this cost amounts to €876 million (€541 million in 2021).

Pension benefits

Group companies in the United States and Canada sponsor both non-contributory and contributory defined benefit pension plans. Liabilities arising from these plans are usually funded by contributions made by the Group and, at times by their employees, into legally separate trusts which independently manage the assets servicing the plan from which the employee benefits are paid.

The Group's funding policy for defined benefit pension plans is to contribute the minimum amounts required by applicable laws and regulations. Occasionally, additional discretionary contributions in excess of these legally required are made to achieve certain desired funding levels.

To the extent that a fund is over funded, the Group is not required to make further contribution to the plan in respect of minimum performance requirements so long as the fund is in surplus. In the U.S. these excess amounts are tracked, and the resulting credit balance can be used to satisfy minimum funding requirements in future years.

The expected benefit payments for pension plans are as follows:

(€ million)	**2023**	**2024**	**2025**	**2026**	**2027**	**2028-2032**
Expected benefit payments	(12)	(14)	(14)	(15)	(14)	(76)

Potential outflows in the years after 2023 are subject to a number of uncertainties, including future asset performance and changes in assumptions.

Changes in pension plans are the following:

	At 31 December							
(€ million)	2022				2021			
	Defined benefit obligation	**Fair value of plan assets**	**Asset ceiling**	**(Net asset) Net liability obligation**	**Defined benefit obligation**	**Fair value of plan assets**	**Asset ceiling**	**(Net asset) Net liability obligation**
Amounts at 1 January	**2,155**	**(1,626)**	**17**	**546**	**26,732**	**(21,879)**	**27**	**4,880**
Included in the income statement	48	(25)	—	**23**	31	2	—	**33**
Included in Other comprehensive income:								
Actuarial (gains) losses from:								
- demographic assumptions	—	—	—	**—**	(11)	—	—	**(11)**
- financial assumptions	(631)	—	—	**(631)**	(54)	—	—	**(54)**
- other	46	—	6	**52**	(36)	—	8	**(28)**
Return on assets	—	419	—	**419**	—	(65)	—	**(65)**
Change in the effect of limiting net assets	—	—	33	**33**	—	—	—	**—**
Exchange differences	(36)	26	—	**(10)**	123	(103)	1	**21**
Other changes:								
Contribution by employer	—	(57)	—	**(57)**	—	(51)	—	**(51)**
Contribution by plan participants	3	(3)	—	**—**	6	(6)	—	**—**
Benefits paid	(96)	76	—	**(20)**	(89)	68	—	**(21)**
Deconsolidation of FCA	—	—	—	**—**	(24,361)	20,258	(17)	**(4,120)**
Transfer to Liabilities held for sale	—	—	—	**—**	(187)	150	—	**(36)**
Other changes	—	—	3	**3**	—	—	(2)	**(2)**
Amounts at 31 December	**1,488**	**(1,191)**	**60**	**358**	**2,155**	**(1,626)**	**17**	**546**

Amounts recognized in the income statement is as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Current service cost	16	27
Interest expenses	30	19
Interest income	(25)	(15)
Other administrative costs	2	2
Past service costs (income) and (gains) losses arising from settlements	—	—
Total recognized in the Consolidated Income Statement	**23**	**33**

The fair value of plan assets by class is as follows:

(€ million)	At 31 December			
	2022		2021	
	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents	**42**	**33**	**30**	**15**
US equity securities	38	38	—	—
Non-US equity securities	—	—	—	—
Commingled fund	—	—	—	—
Equity instruments	**38**	**38**	**—**	**—**
Government securities	78	78	35	8
Corporate bonds (including convertible and high-yield bonds)	45	13	16	—
Other fixed income securities	—	—	—	—
Fixed income securities	**124**	**91**	**51**	**8**
Private equity funds	—	—	—	—
Commingled funds	—	—	—	—
Mutual funds	826	—	1,360	—
Real estate funds	52	—	—	—
Hedge funds			—	—
Investment funds	**878**	**—**	**1,360**	**—**
Insurance contracts and other	**109**	**62**	**185**	**—**
Total fair value of plan assets	**1,191**	**223**	**1,626**	**23**

Non-U.S. equity securities are invested broadly in developed international and emerging markets. Debt instruments are fixed income securities which comprise primarily long-term U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies' debt securities diversified by sector, geography and through a wide range of market capitalisation. Commingled funds include common collective trust funds, mutual funds and other investment entities. Private equity funds include those in limited partnerships that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. Hedge fund investments include those seeking to maximise absolute return using a broad range of strategies to enhance returns and provide additional diversification.

The investment strategies and objectives for pension assets reflect a balance of liability-hedging and return-seeking investment considerations. The investment objectives are to minimise the volatility of the value of the pension assets relative to the pension liabilities and to ensure assets are sufficient to pay plan obligations. The objective of minimising the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset-liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk-adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimise pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income securities. The Group policy for these plans ensures actual allocations are in line with target allocations as appropriate.

Assets are actively managed, primarily, by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed.

The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Plan assets do not include shares of CNH Industrial, or properties occupied by Group companies.

Sources of potential risk in the pension plan assets measurements relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalisation, or counterparty. Interest rate risk is mitigated by partial asset-liability matching.

The fixed income target asset allocation partially matches the bond-like and long-dated nature of the pension liabilities. Interest rate increases generally will result in a decline in the fair value of the investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases generally will increase the fair value of the investments in fixed income securities and the present value of the obligations.

The weighted average assumptions used to determine the defined benefit obligations of the pension plans are as follows:

	At 31 December	
(in %)	**2022**	**2021**
CNH Industrial		
Discount rate	4.64	1.63
Future salary increase rate	3.02	2.12
Average duration (years)	11	15
Iveco group		
Discount rate	3.63	1.14
Future salary increase rate	2.08	1.95
Average duration (years)	11	15

CNH Industrial reviews annually mortality assumptions and demographic characteristics of its U.S. pension plan participants.

In 2021, CNH Industrial adopted the updated mortality improvement scale issued by the SOA ("MP-2021"). The adoption of the new mortality assumptions resulted in a total increase of €1.1 million to the Company’s benefit obligations at 31 December 2021, of which €0.4 million and €0.7 million were related to pension plans and healthcare plans, respectively.

CNH Industrial did not change its mortality assumptions in 2022 because the MP-2021 mortality improvement scale continues to be the most current.

The effect of an increase or decrease in the assumed discount rate, holding all other assumptions constant, would be as follows:

	At 31 December			
(€ million)	**2022**		**2021**	
	Increase	**Decrease**	**Increase**	**Decrease**
CNH Industrial [(1)]	(112)	136	(277)	350
Iveco Group [(1)]	(40)	48	(69)	89

(1) The effect of an increase or decrease of 1.0% in the assumed discount rate was considered.

Discount rates are used in measuring the obligation and the interest expense (income) of net period cost. Weighted-average discount rates are used in measurements of pension, healthcare and other post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled at the measurement date. The benefit cash flow-matching approach involves analysing the Group’s projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-yield corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.

Healthcare and life insurance plans

Liabilities arising from these plans comprise obligations such as healthcare and life insurance granted to a number of employees and retirees in the U.S. and Canada.

These plans generally cover a number of employees retiring on or after reaching the age of 55 who have completed at least 10 years of employment. These benefits may be subject to deductibles, co-payment provisions and other limitations, and the Group has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. These plans are not required to be funded. However, beginning in 2007, the Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American healthcare plans.

In 2021, CNH Industrial communicated plan changes for the US retiree medical plan. The plan changes resulted in a reduction of the plan liability by €88 million, recognized immediately in profit or loss as a pre-tax plan amendment gain of the same amount.

Effective 1 January 2022, post-retirement medical coverage for certain CNH Industrial's U.S. employees who retired prior to December 2004 was transitioned to an individual marketplace. In August 2022, CNH Industrial settled the benefits obligation related to RHRA benefits for this group. In connection with this transaction, €26 million of plan obligations and plan assets were transferred.

The expected benefits for healthcare and life insurance plans are the following:

	2023	2024	2025	2026	2027	2028-2032
Expected benefit payments	14	14	13	13	13	68

Changes in healthcare and life insurance plans are as follows:

	At 31 December					
(€ million)	2022			2021		
	Defined benefit obligation	**Fair value of plan assets**	**(Net asset) Net liability obligation**	**Defined benefit obligation**	**Fair value of plan assets**	**(Net asset) Net liability obligation**
Present value of obligations at 1 January	**255**	**(115)**	**140**	**2,573**	**(118)**	**2,455**
Included in income statement	**(22)**	**23**	**1**	**(76)**	**(2)**	**(78)**
Included in Other comprehensive income:						
Actuarial (gains) losses from:						
- demographic assumptions	(1)	—	**(1)**	1	—	**1**
- financial assumptions	(41)	—	**(41)**	(12)	—	**(12)**
- other	(9)	—	**(9)**	(6)	—	**(6)**
Return on assets	—	22	**22**	—	(6)	**(6)**
Exchange differences	15	(8)	**7**	51	(9)	**42**
Other:						
Contribution by employer	—	14	**14**	—	13	**13**
Contribution by plan participants	4	—	**4**	5	—	**5**
Benefits paid	(26)	9	**(17)**	(30)	8	**(22)**
Deconsolidation of FCA		—	**—**	(2,230)	—	**(2,230)**
Transfer to liabilities held for sale	—	—	**—**	—	—	**—**
Other changes	(12)	1	**(11)**	(21)	(1)	**(22)**
Present value of obligation at 31 December	**163**	**(54)**	**109**	**255**	**(115)**	**140**

Amounts recognized in the Consolidated Income Statement were as follows:

(€ million)	At 31 December 2022	2021
Current service cost	4	3
Interest expenses	6	5
Interest income	(3)	(2)
Past service costs (income) and (gains) losses arising from settlements/curtailments	(6)	(85)
Total recognized in the Consolidated Income Statement	**1**	**(79)**

Healthcare and life insurance plans are accounted for on an actuarial basis, which requires the selection of various assumptions. In particular, it requires the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as healthcare cost increases and demographic experience.

The fair value of plan assets by class is as follows:

	At 31 December			
(€ million)	2022		2021	
	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents	**5**		**3**	
US equity securities	—	—	—	—
Non-US equity securities	—	—	—	—
Equity instruments	**—**	**—**	**—**	**—**
Government securities	25	20	64	64
Corporate bonds (including convertible and high-yield bonds)	—	—	6	—
Other fixed income	6	—	—	—
Debt instruments	**31**	**20**	**70**	**64**
Insurance contracts and other	**—**	**—**	**—**	**—**
Total fair value of plan assets	**36**	**20**	**73**	**64**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

(in %)	At 31 December 2022	2021
CNH Industrial		
Discount rate	5.28	2.54
Future salary increase rate	4.00	n/a
Weighted average initial healthcare cost trend rate	5.12	4.18
Weighted average ultimate healthcare cost trend rate	4.00	3.58
Average duration (years)	7	9

Assumed discount rates are used in measurements of pension, healthcare and other post-employment benefit obligations and net interest on the net defined benefit liability/asset. The Group selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date. The assumed discount rate is used to discount future benefit obligations back to today's dollars. The discount rates for the U.S., European, U.K. and Canadian obligations are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled on the measurement date, 31 December. The benefit cash flow-matching approach involves analysing the Group's projected cash flows against a high-quality bond yield curve, mainly calculated using a wide population of AA-grade corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.

The discount rates for the Group's remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

The assumed healthcare trend rate represents the rate at which healthcare costs are assumed to increase. Rates are determined based on the Group's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and healthcare sector-specific inflation projections from the United States Department of Health and Human Services Healthcare Financing Administration.
The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of healthcare cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilisation changes, an ageing population, and a changing mix of medical services.

The Group uses the spot yield curve approach to estimate the service cost and net interest components by applying the specific spot rates along the yield curve used to determine the benefit obligations to relevant projected cash outflows. Historically, the service and net interest costs were determined using a single weighted-average discount rate based on hypothetical AA yield curves used to measure the benefit obligation at the beginning of the period.

For the CNH Industrial Group, the effect of an increase or decrease of one percentage point in the assumed healthcare cost trend rates would be an increase of €8 million and decrease of €8 million, respectively, in the defined healthcare benefit obligations at 31 December 2021.

Other post-employment benefits

Other post-employment benefits include employee benefits granted to Group employees in Europe and comprise, among others, Italian employee leaving entitlements – TFR (obligation amounting to €145 million at 31 December 2022 and €181 million at 31 December 2021), consisting of the residual obligation for the benefit accrued to employees of Italian companies until 31 December 2007, having more than 50 employees, and accrued over the employee's working life for the others, and settled when an employee leaves the Group. The schemes included in this item are unfunded.

Changes in the obligations for other post-employment benefits are the following:

	At 31 December	
(€ million)	**2022**	**2021**
Present value of obligation at 1 January	**321**	**1,104**
Included in income statement:		
Current service cost	7	8
Interest (income) expenses	1	—
Past service costs (income) and (gains) losses arising from settlements	—	—
Included in Other comprehensive income:		
Actuarial (gains) losses from:		
- demographic assumptions	(2)	(2)
- financial assumptions	(52)	(1)
- other	7	4
Exchange differences	—	1
Other changes:		
Benefits paid	(19)	(29)
Deconsolidation of FCA Group		—
Other changes	8	1
Present value of obligation at 31 December	**270**	**1,086**

The main assumptions used in developing the required estimates for other post-employment benefits include the discount rate, the retirement or employee leaving rate and mortality rates.

The discount rates used for the measurement of the Italian leaving entitlement obligation are based on yields of high-quality (AA rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments. Retirement or employee leaving rates are developed to reflect actual and projected Group experience and the legal requirements for retirement in Italy.

As for the Ferrari Group, at 31 December 2022 the weighted average discount rates that reflect the estimated timing and amount of the scheme future benefit payments was 3.8% (0.9% in 2021). The average duration of the Italian leaving entitlement was approximately 8 years.

Other provisions for employees

Other provisions for employees primarily include long-term disability benefits, supplemental unemployment benefits, variable and other deferred compensation, as well as bonuses granted for tenure at the Group.

25. Other provisions

Changes in Other provisions during the 2022 are as follows:

(€ million)	At 31 December 2021	Charge	Utilisation	Translation differences	Other changes	At 31 December 2022
Warranty recall campaigns and technical assistance	980	877	(746)	13	(59)	1,066
Restructuring provisions	75	45	(41)	—	(6)	75
Investment provisions	5	—	—	—	—	5
Other charges and risks	2,324	3,626	(3,001)	50	(100)	2,899
Total other provisions	**3,384**	**4,548**	**(3,787)**	**64**	**(164)**	**4,045**

The warranty recall campaigns and technical assistance provision represent management's best estimate of commitments given by the Group for contractual, legal or constructive obligations arising from product warranties given for a specified period of time which begins at the date of delivery to the customer. This estimate has been calculated considering past experience and specific contractual terms. This provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a larger recall of vehicles. This provision for risks is developed through an assessment of reported damages or returns on a case-by-case basis.

At 31 December 2022, the restructuring provision includes the estimated amount of benefits payable to employees by CNH Industrial Group and Iveco Group on termination in connection with restructuring plans, amounting to €23 million and €36 million, respectively.

The provision for other charges and risks represents the amounts provided by the individual companies of the Group in connection mainly with sales incentives and contractual, commercial and tax risks and disputes.

The detail is as follows:

	At 31 December	
(€ million)	2022	2021
Marketing and sales incentives programs	1,843	1,376
Legal proceedings and other disputes	226	224
Commercial risks	383	324
Environmental risks	55	42
Other provisions for risks and charges	392	358
Total other risks	**2,899**	**2,324**

In particular, the provision refers to:

- marketing and sales incentives program: relating to the estimated amount of sales consideration to be reversed to the Group's dealer networks if the dealers achieve a specific cumulative level of sales transactions during the calendar year;

- legal proceedings and other disputes: relating to including legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes), legal proceedings involving claims with active and former employees and legal proceedings involving different tax authorities;
- commercial risks: relating to sale of products and services such as onerous maintenance contracts and as a result of certain regulatory emission requirements;
- environmental risks: this provision represents management's best estimate of the Group's probable environmental obligations. amounts included in the estimate comprise direct costs to be incurred in connection with environmental obligations associated with current or formerly owned facilities and sites. This provision also includes costs related to claims on environmental matters;
- other provisions for risks and charges which includes environmental risks, indemnities, provisions for disputes with suppliers, provision for product liabilities, contract related disputes or other disputes not subject to legal proceedings.

26. Financial debt and derivative liabilities

Total financial debt and other financial liabilities at 31 December 2022 and 2021 are as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Financial debt	33,662	28,684
Derivative liabilities	308	266
Total financial debt and derivative liabilities	**33,970**	**28,950**

The composition of financial debt is as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Notes	13,608	13,283
Borrowings from banks	3,991	2,880
Asset-backed financing	13,399	10,661
Lease liabilities	533	504
Payables represented by securities	1,173	1,081
Other financial debt	958	275
Derivative liabilities	308	266
Total financial debt and derivative liabilities	**33,970**	**28,950**

The composition of financial debt by entity is as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Exor	4,233	4,310
CNH Industrial	22,222	18,817
Iveco Group[1]	4,201	2,752
Ferrari	2,832	2,666
Juventus	376	239
GEDI[2]	102	161
Shang Xia	4	5
Total financial debt and derivative liabilities	**33,970**	**28,950**

1. Net of intercompany with CNH Industrial.
2. Net of intercompany with Exor N.V.

Notes

The composition of notes at 31 December 2022 and 2021 is as follows:

Issuer	Currency	Face value outstanding (in million)	Coupon	Maturity	At 31 December 2022	At 31 December 2021
					Outstanding amount (in € million)	
Exor						
Exor	€	602	2.125%	Dec 2022	—	602
Exor	€	500	2.50%	Oct 2024	503	503
Exor	€	100	5.25%	Jan 2025	104	104
Exor	€	450	2.875%	Dec 2025	451	451
Exor	$	170	4.398% 6 months	May 2026	160	151
Exor	€	500	1.75%	Jan 2028	503	502
Exor	€	200	3.125'%	Feb 2038	202	202
Exor	€	500	2.25%	Apr 2030	501	500
Exor	€	500	0.875%	Jan 2031	499	498
Exor	Yen	10,000	2.80% 6 months	May 2031	72	77
Exor	€	500	1.75%	Oct 2034	480	479
Total Exor notes					**3,475**	**4,069**
Medium Term Note Programme (MTNP)						
CNH Industrial	€	4,600	1.625% - 4.5%	May 23 - Jul 2039	4,579	3,644
Total Medium Term Notes					**4,579**	**3,644**
Other notes						
CNH Industrial	$	3,131	0.00% - 5.45%	Jul 2023 - Jul 2026	2,935	3,382
CNH Industrial	AUD	250	1.75%	Jul 2024	150	272
CNH Industrial	CAD	300	1.5%	Oct 2024	208	208
CNH Industrial	BRL	3,077	8.120% - 15.350%	2023/2028	552	—
Ferrari	€	1,485	0.91-1.5%	March 2023 - Jan 2032	1,490	1,487
Juventus	€	175	3.35%	Feb 24	180	179
Total Other notes					**5,516**	**5,528**
Hedging effect and amortised cost valuation					**38**	**42**
Total notes					**13,608**	**13,283**

The new notes issued and notes repaid during the 2022 were as follows:

New Issues	Currency	Nominal Amount (in million)	Coupon	Issue Date	Maturity
Company					
CNH Industrial	BRL	1,862		April-Dec 2022	2024-2025-2026
CNH Industrial	$	500	3.950 %	May 2022	2025
CNH Industrial	$	400	5.450 %	October 2022	2025
CNH Industrial	$	23	— %	October 2022	2025

Repayments	Name of Notes	Currency	Amount (in million)	Repayment date
Company				
CNH Industrial	Euro Medium Term Notes	Eur	75	29 Mar 2022
CNH Industrial	Other Bonds	US dollar	500	5 Apr 2022
Exor	Exor Notes	Eur	602	1 Dec 2022

At 31 December 2022 notes outstanding under this programme for CNH Industrial were €4.6 billion (€3.6 billion at 31 December 2021).

The notes of CNH Industrial are in Euro and US dollars and have been issued by CNH Industrial Finance Europe S.A. and CNH Industrial N.V. and are guaranteed by CNH Industrial N.V.

Notes issued under the Medium Note Programme are generally listed on either the Irish or Swiss stock exchanges and New York Stock Exchange.

Borrowings from banks

Borrowings from banks at 31 December 2022 amount to €3,991 million (€2,880 million at 31 December 2021). The composition is as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Exor	150	150
CNH Industrial	2,965	1,989
Iveco Group	721	501
Ferrari	113	155
Juventus	42	14
GEDI	—	71
Total borrowings from banks	**3,991**	**2,880**

Exor

At 31 December 2022 Exor has a €150 million term loan with maturity 2024 (unchanged compared 31 December 2021).

In addition, it has committed undrawn credit lines of €450 million expiring after 31 December 2023, as well as uncommitted credit lines of €565 million. At 31 December 2021 Exor had undrawn committed credit lines of €385 million, of which €200 million expiring after 31 December 2022, as well as uncommitted credit lines of €545 million.

CNH Industrial

CNH Industrial's borrowings consists primarily of borrowings from banks which are at various terms and rates.
In March 2019, CNH Industrial signed a five-year committed revolving credit facility for €4 billion ($4.5 billion at 31 March 2019 exchange rate) due to mature in 2024 with two extension options of 1-year each, exercisable on the first and second anniversary of the signing date. CNH Industrial exercised the first of the two extension options at 28 February 2020 and the second extension option at 26 February 2021. The facility is now due to mature in March 2026 for €3,950.5 million; €49.5 million within the facility will mature in March 2025.

Total committed secured facilities expiring after twelve months amounted to approximately $2.9 billion at 31 December 2022 ($3.0 billion excluding Iveco Group 31 December 2021), of which $0.8 billion was available at 31 December 2022 ($1.0 billion excluding Iveco Group 31 December 2021).

Iveco Group
On 4 January 2022, Iveco Group signed a €1.9 billion syndicated facility, which included a €1.4 billion committed revolving credit facility with a 5-year tenor with two extension options of 1-year each (subject to the bank's approval), as well as a €0.5 billion committed term facility with a 12-months tenor, extendable for up to an additional 12 months at the Company's sole option. In October 2022, Iveco Group signed a new €400 million syndicated term facility with a 2-year tenor extendable for up to an additional 12 months at the company's sole option. The proceeds have been used to refinance the existing term facility. The €1.4 billion revolving credit facility has been extended for one additional year with all lenders, by exercising the first one-year extension option. The facility is now due to mature in January 2028.

At 31 December 2022, Iveco Group had available committed unsecured facilities expiring after twelve months amounting to €2 billion (€41 million at 31 December 2021).

Ferrari
Bank borrowings of Ferrari include a term loan of €38 million (€ 63 million at 31 December 2021) borrowed by Ferrari S.p.A. and a US dollars loan of €76 million (€62 million at 31 December 2021).

At 31 December 2022 Ferrari had total committed credit lines available and undrawn amounting to €669 million (€676 million at 31 December 2021).

Juventus
Bank borrowings of Juventus at 31 December 2022 mainly relate to €42 million drawn down under revocable credit lines (€14 million at 31 December 2021).

Covenants
Financial liabilities and the revolving credit facility agreements may impose covenants on the borrower and in certain cases on the guarantor, which are typical of international practice for similar liabilities.
The covenants vary from facility to facility and may include among others: (i) negative pledge clauses which require that, in case any security interest in assets of the issuer is granted in connection with other notes or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding notes, subject to certain permitted exceptions; (ii) *pari passu* clauses, under which the debt rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the debt under certain events of default on other financial instruments of the relevant issuer, (v) limitation of new real guarantees and asset sales on certain company assets without the consent of the creditor (vi) limitation on incurrence of liens (vii) limitations on incurrence, repayment and prepayment of indebtedness and (iv) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the underlying indebtedness.

At 31 December 2022 and 2021 the Group was in compliance with all covenants under its debt agreements.

Asset-backed financing
Asset-backed financing represents the amount of financing received through factoring transactions which do not meet the asset derecognition requirements and which are recognized as assets for the same amount in the Consolidated Statement of Financial Position. The composition of Asset-backed financing is as follows:

	At 31 December	
(€ million)	**2022**	**2021**
CNH Industrial	9,144	7,835
Iveco Group	3,149	1,926
Ferrari	1,105	900
Total asset-backed financing	**13,399**	**10,661**

Cash collected from the settlement of receivables or lines of credit pledged as collateral for asset-backed financing is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the funding.

Lease liabilities

Lease liabilities included in the Statement of financial position:

	At 31 December	
(€ million)	**2022**	**2021**
Exor	4	5
CNH Industrial	214	371
Iveco Group	185	—
Ferrari	57	56
Juventus	18	22
GEDI	52	44
Shang Xia	3	5
Total lease liabilities	**533**	**504**

Maturity analysis of lease liabilities – contractual undiscounted cash flows:

(€ million)	At 31 December 2022			
	Due within one year	**Due between one and five years**	**Due beyond five years**	**Total**
Contractual undiscounted cash flows	86	182	73	**341**

Payables represented by securities

At 31 December 2022 payables represented by securities amount to €1,173 million (€1,081 million at 31 December 2021).

On 15 May 2018 Exor established its first Euro-Commercial Paper Program (ECP Program) allowing it to issue short-term notes with maturity of up to 364 days and a maximum amount outstanding of €500 million.
The program enables Exor to achieve greater diversification of its funding sources in the capital markets and enhance its liquidity management. In 2021 Exor repaid the outstanding amount of €160 million nominal value of commercial paper.

With the purpose of further diversifying its funding structure, CNH Industrial has established various commercial paper programs. CNH Industrial Capital LLC outstanding commercial paper totalled €280 million as of 31 December 2022 (no outstanding at 31 December 2021). Banco CNH Industrial SA outstanding commercial paper totalled €216 million outstanding at 31 December 2022 (€79 million at 31 December 2021).

Financial debt by due date

An analysis of financial debt by due date at 31 December 2022 and 2021 is as follows:

	At 31 December							
(€ million)	**2022**				**2021**			
	Due within one year	**Due between one and five years**	**Due beyond five years**	**Total**	**Due within one year**	**Due between one and five years**	**Due beyond five years**	**Total**
Notes	2,053	8,250	3,305	**13,608**	1,328	7,640	4,316	**13,283**
Borrowings from banks	1,524	2,032	435	**3,991**	1,637	1,093	79	**2,808**
Asset-backed financing	8,838	4,538	23	**13,399**	6,451	4,119	91	**10,661**
Payables represented by securities	811	362	—	**1,173**	524	535	21	**1,081**
Lease liabilities	134	284	115	**533**	138	262	104	**504**
Other financial debt	850	105	3	**958**	317	27	3	**347**
Total financial debt	**14,210**	**15,571**	**3,881**	**33,662**	**10,395**	**13,677**	**4,613**	**28,684**

27. Derivative assets and derivative liabilities

The Group utilizes derivative instruments to mitigate its exposure to interest rate and foreign currency exposures. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract. The Group does not hold or enter into derivative or other financial instruments for speculative purposes. The credit and market risk related to derivatives is reduced through diversification among various counterparties, utilizing mandatory termination clauses and/or collateral support agreements. Derivative instruments are generally classified as Level 2 in the fair value hierarchy.

The fair value of the Group's derivative financial assets and liabilities at 31 December 2022 and 2021 is as follows:

	At 31 December			
(€ million)	2022		2021	
	Positive fair value	**Negative fair value**	**Positive fair value**	**Negative fair value**
Fair value hedges:				
Interest rate risk – Interest rate swaps	—	(40)	29	(5)
Currency risks	—	—	—	—
Total Fair value hedges	**—**	**(40)**	**29**	**(5)**
Cash flow hedges:				
Currency risks – Forward contracts, Currency swaps and Currency options	90	(66)	11	(48)
Interest rate risk – Interest rate swaps	109	(19)	35	(16)
Interest rate and currency risk – Combined interest rate and currency swap	—	(17)	—	(28)
Commodity price risk – Commodity swaps	—	(1)	—	(1)
Other		—	—	—
Total Cash flow hedges	**199**	**(103)**	**46**	**(93)**
Derivatives not designated as hedging instruments				
Currency risks	82	(65)	90	(108)
Interest rates	26	(67)	10	(14)
Interest rate and currency risk – Combined interest rate and currency swap	—	—	—	—
Equity	—	(34)	—	(46)
Total derivatives not designated as hedging instruments	**108**	**(165)**	**100**	**(168)**
Collateral deposits	**—**	**—**	**—**	**—**
Total other financial assets and other financial liabilities	**308**	**(308)**	**175**	**(266)**

Derivatives not designated as hedging instruments consist mainly of derivatives (mostly currency-based derivatives) acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges at Group level.

The analysis of outstanding notional amounts of derivative financial instruments by due date, at 31 December 2022 and 2021 is as follows:

(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total
At 31 December 2022				
Currency risk management	10,363	568	—	**10,931**
Interest rate risk management	1,271	5,027	780	**7,078**
Interest rate and currency risk management	—	—	—	**—**
Commodity price risk management	9	—	83	**92**
Total notional amount	**11,643**	**5,595**	**863**	**18,101**
At 31 December 2021				
Currency risk management	8,500	365	—	**8,864**
Interest rate risk management	1,621	4,076	892	**6,589**
Interest rate and currency risk management	—	—	—	**—**
Commodity price risk management	8	—	83	**91**
Total notional amount	**10,128**	**4,441**	**975**	**15,544**

Fair value hedges

The gains and losses arising from the valuation of outstanding interest rate derivatives (for managing interest rate risk) and currency derivatives (for managing currency risk) are recognized in accordance with fair value hedge accounting.

Gains and losses arising from respective hedged items at 31 December 2022 and 2021 are as follows:

	At 31 December	
(€ million)	**2022**	**2021**
Currency risk		
Net gains (losses) on qualifying hedges	—	—
Fair value changes in hedged items	—	—
Interest rate risk		
Net gains (losses) on qualifying hedges	(99)	(41)
Fair value changes in hedged items	99	41
Net gains (losses) on fair value hedges recognized in the income statement	**0**	**0**

Cash flow hedges

The effects recognized in the income statement mainly relate to currency risk management and, to a lesser extent, to hedges regarding commodity price risk management and cash flows that are exposed to interest rate risk and sales exposed to the fluctuations in the Euro/US dollar exchange rate.

With respect to cash flow hedges, the Group reclassified losses of €188 million in 2022 (losses of €55 million in 2021), net of the tax effect, from Other comprehensive income to the Consolidated Income Statement. These amounts are reported in the income statement as follows:

(€ million)	At 31 December 2022	2021
Currency risk		
Increase (Decrease) in net revenues	6	2
Decrease (Increase) in cost of sales	(241)	(10)
Result from investments	—	(22)
Financial income (expenses)	(5)	(3)
Interest rate risk		
Decrease (Increase) in cost of sales	28	3
Financial income (expenses)	23	41
Other - cost of sales		1
Commodity price risk	—	
Decrease (Increase) in cost of sales	—	—
Taxes - income (expenses)	—	—
Ineffectiveness – overhedges	—	(66)
Net gains (losses) on cash flow hedges recognized in the income statement	**(188)**	**(55)**

28. Trade payables

The analysis of trade payables by due date at 31 December 2022 and 2021 is as follows:

(€ million)	At 31 December 2022	2021
Due within one year	7,843	7,002
Due between one and five years	40	35
Due beyond five years	5	3
Total payables	**7,888**	**7,040**

29. Other liabilities

Other liabilities at 31 December 2022 and 2021 are as follows:

(€ million)	At 31 December 2022	2021
Contract liabilities	1,552	1,507
Indirect tax payables	556	665
Payables to personnel	434	415
Social security payables	208	209
Accrued expenses and deferred income	2,215	2,171
Other	907	1,020
Total other liabilities	**5,872**	**5,987**

Payable for buy-back agreements refers to buy-back agreements entered into by the Group and includes the price received for the product recognized as an advance at the date of the sale and subsequently the repurchase price and the remaining lease instalments yet to be recognized.

Accrued expenses and deferred income include the remaining portion of government grants that will be recognized as income in the Consolidated Income Statement over the same periods as the related costs which they are intended to offset.

The analysis of other liabilities (excluding accrued expenses and deferred income) by due date at 31 December 2022 and 2021 is as follows:

(€ million)	At 31 December 2022				2021			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding accrued expenses and deferred income)	3,242	345	70	**3,657**	3,369	317	130	**3,816**

30. Guarantees granted, commitments and contingent liabilities

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, Exor Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships, product warranty and defective product claims, emission and/or fuel economy regulatory and contractual issues, competition law, intellectual property rights and environmental claims. The outcome of any current or future proceedings, claims or investigations cannot be predicted with certainty. These risks arise from pending legal proceedings or requests received by the Group seeking recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damages. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

In addition to claims litigation, the Group may be subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims. This category of business litigation typically involves, among other things, allegations of underwriting errors or omissions, employment claims or regulatory activity. While the outcome of business litigation cannot be predicted with certainty, the Group will dispute all allegations against the Group and/or its subsidiaries that management believes are without merit.

Contingent liabilities of the CNH Industrial Group

At 31 December 2022, contingent liabilities estimated by the CNH Industrial Group amount to approximately €40 million (approximately €41 million at 31 December 2021), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time.

Contingent liabilities of the Iveco Group

Follow-up on Damages Claims

in 2011 Iveco S.p.A. and Iveco Magirus AG (together "Iveco"), which, following the Demerger, are now part of Iveco Group N.V., and its competitors in the European Union were subject to an investigation by the European Commission (the "Commission") into certain business practices in the European Union (in the period 1997-2011) in relation to Medium & Heavy trucks. On 19 July 2016, the Commission announced a settlement with CNH Industrial ("the Decision") including a settlement with Iveco. In particular, Iveco received a reduction in its fine for cooperating with the European Commission throughout the investigation, and received a fine of €495 million. Similar decisions were taken, by the Commission, with reference to the other competitors. Following the Decision, Iveco S.p.A. and Iveco Magirus AG ("IMAG") have been named as defendants in many proceedings across Europe and Israel. These damage claims could result in substantial liabilities for the Group as well as incurring significant defence costs, which may have a material adverse effect on its operations and financial condition. The extent and outcome of these claims, in the absence of any final judgement, cannot be reliably predicted at this time and, therefore, the Group did not recognize any specific provision for these claims. This current position will be reassessed from time to time and updated as necessary. In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (paragraph 92), no further information is disclosed so as not to prejudice the Iveco Group's position.

<u>FPT Emissions Investigation</u>

On 22 July 2020, a number of CNH Industrial's offices in Europe were visited by investigators in the context of a request for assistance by the public prosecutors of Frankfurt am Main, Germany and Turin, Italy in relation to alleged noncompliance of two engine models produced by FPT Industrial S.p.A. ("FPT"), which is now part of the Iveco Group N.V., installed in certain Ducato (a vehicle manufactured and distributed by Stellantis) and Iveco Daily vehicles. FPT is providing its full cooperation to properly address the requests received. FPT, other companies of Iveco Group, and in certain instances CNH Industrial and other third parties have received various requests for compensation by German and Austrian customers on various contractual and tort grounds, including requests for damages resulting out of the termination of the purchase contracts, or in the form of requests for an alleged lower residual value of their vehicles as a consequence of the alleged non-compliance with type approval regulations regarding emissions. In certain instances, other customers have brought judicial claims on the same legal and factual bases. Although, at the date hereof, Iveco Group has no evidence of any wrongdoing, it cannot predict at this time the extent and outcome of these requests and directly or indirectly related legal proceedings, including customer claims or potential class actions alleging emissions non-compliance. Therefore, Iveco Group did not recognize any specific provision in relation to this investigation.

Pending litigations of the Juventus Group

<u>Criminal proceedings pending before the Turin Judicial Authority</u>

On 26 November 2021 and 1 December 2021, Juventus was notified of search and seizure warrants by the Officers of the “Guardia di Finanza” of the “Nucleo di Polizia Economico-Finanziaria Torino” (Economic and Financial Police Unit of Turin), and on those same dates the Issuer was informed of the existence of an investigation initiated by the Public Prosecutor's Office of the Court of Turin ("the Public Prosecutor's Office"), against Juventus itself as well as some of its current and former representatives, in relation to the “Revenues from players' registration rights” item recorded in the financial statements at 30 June 2019, 2020 and 2021 for the offences referred to in Article 2622 of the Italian Civil Code (False corporate communications by listed companies) and Article 8 of Italian Legislative Decree No. 74/2000 (Issue of invoices or other documents for non-existent transactions) and, as far as Juventus is concerned, for the offence envisaged by Article 5 (Liability of the entity) and Article 25-ter (Corporate offences) of Italian Legislative Decree No. 231/2001. Within the context of the aforementioned investigation, a hand-over request for documents concerning payment of the players' salaries during the 2019/2020, 2020/2021 and 2021/2022 sports seasons was served to Juventus by the Public Prosecutor's Office on 23 March 2022.

On 24 October 2022, the Public Prosecutor's Office sent to Juventus – as well as some of its current and previous representatives – the notice regarding the conclusion of preliminary investigations (the “Notice”) in connection with the above-mentioned criminal proceedings. The Notice indicates that the Turin Judicial Authority alleges against the natural persons the offences pursuant to Article 2622 of the Italian Civil Code, Article 185 of the Consolidated Law on Finance (“TUF”), Article 2 of Italian Legislative Decree 74/2000 and Article 2638 of the Italian Civil Code. As part of the same criminal proceedings, Juventus was being investigated for the offences pursuant to articles 5, 25-ter, 25-sexies and 25-quinquesdecies of Italian Legislative Decree 231/2001. The facts forming the object of the Notice relate to the financial statements at 30 June 2019, 30 June 2020 and 30 June 2021 and concern transactions improperly referred to as the “exchange” of players' registration rights and agreements for reducing and supplementing the wages of players and technical staff concluded in the years 2019/2020, 2020/2021 and 2021/2022. Juventus viewed and took a copy of the investigative documents pursuant to Article 415-bis of the Code of Criminal Procedure in order to exercise its right to defence.

On 20 November 2022, as part of the information made public through the second press release pursuant to Article 154-ter of the Consolidated Law on Finance, outlined below, Juventus, in order to provide the market with the most extensive disclosure possible, provided additional information on the Notice referred to above, while taking due care to protect the privacy rights of the parties under investigation and third parties, in the Appendix to the above-mentioned press release, with particular reference to the quantitative outcomes of the effects on the financial statements arising from the content of the provisional charges.

On 30 November 2022, the Public Prosecutors of Turin filed a request for the committal for trial against Juventus and some of its current and former representatives, for the same charges previously indicated in the notice of completion of the preliminary investigations. On 16 January 2023, the Judge of the Preliminary Hearing at the Court of Turin, Mr. M. Picco, notified Juventus of the scheduling of the preliminary hearing for 27 March 2023.

Juventus points out that a number of current and past managers of Juventus were also charged with the alleged crime of fraudulent tax returns, pursuant to Article 2 of Legislative Decree No. 74/2000, since the indictment supposes that in order to evade the value-added tax for the years 2018 to 2021, they indicated fictitious liabilities (resulting in VAT improperly deducted for a total of €437 thousand) in Juventus's annual return relating to said tax, using invoices – issued (in person or through their companies) by sports agents – that in whole and/or in part referenced non-existent transactions. In relation to this alleged offence, Juventus is under indictment as an entity pursuant to Article 25-quinquesdecies of Italian Legislative Decree 231/2001. On 21 December 2022, a hearing was held in chambers in relation to the appeal filed by the Public Prosecutors against the order of the Preliminary Judge at the Court of Turin, concerning rejection of the Public Prosecutors' request for the precautionary seizure of €437 thousand against Juventus, as alleged profit of the tax offences mentioned above. However, on 12 December 2022, the Public Prosecutors declared that they waived the aforementioned appeal; consequently, at the precautionary hearing, the Court of Review declared the appeal inadmissible on 21 December 2022.

On 19 December 2022, the Public Prosecutor's Office at the Court of Turin was requested to notify Juventus, through the Investigation Police officers of the Guardia di Finanza to provide, among other things, a "Hand-over request" for various documents, including accounting statements related to the transactions and the balance of certain items of the balance sheet and income statement, the minutes of the Board of Directors, of the Board of Statutory Auditors and of the "Leadership Team" Committee, documents relating to emoluments/fees/indemnities paid to certain registered members or former registered members, and any other documentation considered relevant. Juventus immediately provided a copy of all the documentation as soon as available, then completed the delivery to the Criminal Investigation Department of the requested documentation in the following weeks.

On 21 March 2023, the Public Prosecutor's Office at the Court of Turin filed further investigative documents relating to the criminal proceedings involving Juventus. Juventus analysed this documentation with the support of its legal and accounting consultants, also in order to verify the presence of documents suitable to establish, even if only potentially, any accounting effects on the operating results, financial position and cash flows at 31 December 2022 and/or on the comparative date of the previous period. For more information on the analyses and assessments carried out by Juventus with the support of its legal and accounting consultants, please refer to the Explanatory Notes no. 57 of Juventus' Consolidated Half-Year Financial Report at 31 December 2022.

In this note, with a view to maximum breadth and transparency of the disclosure and on a voluntary basis, Juventus provides a representation of the potential maximum accounting effects that the documents relating to certain transactions could theoretically have had on the economic, equity and financial situations of the first half of the current year and the previous year, where they were deemed likely to establish rights and obligations payable between the parties and therefore qualify as "contracts" pursuant to IFRS 15.

It should be noted that the potential accounting effects on the economic plan would be zero at 31 December 2022, and positive in the first half of both the current year (for about €11 million, of which approximately €7 million related to the only transaction for which the consent of the player could be considered to exist, i.e. the possibility of transfer) and the previous one (for about €19 million), and would be zero on shareholders' equity at 31 December 2022. Moreover, the potential effects would essentially be nil on cash flows and net financial indebtedness, both for the previous years and the current year.

Consob proceedings pursuant to Article 154-ter, paragraph 7, of the Consolidated Law on Finance

Ats of February 2021, with regard to Juventus, Consob has exercised some of the powers granted to the Supervisory Authority by the Consolidated Law on Finance with regard to the accounting of certain operations and transactions. In particular: (i) on 11 February 2021, Consob sent a request for information concerning the effects on Juventus's financial statements from the agreements for transfer to other clubs of the registration rights of players registered by Juventus and the simultaneous acquisition from the same clubs of the registration rights of their own players; (ii) from 12 July 2021, the Commission conducted an audit (the "Audit") concerning the acquisition of documentation and information relating to the item " Revenue from players' registration rights" recorded in the financial statements at 30 June 2020 and 2021; and (iii) on 14 April 2022, the Commission sent Juventus a request for information concerning the agreements reached by Juventus with some of its registered personnel in relation to the remuneration for registration rights in the financial years 2019/2020 and 2020/2021.

On 28 July 2022, Consob sent to Juventus a Notice on the Initiation of Proceedings aimed at adopting the measure referred to in Article 154-ter, paragraph 7, of the Consolidated Law on Finance (the "Notice" or the "Notice on the Initiation of Proceedings pursuant to Article 154-ter").

With the aforementioned Notification, the Supervisory Authority reported that it had observed some critical issues with reference to the accounting of certain transactions and management events relating (i) to the financial statements at 30 June 2020, (ii) to the consolidated and separate financial statements at 30 June 2021, and (iii) to the half-year financial report at 31 December 2021, and initiated the administrative proceedings aimed at asking Juventus to make public the critical issues identified and publish the necessary supplementary information (the "Proceedings pursuant to Article 154-ter").

The disputed critical issues concerned, in particular, (a) 15 "cross-transactions present in the financial statements at 30 June 2020 and 30 June 2021", of which 10 relating to the financial statements at 30 June 2020 and 5 relating to the financial statements at 30 June 2021, (b) the "accrual of capital gains on transactions carried out before 30 June 2020", and (c) the "salary manoeuvres of players and technical staff", with particular reference to the 2019/2020 and 2020/2021 financial years.

In the Proceedings pursuant to Article 154-ter, Juventus submitted its observations and arguments on 20 September 2022 and 3 October 2022 and on 10 October 2022 the hearing requested by Juventus was held at Consob.

On conclusion of the Proceedings 154-ter, by Resolution No. 22482 of 19 October 2022 ("Resolution No. 22482/2022" or "Resolution 154-ter"), Consob requested Juventus, pursuant to Article 154-ter, paragraph 7 of the Consolidated Law on Finance, to disclose to the market:

A. the shortcomings and critical issues identified by Consob with respect to the accounting accuracy of the financial statements at 30 June 2021;
B. the applicable international accounting standards and the violations identified in this regard;
C. the description, in a dedicated pro-forma income statement and statement of financial position – accompanied by comparative data – of the effects that accounting compliant with the rules would have had on the financial position, profit and loss and shareholders' equity for the year for which an incorrect disclosure was provided.

By means of a first press release dated 21 October 2022 (the "First press release pursuant to Article 154-ter") and a second press release of 20 November 2022 (the "Second press release pursuant to Article 154-ter"), Juventus provided the market with the information pursuant to the Resolution, indicating that it would continue to collaborate and cooperate with the supervisory and industry authorities, without prejudice in any event to the protection of its rights.

By means of the press release dated 2 December 2022, the information provided in the Second press release pursuant to Article 154-ter has been updated to reflect the restatement of Juventus's financial data from Juventus's financial statements for the financial years ended 30 June 2022, 2021 and 2020.

On 19 October 2022, pursuant to Article 114, paragraph 5, of the Consolidated Law on Finance, making reference to the draft separate financial statements and the consolidated financial statements at 30 June 2022 approved by Juventus on 23 September 2022, Consob also asked Juventus to make public, by means of a press release: "1. the considerations of the Directors regarding the correctness of the 2022 financial statements" and "2. an estimation regarding the economic and financial impacts, adequately commented on, suitable to represent the accounting of the profiles subject to the Resolution adopted pursuant to art. 154-ter, paragraph 7, of the Consolidated Law on Finance, dated 19 October 2022, by Consob on the consolidated situation of the Issuer at 30 June 2022" ("Request pursuant to Article 114 of the Consolidated Law on Finance").

On 28 November 2022, Juventus issued a dedicated press release to respond to the Consob request, pursuant to Article 114 of the Consolidated Law on Finance section 1), which should be referred to for more information. In relation to the Request pursuant to Article 114 of the Consolidated Law on Finance section 2), these elements were disclosed by means of the press release of 2 December 2022 (see in particular Annex 3 section b)) which includes, inter alia, the pro-forma consolidated financial statements of Juventus for the financial years ended 30 June 2022 and 2021. The elements included within such pro-forma are immaterial from Exor Group perspective.

Sporting proceedings - revocation
On 22 December 2022, Juventus was notified of the appeal filed by the FIGC Federal Prosecutor's Office for the partial revocation of the decision No. 0089/CFA-2021-2022 of the FIGC Federal Court of Appeal, United Sections of 27 May 2022, which had already become irrevocable, confirming the acquittal of all the parties referred to therein, already ordered in the first instance by the National Federal Court.

The hearing for the revocation proceedings was held by videoconference on 20 January 2023 before the Federal Court of Appeal of the FIGC, United Sections, and ended with the acceptance of the appeal for revocation submitted by the Federal Public Prosecutor's Office. As a result of the revocation, the Federal Court of Appeal, recognising the violations referred to in articles 4 and 31, paragraph 1, of the Code of Sports Justice (CGS) of the FIGC, ordered the application of sporting sanctions against both Juventus (a 15-point deduction in the standings, to be deducted in the current Serie A Season), and the members of Juventus's top management referred (sanctions involving temporary bans).

The reasons for the decision were filed on 30 January 2023 and from that date the term of 30 days for the submission of the appeal to the CONI Sport Guarantee Board commenced.

Juventus filed the aforementioned appeal on 28 February 2023.

Sporting proceedings - new investigation
With the notice of the appeal for revocation and the reading of the deeds filed by the FIGC Public Prosecutor's Office at the same time, Juventus and its lawyers learned of the registration, on 30 November 2022, of an additional sports proceeding, opened following the acquisition of investigation records from the Public Prosecutor's Office at the Court of Turin, presumably on facts and circumstances not already addressed by the previous sporting proceedings.

The investigations are ongoing and Juventus has not received any notice at the date of this Report.

UEFA Settlement Agreement
In March 2022, the UEFA Club Financial Control Body (“UEFA CFCB”), after noting the prospective failure to comply with the balanced budget requirement in the reporting period (from 2019 to 2022), initiated a procedure against the Company and other European clubs.

Considering the impact of the pandemic on the results of the clubs in the period in question and the entry into force of new Financial Sustainability rules in June 2022, UEFA proposed to all the clubs involved the stipulation, according to homogeneous schemes, Settlement Agreements, as a tool to monitor the recovery process and transition from the previous to the new UEFA rules relating to Financial Sustainability.

The Company, as the other clubs involved, therefore, signed with UEFA CFCB its own Settlement Agreement at the end of August, which envisaged the payment of an amount of €3.5 million (linked to the variance from the balance sheet break-even requirement during the aforementioned period from 2019 to 2022, penalised by the Covid-19 pandemic). Only in the case of a failure to meet the specific financial targets for amounts exceeding determined buffers in the 2022-2024 three year period, further economic sanctions (variable and proportional to the amount of the possible future variance) are also anticipated, as well as the possibility that UEFA CFCB may apply limits of a sporting nature (e.g. number of UEFA registered football players and registrations of new players) in case of particularly significant variances beyond other specific thresholds.

Taking into account the forecasts contained in the “2023-2025 Three-Year Plan”, approved by the Board of Directors in June 2022, updated where the result for the current year is concerned on the basis of the current business trend, it is conceivable that the targets of the intermediate economic results envisaged by the Settlement Agreement signed by the Company may be met.

Notice of the initiation of proceeding by the UEFA Club Financial Control Body
On 1 December 2022, the UEFA Club Financial Control Body, “following the alleged financial violations that were recently made public as a result of the proceeding initiated by CONSOB and the Turin Public Prosecutor’s Office” [ed. Company’s translation], initiated proceeding aimed at verifying compliance with the 2018 edition of the UEFA Club Licensing and Financial Fair Play Regulations. The Company will fully cooperate with UEFA in the context of the proceeding and will provide all useful information and data to demonstrate that the economic-equity and financial situation of the Company has not changed significantly compared to what was reported to the CFCB in the context of the signing of the Settlement Agreement.

On 9 December 2022, the reporting member appointed by the CFCB asked the Company to submit certain documents by 20 January 2023 relating to i) the proceeding submitted by the Turin Public Prosecutor's Office, ii) CONSOB's decision issued as part of the Proceeding pursuant to Article 154-ter and iii) any additional documents and observations that the Company deems useful to present.

The information was submitted by the Company within the assigned deadline.

Juventus believes, also taking into account the legal and accounting analyses performed by Juventus on the basis of the opinions issued by independent experts in the light of the relevant documentation concerning the investigation by the Public Prosecutor, that it has acted in compliance with the laws and regulations governing the drafting of financial reports, with the applicable accounting standards and the relative application criteria and in line with international practice in the football industry.

Commitments of the Ferrari Group arising from contractual arrangements

Arrangements with key suppliers

From time to time, in the ordinary course of business, the Group enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions.

Arrangements with sponsors

Certain of the Ferrari Group's sponsorship contracts include terms whereby the Ferrari Group is obligated to purchase a minimum quantity of goods and/or services from its sponsors.
Future minimum purchase obligations under these arrangements at 31 December 2022 were as follows for the Ferrari Group's continuing operations:

	(€ million)
Due within one year	55
Due between one and three years	13
Due between three and five years	3
Due beyond five years	—
Total	**71**

Commitments of CNH Industrial

At 31 December 2022, CNH Industrial (financial services business) has various agreements to extend credit for the following financing arrangements:

	At 31 December 2022		
(€ million)	**Total Credit Limit**	**Utilized**	**Not utilized**
Facility			
Wholesale and dealer financing	6,392	3,349	3,043
Revolving charge accounts	2,303	196	2,107

Guarantees granted by the CNH Industrial

At 31 December 2022 the CNH Industrial provided guarantees on the debt or commitments of third parties and performance guarantees on non-consolidated affiliates totalling €18 million (€13 million at 31 December 2021).

Guarantees granted by the Iveco Group

At 31 December 2022 the Iveco Group provided guarantees on the debt or commitments of third parties and performance guarantees mainly in the interest of a joint venture related to commercial commitments on defence vehicles totalling €409 million (€452 million at 31 December 2021).

Guarantees granted by Juventus

The guarantees granted by Juventus at 31 December 2022 amount to €147 million (€40 million at 31 December 2021) and are mainly related to the payables arising from the acquisition of players' registration rights (€141 million).

31. Fair value measurement by hierarchy

Fair value measurements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the entire measurement:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 — Unobservable inputs for the asset or liability.

This hierarchy requires the use of observable market data when available.

Assets and liabilities measured at fair value on a recurring basis

The following table shows the fair value hierarchy the assets and liabilities measured at fair value on a recurring basis at 31 December 2022 and 31 December 2021:

(€ million)	Level 1	Level 2	Level 3	Fair value
Debt securities and equity investments measured at fair value through other comprehensive income	**371**	**5**	**680**	**1,056**
Debt securities and equity instruments measured at FVTPL	**2,031**		**2,465**	**4,496**
Loan at FVTPL	**—**	**10**	**—**	**10**
Derivative financial assets	**—**	**308**	**—**	**308**
Collateral deposits	**—**	**—**	**—**	**—**
Money market securities	**1,573**	**—**	**—**	**1,573**
Total Assets at 31 December 2022	**3,975**	**323**	**3,145**	**7,443**
Derivative financial liabilities	**—**	**(274)**	**(34)**	**(308)**
Total Liabilities at 31 December 2022	**—**	**(274)**	**(34)**	**(308)**
Debt securities and equity investments measured at fair value through other comprehensive income	567	23	509	**1,099**
Debt securities and equity instruments measured at FVTPL	33	—	974	**1,007**
Loan at FVTPL	—	9	—	**9**
Derivative financial assets	—	175	—	**175**
Money market securities	16	—	—	**16**
Total Assets at 31 December 2021	**616**	**207**	**1,483**	**2,306**
Derivative financial liabilities	—	(220)	(46)	**(266)**
Total Liabilities at 31 December 2021	**—**	**(220)**	**(46)**	**(266)**

Investments classified as Level 3 include, among others: unlisted or private equities, investment funds, derivative instruments and other invested assets. Fair value is determined using valuation models widely accepted; the valuation technique generally used is discounted cash flow, considering counterparty credit risk.

The fair value of derivative financial assets and liabilities, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment, as described below.

The following table provides the reconciliation of the changes in items measured at fair value classified within Level 3 for the year 2022:

(€ million)	At 1 January 2022	Gains (losses) recognized: In the income statement	Gains (losses) recognized: In other comprehensive income	Increase (decrease)	Change in scope of consolidation	Net transfers into/(out of) Level 3	At 31 December 2022
Debt securities and equity instruments measured at FVTOCI	509		14	157			**680**
Debt securities and equity instruments measured at FVTPL	974	(65)	—	1,556			**2,465**
Total Assets	**1,483**	**(65)**	**14**	**1,713**	**—**	**—**	**3,145**
Derivative financial liabilities	(46)	7	—	5	—	—	**(34)**
Total Liabilities	**(46)**	**7**	**—**	**5**	**—**	**—**	**(34)**

Assets and liabilities not measured at fair value on a recurring basis

The following tables present the carrying amount and the fair value of financial assets and liabilities not measured at fair value on a recurring basis and the classification in the fair value level:

(€ million)	At 31 December 2022		At 31 December 2021	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Dealer financing receivables	11,324	11,288	7,560	7,554
Retail financing receivables	11,678	11,266	9,547	9,692
Finance lease receivables	562	549	503	504
Other	90	89	126	123
Total financial assets	**23,654**	**23,192**	**17,736**	**17,873**
Financial liabilities				
Notes	(13,608)	(12,846)	(13,283)	(13,853)
Borrowing from banks, payables represented by securities and other financial debt	(6,122)	(6,005)	(4,236)	(4,151)
Asset-backed financing	(13,399)	(13,202)	(10,661)	(10,568)
Lease liabilities	(533)	(556)	(504)	(504)
Total financial liabilities	**(33,662)**	**(32,609)**	**(28,684)**	**(29,076)**

(€ million)	At 31 December 2022				At 31 December 2021			
	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3	Fair value
Financial assets								
Dealer financing receivables	—	9	11,247	11,288	—	11	7,543	7,554
Retail financing receivables	—	1,077	9	11,266	—	879	8,813	9,692
Finance lease receivables	—	314	235	549	—	254	250	504
Other	—	7	82	89	—	1	122	123
Total financial assets	**—**	**1,407**	**11,573**	**23,192**	**—**	**1,145**	**16,728**	**17,873**
Financial liabilities								
Notes	(8,505)	(4,341)	—	(12,846)	(10,355)	(5,286)	—	(13,853)
Borrowing from banks, payables represented by securities and other financial debt	(886)	(5,068)	(51)	(6,005)	(198)	(4,022)	(117)	(4,151)
Asset-backed financing	—	(13,202)	—	(13,202)	—	(10,568)	—	(10,568)
Lease liabilities	(41)	(57)	(458)	(556)	(22)	(56)	(501)	(504)
Total financial liabilities	**(9,432)**	**(22,668)**	**(509)**	**(32,609)**	**(10,575)**	**(19,932)**	**(618)**	**(29,076)**

The fair value of receivables from financing activities is based on the discounted values of their relative cash flow at market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted to take into account the credit risk of the counterparties.

Notes that are traded in active markets for which close or last trade pricing is available are classified in Level 1 of the fair value hierarchy. Notes for which such prices are not available are valued at the last available price or based on quotes received from third parties and are classified in Level 2 of the fair value hierarchy.

The fair value of asset-backed financing, borrowing from banks, payables represented by securities and other financial debt, classified principally in Level 2, has been estimated based on discounted cash flow analysis using the current market interest rates at year-end adjusted for the Group non-performance risk over the remaining term of the financial liabilities. The fair value of the debt that requires significant adjustment using unobservable inputs is classified in Level 3.

The fair value of lease liabilities principally classified within Level 3 of the fair value hierarchy has been estimated using discounted cash flow models that require significant adjustments using unobservable inputs.

Other financial assets

The carrying amount of debt securities measured at amortized cost, cash at banks, restricted cash, other cash equivalents, trade receivables, other current receivables and financial assets, trade payables and other current liabilities included in the condensed consolidated statement of financial position approximates their fair value, due to the short maturity of these items.

32. Related party transactions

The entities of each consolidated Group put in place transactions with subsidiaries, joint ventures, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24 the related parties of the Exor Group are Giovanni Agnelli, the CNH Industrial Group, the Iveco Group, the Ferrari Group, the GEDI Group, the Juventus Group and their respective unconsolidated subsidiaries, associates or joint ventures, the Stellantis Group, The Economist Group, the Welltec Group, the Christian Louboutin Group, the Lifenet Group, the Institut Merieux Group, the Casavo Group, the Nuo Group, and their subsidiaries. In addition, members of the board of directors of Exor and of its parent Giovanni Agnelli and their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, joint ventures, associates and other related parties are primarily those of a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables.

In accordance with IAS 24, transactions with related parties also include compensation payable to directors, statutory auditors and executives with strategic responsibilities.

The effects of transactions with related parties recognized in the consolidated income statement of the Group for the years 2022 and 2021 are as follows:

	Years ended 31 December							
(€ million)	2022				2021			
	Net revenues	**Cost of sales**	**Selling, general and other (income) expenses**	**Financial income (expenses)**	**Net revenues**	**Cost of sales**	**Selling, general and other (income) expenses**	**Financial income (expenses)**
Total joint ventures	610	429	(25)	—	701	357	—	1
Total associates	254	116	35	—	719	309	93	42
Total other related parties	23	—	—	—	17	—	—	—
Total unconsolidated subsidiaries	—	—	(19)	(8)	—	1	2	—
Total related parties	**887**	**545**	**(9)**	**(8)**	**1,437**	**667**	**95**	**43**

Non-financial assets and liabilities originating from related party transactions at 31 December 2022 and 31 December 2021 are as follows:

(€ million)	At 31 December 2022				At 31 December 2021			
	Trade receivables	**Trade payables**	**Other assets**	**Other liabilities**	**Trade receivables**	**Trade payables**	**Other assets**	**Other liabilities**
Total joint ventures	15	88		84	4	84	—	250
Total associates	58	82	6	2	62	90	1	6
Total other related parties	2	13	—	1	1	5	—	9
Total unconsolidated subsidiaries	—	2	—	—	—	3	—	—
Total related parties	**75**	**185**	**6**	**87**	**67**	**182**	**1**	**265**

Financial assets and liabilities originating from related party transactions at 31 December 2022 and 31 December 2021 are as follows:

(€ million)	At 31 December 2022		At 31 December 2021	
	Receivables from financing activities	**Financial debt**	**Receivables from financing activities**	**Financial debt**
Total joint ventures	—	—	—	—
Total associates	3	2	3	3
Total other related parties	—	—	—	—
Total unconsolidated subsidiaries	—	2	—	2
Total related parties	**3**	**4**	**3**	**5**

Commitments and guarantees pledged in favour of related parties of the CNH Industrial Group

At 31 December 2022 the CNH Industrial Group had provided guarantees on commitments of its associates, mainly related to CNH Capital Europe S.a.s, for an amount of €19 million (€13 million at 31 December 2021).

Compensation to directors, statutory auditors and key executives of Exor

In 2022 compensation to the directors and statutory auditors of Exor, for carrying out their respective functions in the Parent and in other consolidated companies, is as follows:

(€ thousand)	**Exor**	**Subsidiaries**	**Total**
Total compensation 2022	**4,409**	**3,889**	**8,297**
Total compensation 2021	3,477	3,928	7,405

This amount includes the notional compensation cost arising from long-term share-based compensation and stock grants awarded to the directors.
There are no key executives in Exor.

33. Explanatory notes to the consolidated statement of cash flows

Reconciliation of liabilities arising from financing activities for the years ended 31 December 2022 and 2021 is as follows:

(€ million)	Note	**2022**	**2021**
At 1 January			
Financial debt	**26**	**28,684**	**52,101**
Derivative liabilities (assets) and collateral, net	**27**	**91**	**1**
Total Liabilities from financing activities		**28,775**	**52,102**
Cash flows		3,900	(1,334)
Cash flows of discontinued operations		—	(32)
Foreign exchange effects		689	1,003
Fair value changes		194	(24)
Changes in scope of consolidation		3	8
Deconsolidation of FCA Group		—	(21,070)
Transfer to (Assets)/Liabilities held for sale		—	(1,935)
Other changes		101	57
Total change		**4,887**	**(23,327)**
At 31 December			
Total Liabilities from financing activities		**33,662**	**28,775**
Derivative liabilities (assets) and collateral, net	**27**	**—**	**(91)**
Total financial debt	**26**	**33,662**	**28,684**

During the year ended 31 December 2022 the Group paid interest of €938 million and received interest of €604 million. During the year ended 31 December 2021 the Group paid interest of €619 million and received interest of €566 million. Amounts indicated are also inclusive of interest rate differentials paid or received on interest rate derivatives.

During the year ended 31 December 2022 the Group made income tax payments, net of refunds, totalling €1,728 million. During the year ended 31 December 2021 the Group made income tax payments, net of refunds, totalling €511 million.

34. Qualitative and quantitative information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk related to its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- market risk (primarily relating to exchange rates and interest rates).

These risks could significantly affect the Group's financial position and results and for this reason, the Group systematically identifies and monitors these risks in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with established risk management policies.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following paragraphs does not have any predictive value. In particular, the sensitivity analysis on market risks does not reflect the complexity of the market or the reaction, which may result from any changes that are assumed to take place.

The credit concentration risk differs in relation to the activities carried out by the segments and sales markets in which the Group operates; in all cases, however, the risk is mitigated by the large number of counterparties and customers. Considered from a global point of view, however, there is a concentration of credit risk in trade receivables and receivables from financing activities, in particular dealer financing and finance leases in the European Union market and in North America, as well as in Latin America for Agriculture, Construction and Commercial and Specialty Vehicles segments of CNH Industrial Group.

Credit risk

The maximum credit risk to which the Group is theoretically exposed at 31 December 2021 is represented by the carrying amounts stated for financial assets in the financial statements and the nominal value of the guarantees provided on debt or commitments to third parties as discussed in Note 30 Guarantees granted, commitments and contingent liabilities.

Dealers and final customers are generally subject to specific assessments of their credit worthiness under a detailed scoring system. In addition to carrying out this evaluation process, the Group may also obtain financial and non-financial guarantees for risks arising from credit granted for the sale of agricultural equipment and related parts. These guarantees are further secured, where possible, by retention of title clauses or specific guarantees on financed equipment sales to the distribution network and on equipment under finance or leasing agreements.

For further information regarding the exposure to credit risk and ECLs of trade receivables, other receivables and financial receivables at 31 December 2022, refer to Note 19 Trade receivables.

Liquidity risk

Liquidity risk represents the risk that the Group is unable to obtain the funds needed to carry out its operations and meet its obligations. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of challenging economic conditions in the markets in which the Group operates and the uncertainties that characterize the financial markets, necessitate special attention to the management of liquidity risk.

Additionally, as part of the activities, the Group regularly carries out funding operations on the various financial markets which may take on different technical forms and which are aimed at ensuring that it has an adequate level of current and future liquidity.

Measures taken to generate financial resources through operations and to maintain an adequate level of available liquidity are an important factor in ensuring normal operating conditions and addressing strategic challenges. The Group therefore plans to meet its requirements to settle liabilities as they fall due and to cover expected capital expenditures by using cash flows from operations and available liquidity, renewing or refinancing bank loans and making recourse to the bond market and other forms of funding.

The two main factors that determine its liquidity situation are the funds generated by or used in operating and investing activities and the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payments where it may be economical in the context of the local statutory, currency and fiscal regulations of the countries in which the Group is present;
- maintaining an adequate level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity on the basis of business planning.

Details of the repayment structure of the Group's financial assets and liabilities are provided in Note 19 Trade receivables, Note 26 Financial debt and other financial liabilities, Note 27 Other financial assets and other financial liabilities, Note 28 Trade payables and Note 29 Other liabilities.

Exor Group believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable the Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfil its obligations to repay its debt at the natural due date.

Financial markets risk

Due to the nature of its business, the Exor Group is exposed to a variety of financial market risks, including fluctuations in foreign currency exchange rates and interest rates.

The Group's exposure to foreign currency exchange rate risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The Group's exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's result, thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group regularly assesses its exposure to foreign currency and interest rate risk and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.
The policies adopted by the Group permit derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates connected with future cash flows and assets and liabilities and not for speculative purposes.

Derivative financial instruments designated as fair value hedges are utilized mainly to hedge:

- the currency risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly currency swaps, forward contracts, interest rate swaps and combined interest rate and currency financial instruments.

Derivative financial instruments as cash flow hedges are utilized for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans.

The exchange rate exposure on forecasted commercial flows is hedged by foreign currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements. Counterparties to these agreements are major and diverse financial institutions.

Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 28 Other financial assets and other financial liabilities.

Currency risk

The Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity.

Where one of the subsidiaries of the Group incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating results of that company;

The principal exchange rates to which the Group is exposed are the following:

- EUR/USD, in relation to the production/purchases of Agriculture and Construction in the euro area and to sales in dollars in the United States and other market where the USD is the reference currency;
- USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
- AUD/USD, mainly in relation to sales made by Agriculture and Construction in Australia;
- EUR/GBP, mainly in relation to sales on the U.K. market;
- EUR/TRY, mainly in relation to sales on the Turkey market;
- EUR/PLN, mainly in relation to sales on the Polish market;
- EUR/CZK, mainly in relation to the production of Commercial and Specialty Vehicles (BUS) in Czech Republic;
- EURO/Chinese Renminbi/EURO/Japanese Yen in relation to the commercial activities.

Trade flows of CNH Industrial exposed to changes in these exchange rates in 2022 made up approximately 73% of the exposure to currency risk from trade transactions.

Trade flows of Iveco Group exposed to changes in these exchange rates in 2022 made up approximately 67% of the exposure to currency risk from trade transactions.

It is the policy of CNH Industrial and Iveco Group to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecasted trading transaction exchange risk exposure for the coming 12 months with additional flexibility to reach 0% or 100% (including forecasted risk exposure beyond that timeframe where it is believed to be appropriate) and to hedge completely the exposure resulting from firm commitments.

Certain subsidiaries may hold trade receivables or payables denominated in a currency different from the subsidiary's functional currency. In addition, in a limited number of cases, subsidiaries may obtain financing or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the policy of the Group to hedge fully, whenever possible, the exposure resulting from receivables, payables, and securities denominated in currencies different from the subsidiary's functional currency.

The Group monitors its principal exposure to translation exchange risk, although there was no specific hedging in place at 31 December 2022.

There were no substantial changes in 2022 in the nature or structure of exposure to currency risk or in the Group hedging policies.

For CNH Industrial Group, the potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at 31 December 2022 resulting from a hypothetical change of 10% in the exchange rates amounts to approximately \$276 million corresponding to €259 million (\$344 million corresponding to €304 million at 31 December 2021).

For Iveco Group, the potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at 31 December 2022 resulting from a hypothetical change of 10% in the exchange rates amounts to approximately €291 million (€187 million at 31 December 2021).

For Ferrari Group, the potential loss in fair value of derivative financial instruments held for foreign currency exchange rate risk management (currency swaps/forwards) at 31 December 2022 resulting from a 10% change in the exchange rates would have been approximately €175 million (€98 million at 31 December 2021).

Receivables, payables and future trade flows whose hedging transactions have been analysed were not included in this analysis. It is reasonable to assume that changes in market exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk
The manufacturing companies and treasuries make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, Group companies sell receivables from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of financing, including the sale of receivables, or the return on investments of funds, causing an impact on the level of net financial expenses incurred by the Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing primarily using various forms of external borrowings or asset-backed financing (e.g., securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing/funding obtained, changes in the current level of interest rates can affect the profit/(loss).

In order to mitigate these risks, the Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements.

Interest rate benchmark reform CNH Industrial
Certain existing benchmark InterBank Offered Rates (IBORs) such as USD LIBOR will be reformed by the authority and gradually replaced with alternative benchmark rates. Despite the uncertainty around the timing and precise nature of these changes, the existing benchmark interest rates are still applied as reference rates.

To transition existing contracts and agreements that reference USD LIBOR to an alternative benchmark rate (SOFR), adjustments for term differences and credit differences might need to be applied to the alternative benchmark rate, to enable the two benchmark rates to be economically equivalent on transition.

CNH Industrial has issued US dollar-denominated fixed rate debt which it fair value hedges using sterling fixed to US dollar fixed to USD LIBOR interest rate swaps. At 31 December 2022 the notional amount of hedging instruments directly affected by the reform of benchmark interest rates is $1,220 million (€1,144 million).

CNH Industrial is managing the Group's USD LIBOR transition plan. The greatest change will be amendments to the contractual terms of the USD LIBOR-referenced fixed-rate debt and the corresponding update of the hedge designation.

In calculating the change in fair value attributable to the hedged risk of fixed-rate debt, the Group has made the following assumptions that reflect its current expectations:

– the fixed-rate debt will move to SOFR at the beginning of 2022 (or at July 2023 if the new consultations are confirmed) and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument;
– no other changes to the terms of the fixed-rate debt are anticipated; and
– CNH Industrial does not expect any material impact deriving from the replacement of benchmark interest rate.

Sensitivity analysis for CNH Industrial
For CNH Industrial Group, the potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at 31 December 2022, resulting from a hypothetical, unfavourable and instantaneous change of 10% in market interest rates would have been approximately $29 million (€27 million), approximately $20 million (€18 million) at 31 December 2022.

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt and ABS securities. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

For CNH Industrial Group, a hypothetical 10% change in short-term interest rates at 31 December 2022, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately $15 million corresponding to approximately €14 million ($3 million at 31 December 2021, approximately €3 million).

This analysis is based on the assumption that there is a hypothetical change of 10% in interest rate across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Interest rate benchmark reform Iveco Group

Certain existing benchmark InterBank Offered Rates (IBORs) will be reformed by the authority and gradually replaced with alternative benchmark rates (SOFR). Despite the uncertainty around the timing and precise nature of these changes, the existing benchmark interest rates are still applied as reference rates.

Group Treasury is managing the Group's IBOR transition plan. The greatest change will be amendments to the contractual terms of the IBOR-referenced floating-rate debt and the corresponding update of the hedge designation.

In calculating the change in fair value attributable to the hedged risk of fixed-rate debt, Iveco Group has made the following assumptions that reflect its current expectations:

– the floating-rate debt will move to SOFR at the beginning of July 2025 and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument;

– no other changes to the terms of the floating-rate debt are anticipated; and

– Iveco Group does not expect any material impact deriving from the replacement of benchmark interest rate.

Sensitivity analysis for Iveco Group

For Iveco Group the potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at 31 December 2022, resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €1 million (€1 million at 31 December 2021).

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt, and ABCPs. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments. This analysis does not include cash and cash equivalent from hyperinflationary countries which could have distorting effects on the results of the analysis and the change in fair value of foreign exchange rate derivative instruments.

A hypothetical change of 10% in short-term interest rates at 31 December 2022, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €8 million (€5 million at 31 December 2021).

This analysis is based on the assumption that there is a hypothetical change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated

35. Audit Fees

The following table reports fees paid to the independent auditor Ernst & Young, or entities in their network for audit and other services to the Group, for the years ended 31 December 2022 and 2021:

€ thousands		Years ended 31 December	
		2022	**2021**
Audit	Parent - Exor N.V.	197	185
	Subsidiaries	53,768	50,293
Other services	Parent - Exor N.V.	38	45
	Subsidiaries	2,502	6,991
TOTAL		**56,505**	**57,514**

Audit fees of Ernst & Young Accountants LLP amounted to €885.5 thousand (€758.5 thousand in 2021). No other services were performed by Ernst & Young Accountants LLP.

36. Subsequent events

Exor has evaluated subsequent events through 17 April 2023, which is the date the financial statements at 31 December 2022 were authorised for issuance, and determined that there were no such events requiring recognition or disclosure in the financial statements.

17 April 2023

The Board of Directors

Ajay Banga

John Elkann

Andrea Agnelli

Ginevra Elkann

Alessandro Nasi

Melissa Bethell

Marc Bolland

Laurence Debroux

Axel Dumas

Company Financial Statements at 31 December 2022

EXOR N.V. – INCOME STATEMENT

		Years ended 31 December	
€ thousand	Note	2022	2021
Investment income			
Dividends from investments	1	**651,017**	**1,480,172**
Investment income		**651,017**	**1,480,172**
Impairment and gains (losses) on investments			
Impairment of investments	2	**(51,696)**	**—**
Realized losses on investments		**(13)**	**—**
Impairment and gains (losses) on investments		**(51,709)**	**—**
Net financial income (expenses)			
Financial expenses from third parties	3	**(120,045)**	**(231,236)**
Financial expenses from related parties	24	**(6,272)**	**(9)**
Financial income from third parties	4	**14,172**	**4,683**
Financial income from related parties	24	**8,922**	**949**
Financial income from fair value adjustment of financial assets		**551**	**760**
Gains (losses) on foreign exchange	5	**(22,964)**	**7,664**
Net financial income (expenses)		**(125,636)**	**(217,189)**
Net general expenses			
Personnel costs	6	**(17,949)**	**(4,069)**
Purchases of goods and services from third parties	7	**(11,266)**	**(9,493)**
Purchases of goods and services from related parties	24	**(39,369)**	**(10,525)**
Other operating expenses		**(1,013)**	**(2,055)**
Revenues from third parties		**—**	**1**
Revenues from related parties	24	**390**	**556**
Net general expenses		**(69,207)**	**(25,585)**
Profit (loss) before income taxes		**404,465**	**1,237,398**
Income taxes	8	**—**	**(675,333)**
Profit (loss) for the year		**404,465**	**562,065**

EXOR N.V. – STATEMENT OF COMPREHENSIVE INCOME

		Years ended 31 December	
€ thousand	Note	2022	2021
Profit (loss) for the year		**404,465**	**562,065**
Other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods			
Gains (losses) on financial investments at fair value through other comprehensive income	10	**(202,326)**	**90,283**
Related tax effect		**—**	**—**
Total other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods, net of tax		**(202,326)**	**90,283**
Other comprehensive income (loss) that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**16,655**	**7,411**
Related tax effect		**—**	**—**
Total other comprehensive income (loss) that may be reclassified to the income statement, net of tax		**16,655**	**7,411**
Total other comprehensive income (loss), net of tax		**(185,671)**	**97,694**
Total comprehensive income		**218,794**	**659,759**

EXOR N.V. – STATEMENT OF FINANCIAL POSITION

€ thousand	Note	At 31 December 2022	2021
Non-current assets			
Investments accounted for at cost	9	**6,442,942**	**10,953,155**
Financial investments at fair value through other comprehensive income	10	**832,323**	**829,289**
Debt securities at amortized cost	11	**28,127**	**25,858**
Financial receivables from related parties	12	**105,000**	**—**
Non-current loan at fair value through profit and loss		**9,500**	**8,851**
Intangible assets		**181**	**255**
Property, plant and equipment		**181**	**307**
Other non-current assets	13	**555,941**	**300**
Total Non-current assets		**7,974,195**	**11,818,015**
Current assets			
Financial investments at fair value through profit and loss	14	**1,670,766**	**14,676**
Debt securities at amortized cost	11	**—**	**50,869**
Cash and cash equivalents	15	**1,052,001**	**267,405**
Other financial assets		**490**	**1,593**
Tax receivables		**3,019**	**3,804**
Financial receivables from related parties	24	**1,202,215**	**507,441**
Financial receivables from third parties		**288**	**312**
Trade receivables from related parties	24	**47**	**241**
Trade receivables from third parties		**4**	**—**
Other receivables		**1,082**	**912**
Total Current assets		**3,929,912**	**847,253**
Total Assets		**11,904,107**	**12,665,268**
Equity			
Share capital	16	**7,399**	**7,399**
Capital reserves	16	**1,239,868**	**1,239,868**
Fair value reserve	16	**(133,761)**	**68,565**
Cash flow reserve	16	**(5,241)**	**(21,896)**
Retained earnings and other reserves	16	**6,513,824**	**6,042,647**
Treasury stock	16	**(552,279)**	**(297,572)**
Profit (loss) for the year		**404,465**	**562,065**
Total Equity		**7,474,275**	**7,601,076**
Non-current liabilities			
Non-convertible bonds	18	**3,438,072**	**3,429,757**
Bank debt	19	**150,000**	**150,000**
Total Non-current liabilities		**3,588,072**	**3,579,757**
Current liabilities			
Non-convertible bonds	18	**37,111**	**639,181**
Bank debt and commercial paper	19	**—**	**—**
Other financial liabilities	20	**18,317**	**39,185**
Financial payables to related parties	24	**757,313**	**35,398**
Trade payables and other payables to related parties	24	**24,839**	**3,566**
Trade payables to third parties	21	**921**	**1,332**
Tax payables	8	**2,636**	**764,516**
Other payables		**623**	**1,257**
Total Current liabilities		**841,760**	**1,484,435**
Total Equity and Liabilities		**11,904,107**	**12,665,268**

EXOR N.V. – STATEMENT OF CASH FLOWS

		Years ended 31 December	
€ thousand	Note	**2022**	**2021**
Cash and cash equivalents, at beginning of year		**267,406**	**471,904**
Cash flows from (used in) operating activities			
Profit (loss) for the year[(a)]		**404,465**	**562,065**
Adjustments for:			
Impairment and realized (gains)/losses on investments	2	**51,696**	**—**
Other non-cash movements[(b)]		**17,313**	**(361,404)**
Notional cost of Exor share-based plans	17	**7,204**	**1,869**
Total adjustments		**76,213**	**(359,535)**
Change in working capital:			
Other financial assets, current and non-current		**1,103**	**(186)**
Tax receivables		**785**	**116**
Trade receivables from related parties	24	**190**	**(188)**
Other receivables, current and non-current		**(169)**	**(291)**
Other payables, current and non-current		**(636)**	**133**
Trade payables and other payables to related parties, excluding items adjusting profit	24	**21,273**	**31,731**
Trade payables to third parties		**(411)**	**659**
Tax payables	8	**(761,880)**	**763,944**
Others		**4,007**	**(136)**
Change in working capital		**(735,738)**	**795,782**
Cash flows from (used in) operating activities		**(255,060)**	**998,312**
Cash flows from (used in) investing activities			
Property, plant and equipment and intangibles assets		**(30)**	**210**
Investments in subsidiaries, associated and other companies	9	**(780,079)**	**(879,939)**
Sale of investments in subsidiaries and other companies	9	**5,249,953**	**—**
Current and non-current loans		**(649)**	**4,628**
Change in financial receivables from related parties	24	**(799,774)**	**(206,790)**
Net Investments in financial assets at FVTOCI	10	**(205,359)**	**(203,585)**
Change in other non-current assets		**—**	**—**
Net investments in debt securities at amortized cost		**49,488**	**(22,604)**
Change in financial assets at FVTPL	11	**(1,656,091)**	**497**
Cash flows from (used in) investing activities		**1,857,459**	**(1,307,793)**
Cash flows from (used in) financing activities[(c)]			
Issuance of bonds	18	**—**	**492,192**
Repayment of bonds	18	**(601,891)**	**(320,055)**
Proceeds of bank debt	19	**—**	**150,000**
Repayment of bank debt	19	**—**	**(160,000)**
Net change in short term debt and other financial assets and liabilities		**(12,587)**	**35,033**
Buyback program	16	**(254,707)**	**—**
Repayment of lease liabilities		**(144)**	**(140)**
Change in financial payables to related parties	24	**166,274**	**3,239**
Cash flow hedge derivatives		**(16,656)**	**(7,410)**
Dividend paid		**(98,975)**	**(99,530)**
Exercise of stock options	17	**882**	**11,654**
Cash flows from (used in) financing activities		**(817,804)**	**104,983**
Total change in cash and cash equivalents		**784,595**	**(204,498)**
Cash and cash equivalents, at end of year		**1,052,001**	**267,406**

a. Dividends received for the year ended 31 December 2022 for €651,017 thousand (€1,117,458 thousand for the year ended 31 December 2021) are included within profit (loss) before taxes.
b. Of which in 2021 €362,714 thousand related to the distribution of Faurecia' shares.
c. In 2022 Exor paid interest for €90,247 thousand (€90,999 thousand in 2021) and received interest income for €5,588 thousand (€81 thousand in 2021).

EXOR N.V. – STATEMENT OF CHANGES IN EQUITY

€ thousand	Share capital	Capital reserves	Treasury stock	Earnings Reserves	Profit (loss) for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at 31 December 2020	**2,410**	**1,244,857**	**(297,579)**	**6,271,534**	**(143,065)**	**(21,718)**	**(29,307)**	**7,027,132**
Allocation of prior year result	**—**	**—**	**—**	**(143,065)**	**143,065**	**—**	**—**	**—**
Issue of 124,717,132 special voting shares A	**4,989**	**(4,989)**	**—**	**—**	**—**	**—**	**—**	**—**
Notional cost of Exor share-based plans	**—**	**—**	**—**	**2,166**	**—**	**—**	**—**	**2,166**
Exercise of stock options	**—**	**—**	**7**	**11,647**	**—**	**—**	**—**	**11,654**
Dividend paid	**—**	**—**	**—**	**(99,530)**	**—**	**—**	**—**	**(99,530)**
Total comprehensive income	**—**	**—**	**—**	**—**	**562,065**	**90,283**	**7,411**	**659,759**
Other movements	**—**	**—**	**—**	**(105)**	**—**	**—**	**—**	**(105)**
Net changes during the year	**4,989**	**(4,989)**	**7**	**(228,887)**	**705,130**	**90,283**	**7,411**	**573,944**
Equity at 31 December 2021	**7,399**	**1,239,868**	**(297,572)**	**6,042,647**	**562,065**	**68,565**	**(21,896)**	**7,601,076**

€ thousand	Share capital	Capital reserves	Treasury stock	Earnings Reserves	Profit (loss) for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at 31 December 2021	**7,399**	**1,239,868**	**(297,572)**	**6,042,647**	**562,065**	**68,565**	**(21,896)**	**7,601,076**
Allocation of prior year result	**—**	**—**	**—**	**562,065**	**(562,065)**	**—**	**—**	**—**
Buyback of shares	**—**	**—**	**(254,680)**	**—**	**—**	**—**	**—**	**(254,680)**
Notional cost of Exor share-based plans	**—**	**—**	**—**	**7,204**	**—**	**—**	**—**	**7,204**
Exercise of stock options	**—**	**—**	**(27)**	**883**	**—**	**—**	**—**	**856**
Dividend paid	**—**	**—**	**—**	**(98,975)**	**—**	**—**	**—**	**(98,975)**
Total comprehensive income	**—**	**—**	**—**	**—**	**404,465**	**(202,326)**	**16,655**	**218,794**
Other movements	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Net changes during the year	**—**	**—**	**(254,707)**	**471,177**	**(157,600)**	**(202,326)**	**16,655**	**(126,801)**
Equity at 31 December 2022	**7,399**	**1,239,868**	**(552,279)**	**6,513,824**	**404,465**	**(133,761)**	**(5,241)**	**7,474,275**

EXOR N.V. – NOTES TO THE COMPANY FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE COMPANY'S BUSINESS

EXOR N.V. (Exor), the "Company" and together with its subsidiaries the "Exor Group" or the "Group", was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 30 September 2015, registered in the Dutch Commercial Register under number 64236277, and in 2016 was designated to act as a holding company for Exor Group. The registered office is Gustav Mahlerplein 25, 1082 MS, Amsterdam, the Netherlands, telephone number +31 (0) 202402220.

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Date of authorization of issue

The separate financial statements at 31 December 2022 (company financial statements) were approved by the board of directors on 17 April 2023 which also authorized their publication in accordance with Dutch law. At the next shareholders' meeting the board of directors will propose that the shareholders also approve the financial statements. It should be noted that the shareholders will have the possibility to request amendments if needed.

Basis of preparation

The company financial statements of Exor have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU-IFRS") and Part 9 of Book 2 of the Dutch Civil Code.

The company financial statements of Exor are expressed in Euro, prepared on the going concern assumption under the historical cost convention, except where the use of fair value is required for the measurement of financial instruments accounted for at fair value through other comprehensive income and fair value through profit and loss.

The company financial statements were prepared using the same accounting policies as set out in the notes to the consolidated financial statements at 31 December 2022 (consolidated financial statements) except for the measurement of the investments in subsidiaries and associates that are accounted for at cost.

The accounting policies were consistently applied to all periods presented.

Format of the company financial statements

Exor presents the income statement using a classification based on the nature of the revenues and expenses, with the presentation of the following items that are characteristic of the company's activities taking preference: investment income (expenses) and financial income (expenses). In the statement of financial position the current/ non-current distinction has been adopted for the presentation of assets and liabilities.

The statement of comprehensive income presents the total profit or loss recognized in the income statement and increases or decreases in reserves.

The statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is 31 December of each year and the financial year covers a period of 12 months.

The Euro is the company's functional currency since the majority of its cash inflows and outflows are in Euro and is the functional currency of Exor's subsidiaries except for Exor Nederland N.V. The Euro is also the presentation currency. In the notes, unless otherwise indicated, the figures are expressed in thousands of Euro.

Accounting standards, amendments and interpretations adopted from 1 January 2022

The following amendments and interpretations, which were effective from 1 January 2022, were adopted by the Company. The adoption of these amendments had no material impact on these company financial statements.

Amendments to IAS 16 — Property, Plant and Equipment

In May 2020 the IASB issued amendments to IAS 16 — Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company should recognize such sales proceeds and the related cost in the income statement.

Amendments to IAS 37 — Provisions, Contingent Liabilities and Contingent Assets

In May 2020 the IASB issued amendments to IAS 37 — Provisions, Contingent Liabilities and Contingent Assets, which specify which costs a company includes when assessing whether a contract will be loss-making.

Annual Improvements to IFRSs 2018 - 2020 Cycle

In May 2020 the IASB issued Annual Improvements to IFRSs 2018 - 2020 Cycle. The improvements have amended four standards with effective date 1 January 2022: i) IFRS 1 — First-time Adoption of International Financial Reporting Standards in relation to allowing a subsidiary to measure cumulative translation differences using amounts reported by its parent, ii) IFRS 9 — Financial Instruments in relation to which fees an entity includes when applying the '10 percent' test for derecognition of financial liabilities, iii) IAS 41 — Agriculture in relation to the exclusion of taxation cash flows when measuring the fair value of a biological asset, and iv) IFRS 16 — Leases in relation to an illustrative example of reimbursement for leasehold improvements.

Accounting standards, amendments and interpretations not yet applicable and not early adopted

The main standards, amendments and interpretations not yet applicable and not early adopted by the Group are listed below.

– Amendments to IAS 1 – Presentation of Financial Statements and IFRS practice statement 2: Disclosure of Accounting policies.
– Amendments to IAS 8 – Accounting Policies, Change in Accounting Estimates and Errors: Definition of Accounting Estimates.
– Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction.

Furthermore, at the date of these company financial statements, the European Union has not yet completed its endorsement process for the amendments and improvements reported below.

– Amendments to IAS 1 – Presentation of Financial Statements: Non-current Liabilities with Covenants.
– Amendments to IAS 16 – Property, Plant and Equipment: Lease liability in a Sale and Leaseback.

The Company does not expect any material impact from the adoption of these amendments. The Company will introduce any new standards, amendments and interpretations once they are endorsed by the European Union and as of their effective dates.

Investments accounted for at cost

Investments accounted for at cost include investments in subsidiaries and associates stated at cost.

Subsidiaries are entities over which the Company has control. Control is achieved when the company has valid rights which give it the ability to use its power over the investee to affect the amount of the investor's returns.

Associates are enterprises over which the Company has significant influence, as defined in IAS 28 – Investments in Associates and Joint Ventures, but not control or joint control over the financial and operating policies.

Under the cost method, investments are tested for impairment whenever there is an indication of impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute.

If any such evidence exists, the carrying amount is reduced to its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell. Such impairment is recognized in the income statement.

For investments that are publicly traded, impairment indicators exist when there is a significant and prolonged decline in the market price to below the cost of a subsidiary or associate, together with its continuing negative operating performance.

When the company's share of losses of a company exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the share of further losses is recognized in a liability provision only to the extent that the entity has incurred legal or constructive obligations on behalf of the company.

At the end of each reporting period, the company assesses whether there is any objective evidence that an impairment loss on an investment recognized in prior years may no longer exist or may have decreased. When, subsequently, the impairment loss no longer exists or has decreased, a reversal is recognized in the income statement up to the cost of the investment.

A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence.

Financial assets and liabilities

Financial assets primarily include investments in other companies, derivative financial instruments and debt securities that represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents.

Financial liabilities primarily consist of debt, derivative financial instruments, trade payables and other liabilities.

Classification and measurement

The classification of a financial asset is dependent on the company's business model for managing such financial assets and their contractual cash flows. The company considers whether the contractual cash flows represent solely payments of principal and interest that are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at fair value through profit or loss ("FVTPL").

Financial asset cash flow business model	Initial measurement(1)	Measurement category(3)
Solely to collect the contractual cash flows represented by principal and interest (Held to Collect)	Fair Value including transaction costs	Amortized Cost(2)
Collect both the contractual cash flows and generate cash flows arising from the sale of assets (Held to Collect and Sell)	Fair Value including transaction costs	Fair value through other comprehensive income ("FVTOCI")
Generate cash flows primarily from the sale of assets (Held to Sell)	Fair Value	Fair value through profit and loss ("FVTPL")

(1) A trade receivable without a significant financing component, as defined by IFRS 15, is initially measured at the transaction price.
(2) Receivables with maturities of over one year, which bear no interest or have an interest rate significantly lower than market rates are discounted using market rates.
(3) On initial recognition, the company may irrevocably designate a financial asset at FVTPL that otherwise meets the requirements to be measured at amortized cost or at FVTOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Factors considered by the company in determining the business model for a group of financial assets include:

– past experience on how the cash flows for these assets were collected;
– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales activity expectations;
– how the asset's performance is evaluated and reported to key management personnel;
– how risks are assessed and managed and how management is compensated.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Cash and cash equivalents include cash at banks, units in liquidity funds, other money market securities, commercial paper and certificates of deposit that are readily convertible into cash, with original maturities of three months or less at the date of purchase. Cash and cash equivalents are subject to an insignificant risk of changes in value and consist of balances across various primary national and international money market instruments. Cash at banks and other cash equivalents are measured at amortized cost.

Liquidity funds consist of investments in high quality, short-term, diversified financial instruments that can generally be liquidated on demand and are measured at FVTPL.

Short duration funds, bond funds and bond mandates consist of investments in high quality, short-term, diversified financial instruments that can generally be liquidated on demand; they do not satisfy the requirements for being classified as cash equivalents and are measured at FVTPL.

Investments in other companies are measured at fair value. The company may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income ("OCI") upon the initial recognition of an equity investment that is not held to sell. This election is made on an investment-by-investment basis. Generally, any dividends from these investments are recognized in financial income from investments when the company's right to receive payment is established. Other net gains and losses are recognized in OCI and will not be reclassified to the Income Statement in subsequent periods. Impairment losses (and the reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value in OCI.

Intangible assets with indefinite useful life

Intangible assets with an indefinite useful life consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired.

Intangible assets with a definite useful life

Intangible assets with a definite useful life are recognized at purchase cost and amortized on a systematic basis over the asset's useful life, estimated at 5 years. Whenever necessary, intangible assets with a definite useful life are tested for impairment.

Trade receivables and payables

Receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment determined using the expected credit loss model. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are initially recognized at fair value, less transaction costs, and subsequently measured at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Treasury stock

The cost of any own share purchased, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as changes in equity.

Share-based compensation

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date.

This fair value is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The compensation component arising from stock option plans linked to shares of EXOR N.V., whose beneficiaries are employees of other companies, is recorded as a capital contribution in favour of the subsidiaries in which the beneficiaries of the stock option plans are employees; consequently, the compensation component is recognized as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

The company records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

The provisions are reviewed at every reporting date and adjusted to reflect the best current estimate. Changes in estimates are reflected in the income statement in the period in which the change occurs.

Debt

Interest-bearing debt is initially recognized at cost which corresponds to the fair value of the amount received including directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. All derivative financial instruments are measured in accordance with IFRS 9 at fair value.

Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

– Fair value hedge (hedge of the exposure to changes in fair value), in which the effects of the hedge are recognized in the income statement.
– Cash flow hedge (hedge of the exposure to variability in future cash flows), in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established. Dividends in kind are measured at the fair value of the underlying securities at the payment date.

Financial income and expenses are recorded on a prorated basis according to the effective interest method.

Revenues from the performance of services are recognized over the period in which the services will be provided. Costs are recorded on the accrual basis.

Income taxes

Current and deferred income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to other comprehensive income, in which case the related income tax effect is recognized directly in other comprehensive income.

Foreign currency transactions

The financial statements are prepared in Euro, which is the company’s functional and presentation currency.

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign currency exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Segment reporting

As disclosed in the consolidated financial statements (Note 4), reportable segment reflect the operating segments of the Group that are regularly reviewed by the Chief Executive Officer, who is the Chief Operating Decision Maker ("CODM"), as defined under IFRS 8 – Operating Segments. The Exor Group reportable segments coincide with the consolidated data of its principal investments, each of which represents, an investment in a major business segment: Stellantis, CNH Industrial, Iveco Group, Ferrari, Juventus and GEDI.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements.

The estimates and associated assumptions are based on elements known when the financial statements are prepared, on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical measurement processes and key assumptions used by the company in applying IFRS which may have significant effects on the amounts recognized in the financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future relate to the measurement of investments.

There were no significant effects on the valuation of assets or liabilities and no significant increases in allowances for credit losses in 2022. Moreover, certain impairment indicators were identified in evaluating the investments in GEDI and Full More, also due to Covid-19 and macroeconomic uncertainties, as disclosed in Note 2.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS IN THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

€ thousand	2022	2021	Change
Stellantis N.V.	467,386	549,973	(82,586)
CNH Industrial N.V.	102,740	40,362	62,378
Ferrari N.V.	60,521	38,525	21,995
The Economist Group	12,945	13,634	(690)
Christian Louboutin	7,199	3,067	4,132
FCA N.V. before merger	—	826,915	(826,915)
Faurecia	—	7,653	(7,653)
Others	226	43	183
Dividends from investments	**651,017**	**1,480,172**	**(829,155)**

In 2021, as part of the merger agreement of PSA with and into FCA, the latter paid an extraordinary dividend of approximately €2.9 billion to the holders of FCA common shares (Exor’s share €827 million) and Stellantis distributed its 39.34% stake in Faurecia (Exor's share equal 5.54%, measured at €363 million) and the proceeds generated by the sales in 2020 of ordinary shares of Faurecia (Exor's share €43 million). Finally, Stellantis distributed €1,000 million in cash, of which €144 million to Exor.

2. Impairment and realized losses on investments

The impairment charged in 2022 (€51,696 thousand) is related to GEDI (€35,123 thousand) and to Full More Group (€16,753 thousand).

The investment in GEDI was tested for impairment, considering the company's recent performance and the enduring uncertainties around macroeconomic conditions (potential recession, increase in energy prices, inflation and interest rates environment, Ukraine war, advertising market recovery, among other factors).
Following two years characterized by the Covid-19 pandemic, 2022 was again a difficult year for the company, which has resulted in an increase in the price of raw materials, energy and logistics, and has impacted the advertising market. GEDI nonetheless continued its digital transformation, by investing during the year in digital businesses and launching new initiatives as well as reducing its exposure to traditional print-based activities.
The estimation of the recoverable amount has been performed applying the discounted cash flows method to the GEDI business figures for the period 2023-2025 based upon the 2023 approved budget and upon projected financial data for the years 2024 and 2025. Applying a weighted average cost of capital (“WACC”) of 10% and a growth rate of 0.3%, the recoverable amount of the GEDI investment amounts to €167 million, leading to an impairment loss of €35 million.

A sensitivity analysis considering a WACC in the range 9.5% - 10.5% and a growth rate between 0% - 0.5%, shows a recoverable amount in the range from €151 million to €185 million.

The investment in the holding company Full More was tested for impairment, considering the recent performance of the wholly owned operating subsidiary Shang Xia. Financial performance during 2022 was strongly impacted by the Covid-19 situation in China where the company operates. Over the year the company was negatively affected by several retail closures due to lockdown in the first half of 2022 as well as by the overall 50% drop in market traffic the second half of 2022.
The company's financials statements at year-end 2022 show a reduction on revenues of €14 million (-34% compared to 2021) and a negative EBITDA of €24 million in 2022 (compared to a negative €13 million EBITDA in 2021).

The estimation of the recoverable amount was made applying the discounted cash flows method to the updated Shang Xia approved business figures for the period 2023-2025. Applying a discount rate based on a target 10-years return estimated at the timing of the acquisition (20%) and a terminal value calculated as an exit multiple on the revenues (4.1x), the recoverable amount of the investment in Full More was €67 million, leading to an impairment loss of €16 million.

A sensitivity analysis considering the discount rate in the range 19% - 21% and exit multiple between 3.9x - 4.2x, shows a recoverable amount in the range from €50 million to €85 million.

In 2021 no impairment losses were identified on the investments held by Exor.

3. Financial expenses from third parties

€ thousand	2022	2021	Change
Interest on bonds	98,131	101,095	(2,964)
Losses and fair value adjustments on financial instruments at FVTPL	14,205	577	13,628
Interest on Italian tax claims	2,997	104,087	(101,090)
Interest on bank debt	1,950	1,312	638
Bank fees and commission	1,885	1,666	219
Other expenses	875	1,683	(808)
Realized losses on liquidity funds	3	—	3
Losses on partial bond cancellations	—	20,816	(20,816)
Financial expenses from third parties	**120,045**	**231,236**	**(111,190)**

The decrease in financial expenses from third parties is mainly due to the large 2021 charge for interest on the Italian tax claim payables (€104 million), as described in Note 8 Income taxes, and to the 2021 one-off losses of €21 million on the partial repurchases of the Exor 2.5% and 2.125% bonds and their subsequent partial cancellation.

4. Financial income from third parties

€ thousand	2022	2021	Change
Bank interest	5,588	81	5,507
Interest income on debt securities at amortized cost	3,589	2,841	749
Realized gains on liquidity fund	123	—	123
Fair value adjustment on liquidity fund	1,383	—	1,383
Fair value adjustment on financial instruments at FVTPL	2,080	—	2,080
Interest income and realized gains on financial instruments at FVTPL	844	532	312
Other income	565	1,229	(664)
Financial income from third parties	**14,172**	**4,683**	**9,489**

5. Gains (losses) on exchange

Net losses amount to €22,964 thousand (net gains of €7,664 thousand in 2021). The negative change is mainly due to the strengthening of the US dollar.

6. Personnel costs

Personnel costs amount to €17,949 thousand (€4,069 thousand in 2021) of which €2,015 thousand related to the 2022 Long Term Incentive Plan (€395 thousand in 2021 for the 2016 Stock Option Plan). The increase is also due to bonuses and non-recurring awards. At the end of 2022 the number of employees was 10 (10 at the end of 2021). All employees work in the Netherlands.

7. Purchases of goods and services from third parties

€ thousand	2022	2021	Change
Consulting fees related to investment and disinvestment projects	5,086	5,837	(751)
Legal, tax and other consulting fees	2,046	988	1,058
General expenses	3,904	2,442	1,462
Depreciation	231	226	4
Purchases of goods and services from third parties	**11,266**	**9,493**	**1,773**

The increase is mainly attributable to consultancy and other fees incurred for the transfer of the listing from Milan to Amsterdam and to the tax consultancy fees related to the Italian Tax Authority claim described below.

8. Income taxes

On 18 February 2022 Exor settled with the Italian Tax Authority ("Agenzia delle Entrate") a complex tax issue, specifically in respect of the Exit Tax and has paid €746 million, of which €104 million is represented by interest.

The issue relates to the Italian registered company Exor S.p.A. that in December 2016 merged with its Dutch subsidiary Exor Holding N.V. to create today's Exor domiciled fiscally in the Netherlands. At the time of this cross-border merger, the exiting company Exor S.p.A. applied the Participation Exemption (PEX) regulations as set out in Article 87 of the Italian Corporate Income Tax Act. Under this regime, 95% of any capital gains relating to the value of its holdings was exempt and therefore excluded from the holding company's taxable income for the determination of the Exit Tax.

With a subsequently established principle of law, "Legal Principle 10/2021", published on 11 May 2021, the Agenzia delle Entrate contended that the PEX should not apply to cases in which a holding company transfers its fiscal domicile abroad without maintaining a permanent establishment in Italy. As a result of the subsequent principle of law published in 2021, a complex matter of interpretation arose concerning the application of the PEX regulation to the 2016 merger. Exor remains convinced that it acted in accordance with the rules. However, with the objective of avoiding the time and costs of a major tax dispute, it decided to enter into a settlement agreement with the Agenzia delle Entrate.

The effect of this settlement was the recognition of a liability of €744 million at 31 December 2021, of which €643 million of income taxes and €101 million of interest (recognized until 31 December 2021).

At the same time, Exor settled with the Agenzia delle Entrate a previous tax claim related to the treatment of financial income in the fiscal year 2015, against which Exor had appealed and other minor formal matters. The closing of the litigation generated income taxes of €32 million, interest of €3 million and a tax liability of €20 million.

There are no outstanding fiscal issues pending for Exor in respect of all the years in which it was tax resident in Italy, the ordinary statutory terms for any assessment having also expired.

The reconciliation between the income tax expense recognized in the income statement and the theoretical tax expense, calculated on the basis of the theoretical tax rate in effect in the Netherlands, is as follows:

€ thousand	2022	2021
Pre-tax profit (loss)	404,465	1,237,398
Theoretical tax (expense) income at 25.8% - 25%	(104,352)	(309,349)
Tax effect on:		
Participation exemption on dividends received	167,904	370,032
Impairment loss on investments	(13,315)	—
Participation exemption on capital loss on investments	(26)	—
Fair value reserve	3,876	(1,208)
Non-deductible cost for stock option plan	(1,325)	(467)
Cash flow hedge reserve	(4,297)	(1,853)
Non-deductible interest	(27,826)	(52,142)
Other	(195)	(682)
Total	124,796	313,680
Unrecognized deferred tax assets on differences emerged	(20,444)	(4,331)
Settlement agreement with the Agenzia delle Entrate	—	(675,333)
Total tax (expense) income	**—**	**(675,333)**
Effective tax rate	**—**	**55%**
Total tax (expense) income	**—**	**(675,333)**

Based on the final tax assessments issued for the financial years up to and including 2018, the 2019 and 2020 tax returns filed, the 2021 tax return currently being prepared and the 2022 tax provision, Exor losses available for future offset at 31 December 2022 amount to €333,233 thousand.

Due to a change in tax law, all losses available for future offset at the end of the financial year 2021 become available to be carried forward indefinitely, subject to specific conditions. Amongst other conditions, as from financial years starting on or after 1 January 2022 the taxable profit in a financial year can only be compensated with available losses for an amount of €1,000 thousand and 50% of the taxable profit exceeding €1,000 thousand.

Taking the aforementioned into account, the following losses can in principle be offset against future taxable profits:

Loss from financial year	€ thousand
2015	28
2016	5,559
2017	112,080
2018	87,408
2019	18,578
2020	13,017
2021	17,323
2022	79,240
Total	**333,233**

For these losses no deferred tax asset has been recognized, since, in the opinion of management, it cannot be regarded as more likely than not that there will be suitable profits against which these tax losses can be recovered.

Moreover, based on the 2019 and 2020 tax return, the 2021 tax return currently being prepared and the 2022 tax provision, Exor has a total amount of €506,794 thousand of interest expenses available for future offset at 31 December 2022 under the so-called earnings stripping rule. Under current tax law, this amount can be carried forward indefinitely. For these deductible expenses no deferred tax asset has been recognized.

9. Investments accounted for at cost

€ thousand	31.12.2022 % of class of shares	31.12.2022 Amount	31.12.2021 % of class of shares	31.12.2021 Amount	Change
CNH Industrial N.V. - common shares	26.89	1,473,718	26.89	1,694,530	(220,812)
CNH Industrial N.V. - special voting shares	92.55	—	92.55	—	—
CNH Industrial N.V.		1,473,718		1,694,530	(220,812)
Stellantis N.V. - common shares	13.99	1,349,725	14.40	1,349,725	—
Stellantis N.V. - special voting shares		—		—	—
Stellantis N.V.		1,349,725		1,349,725	—
Ferrari N.V.	22.91	677,443	22.91	677,443	—
Ferrari N.V. - special voting shares	70.15	—	70.15		—
Ferrari N.V.		677,443		677,443	—
Iveco Group N.V.	27.06	220,812		—	220,812
Iveco Group N.V. - special voting shares	98.84	—		—	—
Iveco Group N.V.		220,812		—	220,812
Juventus Football Club	63.77	541,912	63.77	541,912	—
Christian Louboutin	24.00	541,432	24.00	541,432	—
Exor S.A.	100.00	460,300	100.00	91,300	369,000
The Economist Group	43.40	327,816	43.40	327,816	—
Institut Merieux	3.57	277,779		—	277,779
GEDI Gruppo Editoriale	89.62	167,000	89.62	202,123	(35,123)
Welltec	47.61	95,227	47.61	95,227	—
Exor Nederland N.V.	100.00	80,082	100.00	5,320,737	(5,240,655)
Lifenet	44.67	70,617		—	70,617
Full More Group	82.30	67,000	77.30	78,573	(11,573)
Casavo	12.28	40,022		—	40,022
NUO	50.00	39,825	50.00	22,164	17,661
Exor Investments Limited	100.00	12,197	100.00	10,128	2,069
Other		35		45	(10)
Investments accounted for at cost		**6,442,942**		**10,953,155**	**(4,510,213)**

The changes during the year are as follows:

	Balance at	Changes in 2022			Balance at
€ thousand	31.12.2021	Increases	Decreases	Reclass.	31.12.2022
CNH Industrial N.V. - common shares	1,694,530	—	—	(220,812)	1,473,718
CNH Industrial N.V. - special voting shares	—	—	—	—	—
CNH Industrial N.V.	1,694,530	—	—	(220,812)	1,473,719
Stellantis N.V. - common shares	1,349,725	—	—	—	1,349,725
Stellantis N.V. - special voting shares	—	—	—	—	—
Stellantis N.V.	1,349,725	—	—	—	1,349,725
Ferrari N.V.	677,443	—	—	—	677,443
Ferrari N.V. - special voting shares	—	—	—	—	—
Ferrari N.V.	677,443				677,443
Iveco Group N.V.	—	—	—	220,812	220,812
Iveco Group N.V. - special voting shares	—	—	—		—
Iveco Group N.V.	—	—	—	220,812	220,812
Exor Nederland N.V.	5,320,737	9,288	(5,249,943)	—	80,082
Juventus Football Club	541,912	—	—	—	541,912
Christian Louboutin	541,432	—	—	—	541,432
Exor S.A.	91,300	369,000	—	—	460,300
The Economist Group	327,816	—	—	—	327,816
Institut Merieux	—	277,779	—	—	277,779
GEDI Gruppo Editoriale	202,123	—	(35,123)	—	167,000
Welltec	95,227	—	—	—	95,227
Lifenet	—	70,617	—	—	70,617
Full More Group	78,573	5,000	(16,573)	—	67,000
Casavo	—	40,022	—	—	40,022
NUO	22,164	17,661	—	—	39,825
Exor Investments Limited	10,128	2,069	—	—	12,197
Other	45	—	(11)	—	34
Investments accounted for at cost	**10,953,155**	**791,437**	**(5,301,651)**	**—**	**6,442,942**

Effective 1 January 2022 the Commercial and Specialty Vehicles, Powertrain and related Financial Services businesses of CNH Industrial were separated from CNH Industrial. Iveco Group (the vehicle housing the aforementioned businesses as the Iveco Group business) became a public-listed company independent from CNH Industrial and, from 3 January 2022, its common shares are traded on Euronext Milan. Each holder of common shares in the share capital of CNH Industrial received one common share of Iveco Group for every five CNH Industrial common shares held. Exor, which continues to be the shareholder of reference in both entities following completion of the spin-off process, holding 366,927,900 CNH Industrial common shares, received 73,385,580 Iveco Group common shares (a 27.06% stake) and the same number of special voting shares.
The separation of the carrying amount of the CNH Industrial shares pre-demerger between the amounts attributable to CNH Industrial post-demerger and Iveco Group was calculated on the basis of the proportion of the opening prices on 3 January 2022, the first day of trading of Iveco Group shares.

On 1 July 2022 Exor and Institut Mérieux, the privately held global healthcare holding company of the Mérieux family, signed a long-term partnership agreement under which Exor will obtain, by way of a reserved capital increase, a 10% shareholding in Institut Mérieux. On 29 July 2022 Exor paid an initial amount of €278 million, corresponding to one third of the €833 million total investment, by way of a reserved capital increase. The remaining amount of €555 million, expected to be contributed within the following 12 months, is accounted for as a non-current asset and a financial liability.

As part of the partnership sealed with the Mérieux family, John Elkann and Benoît Ribadeau-Dumas have joined Institut Mérieux's board of directors; this governance right allows the exercise of significant influence as defined in IAS 28 and therefore Exor accounted for the investment at cost.

Following the disposal of PartnerRe, Exor Nederland N.V. partially reimbursed to Exor N.V. the share premium in the amount of $5,250.7 million (€5,249.9 million).

During the year Exor invested €70,617 thousand to acquire a 44.67% stake in Lifenet, an Italian company active in the healthcare sector, particularly in the management of hospitals and outpatient clinics.

During the year Exor invested €40,022 thousand to acquire a 12.28% stake in Casavo, a leading European next-generation real estate platform that allows, people to sell and buy homes via an end-to-end digital journey. Considering also the stake indirectly owned through Exor Seeds (7.42%) and the board representation, Exor assessed that it can exercise significant influence in accordance with IAS 28 and accounted for the investment at cost.

On 20 December 2022 Exor subscribed to the increase in share capital of Exor S.A. for €369 million.

The decreases in the carrying amount of GEDI and Full More are related to impairment charges, as described in Note 2.

A comparison between the carrying amounts and trading prices of listed investments is as follows:

		Carrying amount		Market price at 30 December 2022	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
CNH Industrial N.V. - common shares	366,927,900	4.016	1,473,719	14.965	5,491,076
Stellantis N.V. - common shares	449,410,092	3.003	1,349,725	13.264	5,960,975
Ferrari N.V. - common shares	44,435,280	15.246	677,443	200.200	8,895,943
Iveco Group N.V. - common shares	73,385,580	3.009	220,812	5.558	407,877
Juventus Football Club S.p.A.	1,611,669,116	0.336	541,432	0.316	509,610
Total			**4,263,131**		**21,265,481**

The stock market price of Juventus at 31 December 2022 was lower than the cost. Exor management determined that no impairment adjustment to the cost of the investment was required based on the following main considerations:

– the stock market price showed high volatility during the year 2022 due to the proceedings pending before the Turin Judicial Authority with the minimum for the year after the resignation of Juventus board of directors'. The management also considered the stock market price after year-end, showing a recovery in January and in March 2023.
– the stock market price reflects the value of a minority interest in the company, not including any control premium;
– the recent private transactions relating to relevant comparable clubs have been carried out at 3x-4x of revenues, representing higher multiples than those embedded in the book value of the subsidiary.

		Carrying amount		Market price at 30 December 2021	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
CNH Industrial N.V. - common shares	366,927,900	4.618	1,694,530	17.17	6,300,152
Stellantis N.V. - common shares	449,410,092	3.003	1,349,725	16.686	7,498,857
Ferrari N.V. - common shares	44,435,280	15.246	677,443	227.500	10,109,026
Juventus Football Club S.p.A.	1,611,669,116	0.336	541,912	0.345	556,026
Total			**4,263,610**		**24,464,061**

10. Financial investments at FVTOCI

€ thousand	31.12.2022 % of class of shares	31.12.2022 Amount	31.12.2021 % of class of shares	31.12.2021 Amount	Change
Via Transportation Inc	17.56	477,158	17.56	449,329	27,829
Faurecia	5.54	140,578	5.54	320,125	(179,547)
Zegna	1.03	24,541	1.03	23,133	1,408
FL Entertainment	0.60	23,695	n/a	—	23,695
Other unlisted	n/a	166,351	n/a	36,702	129,649
Financial investments at FVTOCI		**832,323**		**829,289**	**(20,661)**

The changes during the year are as follows:

€ thousand	Financial investments at FVTOCI					
	Via	Faurecia	Zegna	FL Entertainment	Other	Total
Balance at 31.12.2020	**162,987**	**—**	**—**	**—**	**9,834**	**172,821**
Increases	158,417	362,714	22,167	—	34,460	577,758
Fair value adjustments	127,925	(42,589)	966	—	2,242	88,544
Reclassifications	—	—	—	—	1,739	1,739
Disposals	—	—	—	—	(11,573)	(11,573)
Balance at 31.12.2021	**449,329**	**320,125**	**23,133**	**—**	**36,702**	**829,289**
Increases	—	35,587	—	25,000	144,773	205,360
Fair value adjustments	27,829	(215,134)	1,408	(1,305)	(15,124)	(202,326)
Reclassifications	—	—	—	—	—	—
Disposals	—	—	—	—	—	—
Balance at 31.12.2022	**477,158**	**140,578**	**24,541**	**23,695**	**166,351**	**832,323**

The fair value adjustment related to Via is due to currency translation, while the share price is unchanged and supported by the most recent transactions. The carrying amount of Faurecia, Zegna and FL Entertainment are aligned to the market price at the reporting date.

Other financial investments at FVTOCI mainly refers to small equity investments in unlisted companies (also early stage) for the most part acquired during the year; the carrying amounts at 31 December 2022 are aligned with the most recent transactions and capital increases.

11. Non-current and current debt securities at amortized cost

These amount to €28,127 thousand (€76,727 thousand at 31 December 2021) and are represented by bonds issued by leading counterparties, maturing after 12 months.

12. Non-current financial receivables from related parties

These amount to €105,000 thousand and consist of the loan granted in 2022 to the subsidiary GEDI Gruppo Editoriale S.p.A. bearing interest payable semi-annually at a rate of Euribor plus 225 bps, with maturity in 2026.

13. Other non-current assets

These amount to €555,941 thousand (€300 thousand at 31 December 2021) of which €555,556 thousand relates to Exor's commitment to purchase 341.171 shares of Institut Meriéux.

14. Financial investments at FVTPL

€ thousand	31.12.2022	31.12.2021
Bond mandate fund	962,543	—
Short duration fund	649,402	—
Bond fund	49,224	—
Debt securities	9,596	14,676
Total Financial investments at FVTPL	**1,670,766**	**14,676**

A portion of the cash received from Exor Nederland on the partial reimbursement of its share premium was invested in selected cash instruments with average duration below 12 months (€1,661,170 thousand at 31 December 2022). Debt securities are listed in active markets.

15. Cash and cash equivalents

€ thousand	31.12.2022	31.12.2021
Cash at banks		
Current accounts	19,525	33,127
Time deposits	524,157	216,238
Current accounts in foreign currency	1,084	2,223
Total cash at banks	544,766	251,588
Liquidity fund	491,419	—
Collateral	15,810	15,810
Cash on hand	6	6
Total Cash and cash equivalents	**1,052,001**	**267,405**

A portion of the cash received from Exor Nederland on the partial reimbursement of its share premium was mainly invested in liquidity funds and time deposits. We mitigated the associated credit risks by allocating the funds across leading financial institutions.

16. Equity

Share capital

At 31 December 2022 the total issued capital of Exor N.V. was equal to Euro 7,398,809, divided into no. 241,000,000 ordinary shares each with a nominal value of Euro 0.01 and no.124,717,163 Special Voting Shares A each with a nominal value of Euro 0.04.
At 31 December 2022 Giovanni Agnelli B.V. owns 85.89% of the voting rights on Exor's outstanding capital.

Exor N.V. adopted a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each Exor N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each Exor N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period.

Reserves

At 31 December 2022 Exor's equity does not include any legal, statutory or non-distributable reserves, except for the fair value and the cash-flow reserves.

€ thousand	31/12/2022	31/12/2021	Change
Capital Reserves	1,239,868	1,239,868	—
Earnings reserves and other reserves:			
Retained earnings	6,463,023	5,999,050	463,973
Stock option reserve	50,801	43,597	7,204
Total earnings reserves and other reserves	6,513,824	6,042,647	471,177
Fair value reserve	(133,761)	68,565	(202,326)
Cash-flow hedge reserve	(5,241)	(21,896)	16,656
Total reserves	**7,614,690**	**7,329,184**	285,506

Reconciliation of equity and net profit

The reconciliation of equity reported in the consolidated financial statements to equity reported in the company financial statements is provided below.

€ million	31/12/2022	31/12/2021
Equity attributable to owners of the parent in the consolidated financial statements	**20,627**	**16,759**
Difference between the carrying amounts of investments and the corresponding equity at year-end, net of consolidation adjustments	(9,158)	(6,064)
Change in other comprehensive income reserve in the consolidated financial statements	1,203	(368)
Share of the (profit) loss of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(4,350)	(3,252)
Other adjustments	(848)	526
Equity in the company financial statements	**7,474**	**7,601**

The reconciliation of net profit reported in the consolidated financial statements to net profit/loss reported in the company financial statements is provided below.

€ million	2022	2021
Net loss (profit) attributable to owners of the parent in the consolidated financial statements	**4,227**	**1,717**
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(4,350)	(3,252)
Dividends received from consolidated companies and companies accounted for by the equity method	839	1,592
Adjustments of gains/losses on disposals and impairments and reversals of investments	(304)	505
Other adjustments	(8)	—
Net (loss) profit in the company financial statements	**404**	**562**

Treasury stock
At 31 December 2022 Exor holds the following treasury stock:

	Amount			% of class
	No. of shares	Per share (€)	Total (€ thousand)	
Balance at 31 December 2020	**9,993,244**	**29.78**	**297,579**	**4.147**
Buyback of treasury shares	—	—	—	
Exercise of stock options	(702,000)	0.00	(7)	
Balance at 31 December 2021	**9,291,244**	**32.03**	**297,572**	**3.860**
Buyback of treasury shares	3,862,624	65.94	254,707	
Exercise of stock options	(27,249)	0.00	—	
Balance at 31 December 2022	**13,126,619**	**42.07**	**552,279**	**5.450**

1. Considering only the treasury shares bought back in the context of the different programs, the average carrying value per share is €59.06.

In 2018 the Exor Board of Directors approved a share buyback program for a total amount of up to €300 million. The total invested amount was €297.23 million for a total of 5,483,361 ordinary shares.

On 8 March 2022 Exor announced the launch of a share buyback program for a total amount of up €500 million; the first tranche was completed on 20 June 2022 (total invested amount of €100.19 million for a total of 1,524,103 ordinary shares.

On 29 July 2022 Exor announced its intention to continue with the execution of the buyback, with a second tranche of purchases of up €250 million. At 31 December 2022, 2,338,521 ordinary shares have been repurchased in the context of this second tranche, for a total invested amount of €154.52 million.

At 31 December 2022, the company held in total 13,126,619 ordinary shares in treasury (5.45% of ordinary issued share capital).

On 22 December 2022 Exor started the process of implement the Board resolution to cancel 7,007,464 ordinary shares acquired as part of the share buyback program which started on 14 November 2018 and was completed on 6 November 2020 (for a total of 5,483,361 ordinary shares) and as the first tranche of the share buyback program which started on 8 March 2022 and was completed on 20 June 2022 (for a total of 1,524,103 ordinary shares).

The cancellation of Exor ordinary shares was completed on 1 March 2023, bringing the total number of ordinary shares in the share capital of Exor to 233,992,536. This cancellation, in line with the intention announced at the launch of the buyback program, was conducted in the framework of the resolution adopted by the Annual General Meeting of Shareholders held on 24 May 2022.

17. Long-term incentive plans

Stock Option Plan Exor 2016
The Stock Option Plan Exor 2016 has a maximum of 3,500,000 options corresponding to the same number of shares. The number of stock options outstanding at 31 December 2022, of which 1,734,248 exercisable, is 2,909,886 (average exercise price of €32.38 per share).

Changes during 2022 and 2021 were as follows:

	2022		2021	
	Number of options	Weighted average exercise price (€)	Number of options	Weighted average exercise price (€)
Outstanding at the beginning of the year	**2,937,135**	**32.38**	2,937,135	32.38
Granted during the year	—	—	—	—
Forfeited during the year	—	—	—	—
Exercised	(27,249)	32.38	—	—
Expired	—	—	—	—
Outstanding at the end of the year	**2,909,886**	**32.38**	2,937,135	32.38
Exercisable at the end of the year	**1,734,248**	**—**	1,173,679	—

No cost has been recognized in 2022 on Stock Option Plan Exor 2016.
In 2021 the cost for the year recorded in the stock option reserve amounted to €2,166 thousand, including €1,474 thousand classified as compensation to the Chief Executive Officer. In 2021, the cost relating to the key employees of companies in the Holdings System for €297 thousand was recognized as an increase in the carrying amount of the investment in Exor Investments Limited.

Exor LTI 2022
In 2022 a long-term incentive plan ("Plan") has been implemented in favour of the Chief Executive Officer, selected employees of companies in the Holdings System and selected suppliers, under which performance share units (“PSUs”) and restricted share units ("RSUs") are granted, being conditional rights to receive one Exor ordinary share for each vested PSU and RSU. With the introduction of the Plan in 2022, the first PSU vesting will take place in 2025, while the RSUs vest upon a time-based service requirement in 3 tranches from 30 June 2023 to 30June 2025. The total number of shares that will be eventually be issued may vary from the original estimate due to forfeiture or the level of achievement of the performance goals. The grant dates of the 2022 awards were 1 July 2022 and 1 November 2022. The weighted average fair value of the awards that were issued in 2022 was €71 for the PSUs and €59.45 for the RSUs.

For more information on the performance conditions attached to the PSUs see Note 23 of the Consolidated Financial Statements.

The following table reflects the activity of PSUs and RSUs under the Exor LTI 2022 plan during the year ended 31 December 2022:

	Outstanding PSU Awards	Outstanding RSU Awards
Balance at 31 December 2021	**—**	**—**
Granted[1]	581,597	25,401
Forfeited	—	—
Vested	—	—
Balance at 31 December 2022	**581,597**	**25,401**

The following table sets forth information related to the income statement expense recognized and to be recognized in relation to the PSU and RSU awards:

	Years ended 31 December
(€ Thousand)	2022
Total expense	42,804
Expense recognized in the year	7,204
Unrecognized expense	35,600

The cost for the year recorded in the stock option reserve amounts to €7,204 thousand including €3,119 thousand classified as compensation to the Chief Executive Officer, €1,455 thousand as personnel costs and €560 thousand as cost of service, as part of commercial agreements with certain suppliers. The cost relating to the key employees of other companies in the Holdings System for €2,069 thousand was recognized as an increase in the carrying amount of the investment in Exor Investments Limited.

18. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate		Nominal value	Balance at (€/000)	
							31/12/2022	**31/12/2021**
03-Dec-15	02-Dec-22	99.50	Annually	Fixed 2.125%	(a)	€ 601,891	—	**602,166**
08-Oct-14	08-Oct-24	100.09	Annually	Fixed 2.500%	(b)	€ 500,396	**503,001**	**502,851**
07-Dec-12	31-Jan-25	97.84	Annually	Fixed 5.250%		€ 100,000	**104,302**	**104,081**
22-Dec-15	22-Dec-25	100.78	Annually	Fixed 2.875%		€ 450,000	**450,839**	**450,802**
20-May-16	20-May-26	99.65	Semi-annually	Fixed 4.398%		€ 170,000	**159,957**	**150,434**
18-Jan-18	18-Jan-28	98.52	Annually	Fixed 1.750%		€ 500,000	**503,400**	**502,478**
29-Apr-20	29-Apr-30	98.49	Annually	Fixed 2.25%		€ 500,000	**500,895**	**500,072**
19-Jan-21	19-Jan-31	99.09	Annually	Fixed 0.875%		€ 500,000	**498,892**	**498,271**
09-May-11	09-May-31	100.00	Semi-annually	Fixed 2.800%	(c)	¥10,000,000	**71,659**	**77,275**
14-Oct-19	14-Oct-34	100.00	Annually	Fixed 1.750%		€ 500,000	**480,252**	**478,692**
15-Feb-18	15-Feb-38	98.18	Annually	Fixed 3.125%		€ 200,000	**201,989**	**201,816**
Total							**3,475,183**	**4,068,938**
– Current portion							**37,111**	**639,181**
– Non-current portion							**3,438,072**	**3,429,757**

a) In 2021 the outstanding bonds at nominal value decreased from €750 million to €601.9 million.
b) In 2021 the outstanding bonds at nominal value decreased from €650 million to €500 million.
c) To protect against currency fluctuations, Exor has in place a hedging transaction using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

Exor intends to repay the bonds in cash at maturity using available liquid resources and undrawn credit lines. Exor may from time to time buy back bonds on the market also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, Exor's financial situation and other factors which could affect such decisions.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure.

The 2011-2031 bonds also establish other covenants such as respecting a ratio between financial debt and net asset value (0.5) calculated in accordance with the bond issuance prospectus and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Standard events of default are envisaged in the case of serious non-fulfilment such as failure to pay interest. These covenants were complied with at 31 December 2022.

Finally, a change of control of Exor would give the bondholders the right to ask for early redemption of the bonds.

The bonds were rated BBB+ by Standard & Poor's, in line with EXOR N.V.'s long-term debt rating.

The changes in non-convertible bonds is as follows:

€ thousand	2022	2021
Total at 1 January	**4,068,938**	**3,855,454**
Cash flows, net	(602,942)	175,189
Foreign exchange effects	3,907	9,200
Loss on partial bond cancellation	—	20,816
Other changes	5,280	8,279
Total at 31 December	**3,475,183**	**4,068,938**

The analysis of the non-convertible bonds by due date at 31 December 2022 and 2021 is as follows:

€ thousand	31/12/2022	31/12/2021
Due within one year	37,111	639,181
Due between one and five years	1,209,199	1,199,366
Due beyond five years	2,228,873	2,230,391
Non-convertible bonds	**3,475,183**	**4,068,938**

19. Bank debt and commercial paper

€ thousand	31.12.2022	31.12.2021
Non-current liabilities		
Bank Debt	150,000	150,000
Total at 31 December	**150,000**	**150,000**

On 29 September 2021 Exor entered into a committed credit facility (term loan) for €150 million expiring on 29 September 2024. At 31 December 2022 and 2021 the full amount was drawn.

At 31 December 2022 Exor has committed credit lines in Euro of €450 million expiring after 31 December 2023, as well as uncommitted credit lines of €565 million.

At 31 December 2021 Exor had committed credit lines in Euro of €385 million, of which €200 million expiring after 31 December 2022, as well as uncommitted credit lines of €545 million.

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line. Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings. These covenants were complied with at 31 December 2022.

In the event of a change of control of Exor, some lender banks would have the right to ask for the early repayment of committed credit lines for a total of €150 million, which however were not used at 31 December 2022.

Exor's long-term and short-term debt ratings from Standard & Poor's are "BBB+" and "A-2", respectively, with a "stable outlook".

The changes in bank debt may be analysed as follows:

€ thousand	2022	2021
Total at 1 January	**150,000**	**160,058**
Cash flows, net	—	(10,058)
Foreign exchange effects	—	—
Total at 31 December	**150,000**	**150,000**

20. Other financial liabilities

€ thousand	31.12.2022	31.12.2021
Cross currency swap	17,116	27,865
Fees and commission on undrawn credit lines	146	88
Lease liabilities	147	291
Other	907	10,941
Total at 31 December	**18,317**	**39,185**

21. Trade payables to third parties

These amount to €921 thousand (€1,332 thousand at 31 December 2021) and refer to trade payables to suppliers due within one year.

22. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs of the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following tables show the fair value hierarchy, based on observable and unobservable inputs, for financial assets and liabilities measured at fair value on a recurring basis:

€ thousand	Note	Level 1	Level 2	Level 3	31.12.2022
Assets at fair value					
Financial investments at FVTOCI	10	188,814	—	643,509	832,323
Financial investments at FVTPL	14	1,670,766	—	—	1,670,766
Non-current loan at FVTPL		—	—	9,500	9,500
Liquidity Funds	15	491,419			491,419
Total assets		**2,350,998**	**—**	**653,009**	**3,004,008**
Liabilities at fair value					
Other financial liabilities	20	—	17,116	—	17,116
Total liabilities		**—**	**17,116**	**—**	**17,116**

€ thousand	Note	Level 1	Level 2	Level 3	**31.12.2021**
Assets at fair value					
Financial investments at FVTOCI	10	343,258	—	486,031	829,289
Financial investments at FVTPL	14	14,676	—	—	14,676
Non-current loan at FVTPL		—	—	8,851	8,851
Total assets		**357,934**	**—**	**494,882**	**852,816**
Liabilities at fair value					
Other financial liabilities	20	—	27,865	—	27,865
Total liabilities		**—**	**27,865**	**—**	**27,865**

In 2022 there were no transfers between Levels in the fair value hierarchy.

When market quotations are not available for measuring the fair value of financial assets, the market rates have been used, adjusted where necessary to take into account the credit quality of the counterparty, as well as the fund quotations (NAV) provided by the managers of the same funds, and widely accepted valuation models; the valuation technique which is generally accepted is discounted cash-flow, considering counterparty credit risk.

The fair value of other financial liabilities that are composed of derivative financial instruments is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular, the fair value of cross currency swaps is determined using the discounted cash flow method, by taking the prevailing exchange rates and interest rates at the balance sheet date, adjusted, where necessary, to take into account Exor's credit quality.

Assets and liabilities not measured at fair value on a recurring basis

The nominal value of cash and cash equivalents usually approximates fair value due to the short duration of these instruments which include mainly bank current accounts, time deposits and liquidity funds.
For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from the carrying amount, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities approximates their fair value.

The following table represents the carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		31/12/2022		**31/12/2021**	
€ thousand	Note	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets					
Debt securities at amortized cost	11	28,127	27,659	76,727	78,665
Other financial assets		490	490	1,593	1,593
Total assets		**28,617**	**28,149**	**78,320**	**80,258**
Financial liabilities					
Non-convertible bonds	18	(3,475,183)	(3,029,383)	(4,068,938)	(4,345,462)
Bank debt and commercial paper	19	(150,000)	(150,000)	(150,000)	(150,000)
Other financial liabilities	20	(1,201)	(1,201)	(11,319)	(11,319)
Total liabilities		**(3,626,384)**	**(3,180,584)**	**(4,230,257)**	**(4,506,781)**

Debt securities at amortized cost are represented by bonds issued by leading counterparties; these are quoted on active markets and therefore their fair value is categorized in Level 1.
Non-convertible bonds are listed in active markets and their fair value is measured with reference to year-end quoted prices and therefore they are classified within Level 1 of the fair value hierarchy, with the exception of the unlisted Japanese yen bond issue (nominal equivalent amount at 31 December 2022 equal to €71,093 thousand) maturing in 2031 classified in Level 2 of the fair value hierarchy, whose fair value was measured using a discounted cash flow model.

(€ thousand)	At 31 December 2022				At 31 December 2021			
	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3	Fair value
Financial assets								
Debt securities at amortized cost	27,659	—	—	27,659	78,665	—	—	78,665
Other financial assets	490	—	—	490	1,593	—	—	1,593
Total assets	**28,149**	**—**	**—**	**28,149**	**80,258**	**—**	**—**	**80,258**
Financial liabilities								
Notes	(2,951,918)	(77,465)	—	(3,029,383)	(4,242,934)	(102,528)	—	(4,345,462)
Bank debt	(150,000)	—	—	(150,000)	(150,000)	—	—	(150,000)
Other financial liabilities	(1,201)	—	—	(1,201)	(11,319)	—	—	(11,319)
Total liabilities	**(3,103,119)**	**(77,465)**	**—**	**(3,180,584)**	**(4,404,253)**	**(102,528)**	**—**	**(4,506,781)**

23. Information on financial risks

Credit risk

The maximum nominal exposure to credit risk to which Exor is exposed at 31 December 2022 is represented by the carrying amounts of financial assets in the financial statements. Nevertheless, Exor seeks to mitigate such risk by allocating the funds in securities and other financial instruments across leading financial institutions and corporate counterparties selected according to their credit quality. At 31 December 2022 and 2021 there are no financial assets past due nor written down.

Liquidity risk

Outgoing cash-flows from current operations are funded mostly by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or by the availability of suitable sources of funding that can be readily used. In this sense, Exor operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

Market risk

Exor is principally exposed to currency, interest rate and price risks.

Currency risk

At 31 December 2022 a portion of receivables from third and related parties is denominated in USD (€9 million) and in HKD (€68 million) respectively, a portion of cash and cash equivalents in USD (€193 million) and a portion of financial investment at FVTOCI in USD (€620 million) and GBP (€42 million). Such assets are aligned to year-end exchange rates.

At 31 December 2021 a portion of receivables from third and related parties is denominated in USD (€9 million) and in HKD (€19 million) respectively, a portion of cash and cash equivalents in GBP (€36 million) and a portion of financial investment at FVTOCI in USD (€504 million). Such assets are aligned to year-end exchange rates.

The currency risk related to the liabilities to which Exor is exposed regards the note issued in 2011 and due in 2031 for Japanese yen 10 billion (€71 million at 31 December 2022; €77 million at 31 December 2021) which carries a fixed rate in yen of 2.80%, the note in US dollars issued in 2016 for $170 million (€159 million at 31 December 2022; €150 million at 31 December 2021) which carries a fixed rate of 4.398% and has a term of 10 years and the US dollars loan granted by Exor Nederland (€202 million at 31 December 2022; €35 million at 31 December 2021) at Libor plus 20 bps.

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, Exor has in place a cross currency swap with a leading credit institution as a result of which Exor will pay a fixed rate of 6.012% on the Euro equivalent face amount of the Japanese yen note for its entire term.

Sensitivity analysis for currency risk
Considering currency risk exposure at the reporting date, if the exchange rates had been 10% favourable or unfavourable, the financial receivables in USD would be €1,056 thousand higher or €864 thousand lower, the financial receivables in HKD would be €7,591 thousand higher or €6,211 thousand lower, the investment at FVTOCI in USD would be €68,932 thousand higher or €56,399 thousand lower, the investment at FVTOCI in GBP would be €4,654 thousand higher or €3,808 thousand lower, the cash and cash equivalents would be €21,125 thousand higher or €17,284 thousand lower and the note and financial liabilities in USD would be €31,809 thousand lower or €40,100 thousand higher.

Interest rate risk
The analysis of debt by interest rate shows that the rates are between 0.40% and 6.012% for the current year.

At 31 December 2022 there was no bank debt exposed to interest rate risk.

Price risk
Exor is exposed to price risk originating from investments in equity classified in the following categories:

- investments accounted for at cost
- financial investments at FVTOCI

Sensitivity analysis for price risk
Considering price risk exposure at the reporting date, if the prices of financial investments at FVTOCI had been 5% higher or lower, the fair value reserve would be €41,616 thousand higher or lower.

24. Related party transactions

With regard to the year 2022, the transactions between EXOR N.V. and the related parties identified in accordance with IAS 24 have been carried out in compliance with applicable laws, on the basis of the principle of reciprocal economic gain.

At 31 December 2022 related party transactions mainly include the following receivables and payables.

€ thousand	At 31 December 2022	At 31 December 2021
Loan granted to GEDI S.p.A. (interest rate at Euribor plus 225 bps)	106,669	—
Loan granted to Exor SA (interest rate at Euribor plus 200 bps)	1,132,227	488,172
Loan granted to Full More Group (interest at HKD Hibor plus 200 bps)	68,318	19,269
Financial receivables from related parties	**1,307,215**	**507,441**

€ thousand	At 31 December 2022	At 31 December 2021
Financial payables to Institut Merieux	555,556	—
Loan granted by Exor Nederland (interest rate at USD Libor plus 200	201,757	35,326
Financial payables to Exor Nederland	—	72
Financial payables from related parties	**757,313**	**35,398**

€ thousand	At 31 December 20222	At 31 December 2021
Payable for services received from subsidiaries for accounting, IT and consulting related to investments	24,559	2,641
Board Member payables	280	925
Trade payables from related parties	**24,839**	**3,566**

The economic effects of related party transactions in 2022 and 2021 are as follow:

€ thousand	2022	2021
Interest expenses on payables to Exor Nederland	(6,272)	(9)
Total financial expenses from related parties	**(6,272)**	**(9)**
Interest income on loan granted to Exor S.A.	6,237	730
Interest income on loan granted to GEDI S.p.A.	2,090	—
Interest income on loan granted to Full More Group	595	98
Interest income on loan granted to Exor Nederland	—	121
Total financial income from related parties	**8,922**	**949**

€ thousand	**2022**	**2021**
Consulting services from subsidiaries related to investments	22,006	3,994
Donation to Fondazione Giovanni Agnelli	10,000	500
Board member compensation	4,641	3,712
Accounting, IT and logistic services from subsidiaries	2,375	2,021
Other services from subsidiaries	348	298
Total purchase of goods and services	**39,369**	**10,525**

€ thousand	2022	2021
Board membership fees waived	213	223
Other services to subsidiaries	177	333
Total revenues from related parties	**390**	**556**

25. Earnings per share

Earnings per share information is provided in Note 13 to the Consolidated Financial Statements.

26. Audit fees

Audit fee information is provided in Note 35 to the Consolidated Financial Statements.

27. Remuneration

Information on the remuneration of the members of the board of directors is included in the Remuneration report sections of the Board Report.

28. Commitments and contingencies

Nil at 31 December 2022 and 2021.

29. Subsequent events

Exor has evaluated subsequent events through 17 April 2023, which is the date the financial statements at 31 December 2022 were authorised for issuance, and determined that there were no such events requiring recognition or disclosure in the financial statements.

17 April 2023

The Board of Directors

Ajay Banga

John Elkann

Andrea Agnelli

Ginevra Elkann

Alessandro Nasi

Melissa Bethell

Marc Bolland

Laurence Debroux

Axel Dumas

Exor N.V. – Other information

Independent Auditor's Report

The report of the Company's independent auditors, Ernst & Young Accountants LLP, the Netherlands, is set forth at the end of this Annual Report.

Appropriation of profit and dividends

Dividends will be determined in accordance with articles 28 and 29 of the Articles of Association of EXOR N.V. The relevant provisions of the Articles of Association read as follows:

1. The Board may decide that the profits realized during a financial year are fully or partially appropriated to increase and/or form reserves.
2. Out of the profits remaining after application of Article 28.1, with respect to the financial year concerned, primarily and insofar as possible, a dividend is paid in the amount of one per cent (1%) of the amount actually paid on the Special Voting Shares in accordance with Article 13.5. These dividend payments will be made only in respect of Special Voting Shares for which such actual payments have been made. Actual payments made during the financial year to which the dividend relates, will not be counted. No further distribution will be made on the Special Voting Shares. If, in a financial year, no profit is made or the profits are insufficient to allow the distribution provided for in the preceding sentences, the deficit will be not paid at the expense of the profits earned in following financial years.
3. The profits remaining after application of Articles 28.1 and 28.2 will be put at the disposal of the General Meeting for the benefit of the holders of Ordinary Shares. The Board will make a proposal for that purpose. A proposal to pay a dividend to holders of Ordinary Shares will be dealt with as a separate agenda item at the General Meeting of Shareholders.
4. Distributions from the company's distributable reserves are made pursuant to a resolution of the Board and will not require a resolution from the General Meeting.
5. Provided it appears from an unaudited interim statement of assets signed by the Board that the requirement mentioned in Article 28.10 concerning the position of the company's assets has been fulfilled, the Board may make one or more interim distributions to the holders of Shares.
6. The Board may decide that a distribution on Ordinary Shares will not take place as a cash payment but as a payment in Ordinary Shares, or decide that holders of Ordinary Shares will have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, out of the profit and/or at the expense of reserves, provided that the Board is designated by the General Meeting pursuant to Article 6.2. The Board shall determine the conditions applicable to the aforementioned choices.
7. The company's policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.
8. No payments will be made on treasury shares and treasury shares shall not be counted when calculating allocation and entitlements to distributions.
9. All distributions may be made in United States Dollars.
10. Distributions may be made only insofar as the company's equity exceeds the amount of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.
11. Dividends and other distributions will be made payable pursuant to a resolution of the Board within four weeks after adoption, unless the Board sets another date for payment. Different payment release dates may be set for the Ordinary Shares and the Special Voting Shares.
12. A claim of a Shareholder for payment of a distribution shall be barred after five years have elapsed after the day of payment.

Registered office

Exor is registered in the Dutch companies' register of the Chamber of Commerce (Kamer van Koophandel) under registration number 64236277. The registered office is Gustav Mahlerplein 25, 1082 MS, Amsterdam, the Netherlands, telephone number +31 (0) 202402220.

Independent auditor’s report

To: the shareholders and the audit committee of EXOR N.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements for the year ended December 31, 2022 of EXOR N.V., based in Amsterdam, the Netherlands.

In our opinion the financial statements give a true and fair view of the financial position of EXOR N.V. as at December 31, 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company statement of financial position as at December 31, 2022
- The following statements for 2022: the consolidated and company income statement, the consolidated and company statements of comprehensive income, cash flows and changes in equity
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the *Our responsibilities for the audit of the financial statements section of our report.*

We are independent of EXOR N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet *toezicht accountantsorganisaties* (Wta, Audit firms supervision act), the *Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten* (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the *Verordening gedrags- en beroepsregels accountants* (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

EXOR N.V. is one of Europe’s largest diversified holding companies, its subsidiaries operate through CNH Industrial N.V. and its subsidiaries (“CNH Industrial” or the “CNH Industrial Group”) in agricultural equipment and construction equipment, Iveco Group N.V, and its subsidiaries (“Iveco” or the “Iveco Group”) in commercial vehicles, Ferrari N.V. and its subsidiaries (“Ferrari” or the “Ferrari Group”) in luxury performance sports car, GEDI Gruppo Editoriale S.p.A. and its subsidiaries ("GEDI" or the "GEDI Group") in the media sector and Juventus Football Club S.p.A. and its subsidiary (“Juventus” or the “Juventus

Group") in the professional football sector. Next to its subsidiaries EXOR is holding various equity investments, Stellantis N.V. and its subsidiaries in the automotive sector is the largest equity investment of the group. The group is structured in various reportable segments and related group entities and we tailored our group audit approach accordingly.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€300 million (2021: €300 million)
Benchmark applied	Approximately 5% of EBIT
Explanation	Consistent with prior years, we consider an earnings-based measure to be the most appropriate basis for determining our overall materiality. To align with the basis used for our main reportable segment CNH Industrial, we have selected EBIT as the basis for our materiality. EBIT is calculated as Profit before taxes (€ 5,896 million) plus Net financial expenses (€ 620 million).

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with audit committee that misstatements in excess of €15 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

EXOR N.V. is the parent of a group of entities. The financial information of this group is included in the consolidated financial statements of EXOR N.V. The company is organized along seven reportable segments, being Stellantis, CNH Industrial, Iveco, Ferrari, Juventus Football Club, GEDI and the EXOR Holdings System, along with certain other corporate functions which are not included in the reportable segments.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities. Group entities are considered significant because of their individual financial significance or because they are more likely to include significant risks of material misstatement due to their specific nature or circumstances.

From the seven reportable segments we identified six segments, which, in our view, required an audit of their complete financial information, either due to their overall size or their risk characteristics. For one reportable segment we performed limited review procedures.

- The group consolidation, financial statements and disclosures as well as the group audit of EXOR are audited directly by the EXOR group engagement team in addition to the other procedures the group team is responsible for;
- Members of the EXOR group engagement team are directly involved in the group audits of Stellantis, CNH Industrial, Iveco, Ferrari and GEDI;

- The group engagement team visited the consolidating engagement teams of Stellantis, CNH Industrial, Iveco and Ferrari and reviewed key audit areas in detail and held discussions with local management.

All component audit teams included in the group scope received detailed instructions from the group engagement team including key risk areas and significant accounts and the group engagement team reviewed their deliverables. By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Teaming and use of specialists
We ensured that the audit teams both at group and at component levels included the appropriate skills and competences needed for the audit of a listed client in the automotive industry. We included specialists in the areas of Forensics, IT audit, valuation, pensions and income tax.

Our focus on climate-related risks and the energy transition
Climate change and the energy transition are high on the public agenda. Issues such as CO2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets ('stranded assets') and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO2 footprint.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the possible effects of the energy transition are taken into account in estimates and significant assumptions as well as in the design of relevant internal control measures by EXOR N.V.

As disclosed under Note 2 to the consolidated financial statements, the basis of preparation and significant accounting policies, all significant assumptions and estimates underlying the preparation of the following items were subject to an analysis in order to identify and address the new uncertainties related to climate change which could affect the business: going concern, inventory management, property, plant and equipment, goodwill, brands, intangible assets with a finite life, tax reliefs, revenue recognition, provisions and onerous contracts. Furthermore, we read the board of directors report and considered whether there is any material inconsistency between the non-financial disclosure and the financial statements.

Our audit procedures to address the assessed climate-related risks and the possible effects of the energy transition did not result in a key audit matter.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of EXOR N.V. and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how audit committee exercises oversight, as well as the outcomes.

We refer to the paragraph Risk Management, Risks and Control System of the board report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

These risks did however not require significant auditor's attention.

We identified the following fraud risks and performed the following specific procedures:

Presumed risks of fraud in revenue recognition:	
Fraud risk	When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We evaluated the revenue streams coming from the reportable segments. Our risk is mainly focusing on revenues which are recognized in the improper period as a result of manual journal entries recorded in corporate and/or consolidating entities at or near period end. These revenue streams are disclosed in Note 2 and Note 5 to the financial
Our audit approach	We designed and performed the following audit procedures to be responsive to this fraud risk: • We performed risk assessment procedures as part of our audit planning and included the corporate and/or consolidating entities in our audit scope. • We made inquiries of management. • We performed analytical reviews and performed tests of detail as to revenue recorded in the lower reportable segment level and/or consolidating entities at or near period end. • We performed tests of journal entries recorded in the corporate and/or consolidating entities and ensure appropriate business rationale, and proper authorization and documentation of approval. Finally, we reviewed the adequacy of the disclosures made in Note 2 and Note 5.

We considered available information and made enquiries of relevant executives, directors (including tax, treasury, internal audit, legal, compliance, human resources and segment/regional management and finance leaders) and the audit committee.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws

and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes and inspection of internal audit and performing substantive tests of details of classes of transactions, account balances or disclosures and reference is made to Notes 24 Other provisions and 30 Guarantees granted, commitments and contingencies to the financial statements.

We also inspected lawyers' letters and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations from management that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern
As disclosed in section 'Basis of preparation' in the Notes to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Based on our procedures performed, we did not identify material uncertainties about going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause EXOR N.V. to cease to continue as a going concern.

Our key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the audit committee. The key audit matters are not a comprehensive reflection of all matters discussed.

The key audit matter 'Accounting impact of the merger between Peugeot S.A. and Fiat Chrysler Automobiles N.V.' which was included in our last year's auditor's report, is not considered a key audit matter for this year given that no subsequent changes are made in the accounting of the transaction completed in 2021. The recoverability of deferred tax assets remains a key audit matter although the focus changed from CNH Group, related to Brazil, towards Iveco Group related to Italy, Spain, France and Brazil. This year we added a key audit matter in relation to the acquisition of Raven Industries, Inc. Although this entity was acquired at the end of 2021, the purchase price allocation was completed in 2022. Additionally we added a key audit matter for net realizable value of vehicles sold with buy-back commitment in relation to Iveco Group.

Valuation of equity investments Note 2. and 16.	
Risk	EXOR N.V. has increased its portfolio of equity investments, amounting to €12,841 million as at December 31, 2022 (included within Investments and other financial assets). The amount mainly includes the investments in Stellantis (€10,885 million), Christian Loboutin (€581 million), The Economist (€300 million) and Institut Merieux (€278 million), accounted for using the equity method in accordance with IAS 28. With reference to such investments, management assesses at each reporting date whether impairment indicators are identified in line with IAS 36. If management identified impairment indicators, an impairment test is performed. The processes and methodology for assessing and determining the recoverable amounts of the equity investments are based on complex assumptions, which by their nature require management's judgement, in particular with reference to the identification of impairment indicators and to the forecast of their future performance. Because of the size of the equity investments, the judgment required and the complexity of the assumptions used in the estimate of the recoverable amounts of the investments, we have determined that this area represents a key audit matter.
Our audit approach	The procedures designed to address the matter in our audit included, among others, obtaining an understanding and evaluating the effectiveness of the impairment assessment process. Additionally, we assessed the basis used by preparing the management assessment to identify any impairment indicators in relation to the equity investments at year-end 2022. We have assessed the adequacy of the financial statements disclosures in Note 2 and Note 16.
Key observations	Based on the results of our work, we concur with the company's conclusion that no impairment indicators of equity investees have been identified at year-end 2022 and we concur with the disclosures made on this area in the Notes to the consolidated financial statements.

Recoverability of deferred taxes Note 11.	
Risk	Net deferred tax assets and liabilities as at December 31, 2022 amount to €897 million, which included deferred tax assets on deductible temporary differences of €2,532 million and on tax losses carried forward of €943 million. A total deferred tax liability is recorded for an amount of €1,629 million. Of the deferred tax assets on tax losses carried forward, losses in the amount of €1,041 million were not recognized. Iveco Group had net deferred tax assets, including tax loss carry forwards, of €927 million, of which €252 million are not recognized in the financial statements. The corresponding totals at December 31, 2021 were €864 million and €229 million respectively. Auditing management's analysis of the recoverability of its deferred tax assets in Italy, Spain, France and Brazil is key to our audit because the amounts are material to the financial statements and the assessment process in those jurisdictions is complex. This assessment involves significant judgment, including the weighing of all available evidence, and includes assumptions that may be affected by local tax legislation and projections of future taxable income in certain jurisdictions, as such we have assessed this as a Key Audit Matter in our audit.
Our audit approach	Our audit procedures included, but were not limited to: • Understanding the design and implementation of relevant internal controls within the income taxes process, including controls over management's review of the significant assumptions • Evaluating the likelihood of the group generating sufficient future taxable profits to support the recognition of the deferred tax assets, including the company's assumptions and sensitivity analysis in relation to the likelihood of generating sufficient future taxable income, taking into account local tax regulations • Assessing the historical accuracy of management's forecasting of taxable profits by comparison to actual results, the accuracy of the forecast models and consistency of the projections with the forecasts used for the purposes of the goodwill and other non-current assets with indefinite and definite useful lives impairment analysis by the company and results from other areas of our audit • Involving tax professionals to assist in evaluating the key tax considerations • Assessing the adequacy of the disclosures made (Note 11) in respect of recoverability of deferred taxes
Key observations	We did not identify any evidence of material misstatement of deferred tax assets as recorded in the statement of financial position or in the disclosures thereof.

Net realizable value of vehicles sold with buy-back commitment Note 15. Property, plant and equipment	
Risk	In relation to vehicles sold with buy-back commitment, the Group's net assets as of December 31, 2022 amount to €1,354 million. When the sale of the vehicle is combined with a buy-back commitment and a significant economic incentive exists for the customer to exercise the buy-back option, the sales transaction is recognized as an operating lease and an asset is recognized in the statement of financial position. The accounting policy for vehicles sold with buy-back commitment and management's significant judgements applied in relation thereto are further described in "Basis of preparation" section to the financial statements. Assessment and estimates are required for Iveco Group to define the net realizable value of amount of the assets recognized with buyback commitment. Estimated net realizable value is dependent on the situation in the used vehicle markets prevailing when the vehicles are expected to be returned. The future-oriented valuation is based on several assumptions and involves a high degree of estimation. This assessment involves significant judgement in determining the estimated net realizable value of the vehicles sold under buy-back commitment, as such we have assessed this as a Key Audit Matter in our audit.
Our audit approach	Our audit procedures included, but were not limited to: • Understanding the design and implementation of relevant internal controls within the determination of estimated net realizable value process, including controls over management's review of the significant assumptions. • Assessed the reasonableness of management's significant assumptions in relation to estimated net realizable value of net assets. • Tested the IT application in which buy back contracts are recorded, including data input against underlying contracts and clerical teste the accuracy of the model used to calculate the net realizable value of buy-back commitments. • Assessed the adequacy of the disclosures made by the Company in respect of vehicles sold with buy-back commitment.
Key observations	We did not identify any evidence of material misstatement in net realizable value of vehicles sold with buy-back commitment as recorded in the statement of financial position or in the disclosures thereof.

Valuation of the acquired intangible assets of Raven Industries, Inc. Basis of consolidation and note 14. Intangible assets	
Risk	With specific reference to CNH Industrial who completed its acquisition of Raven Industries, Inc. (‘Raven’) on November 30, 2021 for a total purchase consideration of $2,140 million. In 2022, the Company finalized the purchase price allocation of the net identifiable tangible and intangible assets acquired and liabilities assumed based on their fair values. Goodwill ($1.3bn) was calculated as the excess of the consideration transferred over the net assets acquired. Auditing the company’s accounting of the acquired intangible assets of Raven was complex due to the significant estimation uncertainty in determining the fair value of identified intangible assets of approximately $523 million, which primarily consisted of customer relationships, in-process research and development (‘IPR&D’), and trade names. The significant estimation uncertainty was primarily due to the sensitivity of the respective fair values to the significant underlying assumptions related to the future performance of the acquired business. The company used the income approach to measure these intangible assets. The significant assumptions used to estimate the value of the intangible assets included customer attrition rates, royalty rates, discount rates, and certain assumptions that form the basis of the forecasted results (e.g., long-term revenue growth rates and revenue attributable to existing customers). These significant assumptions are forward looking and could be affected by future economic and market conditions. Therefore, we considered the valuation of the acquired intangible assets of Raven a Key Audit matter.
Our audit approach	We obtained an understanding, evaluated the design, and tested the operating effectiveness of the company's controls over accounting for the acquisition of Raven, including controls over the determination of the fair value of the acquired customer relationships, IPR&D, and trade names intangible assets, and management's evaluation of the underlying assumptions described above. We also tested management's controls over the completeness and accuracy of the data used in the valuation models. To test the fair value of the customer relationships, IPR&D, and trade names intangible assets, we performed audit procedures that included, among others, assessing the appropriateness of the valuation methodologies used and testing the significant assumptions used in the valuation model, including the completeness and accuracy of the underlying data. We compared the significant assumptions to current industry, market and economic trends and to the historical results of the acquired business and involved valuation specialists to assist with our evaluation of the methodologies used by the company and significant assumptions included in the fair value estimates. The group’s disclosures related to the valuation of the acquired intangible assets of Raven are included in the Basis of consolidation and Note 14 to the consolidated financial statements. We have assessed the adequacy of the disclosures made by
Key observations	We concur with the valuation of the acquired intangible assets of Raven as recorded in the statement of financial position and deem the disclosures included in the consolidated financial statements appropriate.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The board report
- The remuneration report
- The information on the board of directors and auditor and the letter from the chairperson
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the board report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. Management and audit committee are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the general meeting as auditor of EXOR N.V. on March 2, 2016 to perform the audit of its 2016 financial statements and have continued as its statutory auditor since then.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

EXOR N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by EXOR N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N *Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument* (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package
- identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of management and audit committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The audit committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The ‘Information in support of our opinion’ section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor’s report.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, April 17, 2023

Ernst & Young Accountants LLP

Signed by O.E.D. Jonker