Exor

2023 Annual Report

Exor N.V.
Corporate Seat: Amsterdam, the Netherlands
Principal Office: Gustav Mahlerplein 25 - 1082 MS Amsterdam, The Netherlands
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Dear Shareholders,

Opening my Letter for 2018, I took a moment to remember the incredible man that was Sergio Marchionne who was painfully taken away from us far too early. 2023 marked the five-year passing of this extraordinary leader and wonderful friend, whose legacy continues through the Sergio Marchionne Auditorium at CERN, the world's largest particle physics laboratory and research centre.

Designed by Renzo Piano, the CERN Science Gateway was inaugurated in October 2023. We are proud to have contributed to this futuristic building, which combines two important themes for my family: education and innovation. Through immersive exhibits, workshops and experiences, people of all ages and backgrounds will be able to understand the beauty and relevance of science as more than 150,000 visitors have already done so. CERN embodies our belief in the future, while also reminding us of the role of great innovators, like Sergio, who helped carve the path forwards.

Credits: © RPBW

Almost twenty years ago, in June 2004, Sergio was appointed CEO of Fiat. The company had gone through a series of CEOs in the leadup to his arrival and was on the verge of bankruptcy. When I reflect on where we are today, I am very grateful to Sergio for showing us that the impossible is possible. His courage and tenacity saved first Fiat and then Chrysler and the jobs of the hundreds of thousands who were working directly and indirectly with these companies. Today we see the same courage and tenacity in the leadership and people of Stellantis.

As we continue moving forwards, we will always remember what Sergio rightly said, "mediocrity is never worth the trip".

We dearly miss you, *caro* Sergio.

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EXOR IN 2023

In 2023, Exor's Net Asset Value (NAV) per share increased by 32.7% outperforming our benchmark, the MSCI World Index by 15.1 p.p.

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
2023	32.7	17.6	15.1
Compound annual rate	**18.6**	**11.2**	**7.3**

Note: data in 2009 starts from March 1st, the date before Exor's listing.

The main driver of our NAV per share growth this year has been the great performance of our largest companies Ferrari and Stellantis, which increased in value by 52% and 59% respectively: a combined rise of €8.2 billion.

NET ASSET VALUE AT 31 DECEMBER 2023

€ million	31-Dec-2023	31-Dec-2022	Change vs. 31-Dec-2022	
			Amount	%
Companies	34,233	24,278	9,955	41.0%
Investments	2,836	1,766	1,070	60.6%
Others	2,750	6,443	(3,693)	(57.3)%
Gross Asset Value (GAV)	**39,819**	**32,487**	**7,332**	**22.6%**
Gross Debt	(4,286)	(4,234)	(52)	1.2%
Bonds and bank debt	(3,682)	(3,625)	(57)	1.6%
Other financial liabilities	(604)	(609)	5	(0.8)%
Other Liabilities	(20)	(20)	—	—%
Net Asset Value (NAV)	**35,513**	**28,233**	**7,280**	**25.8%**
NAV per Share (EUR)	**162.4**	**122.3**	**40.1**	**32.7%**

Companies (86% of GAV)

As I have mentioned in the past, our purpose at Exor is to build great companies. To do this, we need to align ownership, governance and leadership within our companies so we can provide appropriate support and challenge as they pursue their paths to greatness.

Our most valuable companies

Among our companies, the two largest contributors to our Gross Asset Value (GAV) are Ferrari and Stellantis, which together represented close to 60% at the end of the year.

Ferrari enjoyed another extraordinary twelve months with record results and achievements across its three souls: racing, sports cars and lifestyle. During 2023, five new models were launched, including the Ferrari Roma Spider and the 499P Modificata. The latter is a strictly limited-series car for non-competitive track use and a modified version of the 499P hypercar that triumphed in the centenary edition of Le Mans in June as part of the World Endurance Championship.

Credits: Ferrari

After twenty-four hours of intense competition, difficult conditions and mental fortitude, Alessandro Pier Guidi, Antonio Giovinazzi and James Calado claimed victory, having completed 342 laps of the famous French track. It was a perfect return for the Prancing Horse after a fifty-year absence and represented its tenth victory overall at this legendary race. The efforts of the mechanics, engineers and drivers combined with the absolute commitment of the support team and its tifosi underline Ferrari's ability to combine performance with passion like no other.

This passion, together with a deeply heartfelt sense of community, continues to nurture Ferrari every day. Last year, almost 750,000 visitors were welcomed at the two museums in Maranello and Modena.

Off the track, Ferrari continued to deliver outstanding results, with the company exceeding its full-year guidance. Net revenues for the year grew 17% to €6 billion, with an adjusted EBITDA of €2.3 billion (38% margin) and, for the first time ever, net profit exceeded €1 billion (an increase of 34% versus 2022).

To enable its people to continue to grow and innovate, Ferrari coordinated several initiatives in 2023 that included receiving the Equal-Salary Certification on a global level for the first time and providing more than 135,000 hours of training to its employees. For 2024, the company announced the introduction of a broad-based share ownership plan for its employees. In addition, Ferrari extended the activities and scope of its employee welfare programmes with the expansion of health check-ups and parental support.

We look forward to more victories with clients, fans and employees as Benedetto Vigna and his leadership team maintain their four-wheels-on-the-ground approach as the Prancing Horse continues its electrification journey while staying true to its heritage.

Stellantis celebrated its third year of existence in 2024, but we must always remember that the brands at its core – such as Peugeot which was founded in 1810 – are far older. However, while the brands remain, the requirements of a car maker have greatly changed over the last two centuries. Today we live in a world where mobility is no longer just about getting from A to B but is an all-encompassing experience that incorporates many different technologies together with a radical rethinking of how that mobility is powered.

Stellantis has responded to those changing requirements by putting electrification at the forefront of its Dare Forward 2030 strategic plan. It is targeting 100% of passenger car sales in Europe and 50% of passenger car and light-duty truck sales in the United States to be battery electric vehicles (BEVs) by the end of the decade.

Today, Stellantis is well on track to achieve this with global BEV sales up 21% year over year. In addition, as part of the Pro One strategy for its commercial vehicles, Stellantis unveiled a fully renewed van lineup across its six iconic brands (Citroën, FIAT, Opel, Peugeot, Ram and Vauxhall) featuring second-generation zero-emission powertrains, a unique hydrogen solution, full connectivity and top-level autonomous driving assistance systems.

When we look at the evolution of the electric vehicle (EV) market, it is China that is, and will continue to be, the prominent player. With a differing approach focused on adjacent industries (buses and motorcycles), batteries (the costliest component with 70% of lithium-ion batteries today being made in China) and a low-cost and often high-quality supplier base, China is pushing ahead with its EV expansion. Bloomberg estimates that out of a projected global total of 16.7 million passenger EVs sold in 2024, six out of ten will be sold in China, with Chinese players also continuing to export EVS worldwide.

Stellantis has been active and decisive when looking at opportunities to increase its exposure in the EV market. In October 2023, the company made a significant investment of ~€1.5 billion to acquire ~20% of Leapmotor and formed Leapmotor International, a 51/49 Stellantis-led joint venture that has exclusive rights for the export and sale, as well as manufacturing, of Leapmotor products outside Greater China. This is an industry-first global EV relationship between a leading automaker and a Chinese BEV pure player. Stellantis will be able to support the growth of Leapmotor in markets outside of China, while Leapmotor's EV ecosystem in China will complement the one Stellantis already has.

Carlos Tavares and his leadership team have maintained their focus on great products and customer satisfaction throughout an intense year with increasing competition and regulatory uncertainties. The drive to compete and focus on excellence generated record results with revenues of €189.5 billion (up 6% compared to 2022), an adjusted operating income of €24.3 billion (~13% margin) and net profit of €18.6 billion (up 11%).

These excellent results are not only rewarding shareholders but also Stellantis employees, who will receive nearly €1.9 billion based on their achievements. Including this figure, a total of €6 billion has been distributed back to employees worldwide since its foundation in 2021; a tangible demonstration of how the company has aligned its incentives to its results for the benefit of all employees. In November, the company piloted "Shares to Win", its first employee share purchase plan that enables them to become shareholders in Stellantis on preferential terms. This will be expanded to over 240,000 employees worldwide in 2024.

We strongly believe in an ownership culture and have supported both Ferrari and Stellantis in enabling their employees to become owners. The positive employee response to these initiatives clearly demonstrates their confidence in the future of their companies.

Our growing interest in healthcare

We view healthcare as a long-term, structural growth sector driven by the favourable dynamics and strong fundamentals I outlined in last year's Letter. The increased cost of healthcare services combined with a shortage of medical staff is driving demand for innovative new approaches to tackle global health problems.

We believe that prevention and technology are critical areas for this innovation. Earlier and more efficient in vivo and in vitro diagnostics will be needed to treat patients better and more efficiently. Technology can improve productivity, allow patients to be treated outside of the hospital and free up healthcare professionals' time. The healthcare industry stands at the intersection of critical societal needs and technological advancements, which will continue to drive innovation for the foreseeable future.

For these reasons, we have cumulatively deployed almost €4 billion in healthcare, both through investing in companies and through Exor Ventures. We have focused our company investments within growing and resilient segments, while with Ventures we are expanding our knowledge in the most innovative subsegments, which I will describe later.

In 2022, we invested nearly €1 billion in two companies: Institut Mérieux and Lifenet Healthcare. Our conviction was supported by our strong alignment with both the Mérieux family, the founders and owners of Institut Mérieux, and Nicola Bedin, the founder and CEO of Lifenet.

Over the course of last year, bioMérieux, the largest company in the Institut Mérieux portfolio and representing more than 80% of its GAV, continued to grow even after the end of the pandemic. To detect infectious diseases, bioMérieux uses a number of different technologies across microbiology, molecular and immunoassays. Overall, the company performed well in 2023. While most of its peers saw their sales decline significantly due to the post-COVID normalisation effect, bioMérieux's like-for-like revenues grew by 6.6% to €3.7 billion, demonstrating the strong resilience of its in vitro diagnostics (IVD) portfolio.

Also, in terms of profitability, the company reported good results (16.6% adjusted EBIT margin), 1.2 p.p. above pre-COVID levels and is working hard to continue improving profitability and close the gap with the top performing IVD players.

bioMérieux is constantly looking to innovate its portfolio and is continuing to expand in other high-growth areas, like Point of Care settings, through the launch of new products such as SPOTFIRE, or anti-microbial resistance testing, through its investment in Specific Diagnostics. They recently strengthened the partnership with Oxford Nanopore by acquiring a ~7% stake with the aim to apply their scalable and cost-effective Next-Generation Sequencing technology to infectious diseases testing.

Overall, bioMérieux has had a strong operating performance over the last few years. Since 2019, the last pre-COVID year, revenues have increased by €1 billion and adjusted EBIT by approximately €200 million. bioMérieux will continue to be a key IVD player, facing the increasingly complex and demanding global public health challenges with an innovation-focused mindset.

Working alongside the Mérieux family, we are also pleased to support their overall strategy as they continue to invest in healthcare. This includes the investments they are making through Mérieux Equity Partners, which has reached over €1.5 billion in Assets Under Management, and Mérieux NutriSciences, which continues to grow within the interesting food testing market. We also support the steps they have taken to simplify their portfolio such as their disposal, in December 2023, of ABL Europe, their CDMO (Contract development and manufacturing organisation) to Oxford Biomedica.

As I mentioned in last year's Letter, in 2022 we acquired 45% of Lifenet, an Italian company focused on the management of hospitals and outpatient clinics. Lifenet, being a dynamic player in the market, is ideally positioned to navigate the ongoing changes in the industry, supported by a strong and experienced leadership team. Since our investment in 2022, Lifenet has completed three acquisitions and we remain firmly committed to supporting them in their growth trajectory, both organically and through further acquisitions.

Philips becomes our newest healthcare company

In August 2023, we further expanded our presence in healthcare by building a 15% stake worth €2.8 billion in Philips. Throughout its 130-year history, Philips has built a trusted and valuable brand. The company has introduced numerous innovations that have constantly kept it at the forefront of both the consumer and healthcare market.

Philips was founded in 1891 in Eindhoven, the Netherlands, by Frederik Philips and his eldest son, Gerard. Recognising the opportunity presented by the mass-market introduction of electricity, and inspired by Gerard's interest in science and engineering, the pair, joined by the second son Anton, soon began selling cost-effective electric incandescent light bulbs.

The company's involvement in health technology can be dated back to 1914, through its research activity on X-ray tubes. During the 1930s, Philips also introduced its rotary electric razor, the Philishave. After World War II, the company entered the age of modern electronics through the introduction of its television.

As the company was developing the components for its consumer electronics, Philips also became one of the largest semiconductors manufacturers in the world (#2 globally in the 1970s and 1980s). In 1984, the company spun out ASML, which is currently one of the world's largest manufacturers of chip-making equipment and the 3rd most valuable company in Europe (with a market capitalisation of ~€360 billion). In 1987, Philips, alongside the Taiwanese government, also co-founded the Taiwan Semiconductor Manufacturing Company (TSMC), which today represents the largest independent semiconductor foundry worldwide with a market capitalisation of ~€580 billion. Since then, Philips also continued reshaping the consumer electronics landscape by introducing innovative solutions (e.g. CDs), reaching a peak of ~€38 billion in sales in 2000.

Credits: Philips

Over the past 20 years, Philips has undergone a profound transformation to reshape its portfolio and become a focused healthcare company. The company started this change in 2006 when it divested its semiconductor unit (later renamed NXP Semiconductors). In 2011, Philips announced the disposal of its 60-year-old television business and soon after, also exited its Lifestyle Entertainment business (which made audio and video equipment, including headphones and DVD players). The most important disposal was the IPO of its Lighting business (now called Signify), which took place in 2016.

In 2021, the company also sold its Domestic Appliances segment, the latest step in its transformation into becoming a fully focused healthcare player, with deep customer relationships and strong leadership positions in attractive markets.

In parallel, over the past 10 years, Philips has strengthened its healthcare portfolio within fast-growing and highly profitable businesses such as Image-Guided Therapy, Ultrasound, Monitoring, and Personal Health. It deployed close to €9 billion in acquisitions (net of cash), of which the three largest were Volcano (acquired in 2015 for ~€1.0 billion), which makes intravenous catheters for ultrasound scans, Spectranetics (acquired in 2017 for ~€1.9 billion), which makes catheters to treat heart diseases and BioTelemetry (acquired in 2021 for ~€2.3 billion), which makes devices and delivers services to monitor remotely irregular heart rhythms.

In recent years, Philips has faced difficult challenges. In particular, since 2021, the company faced a recall affecting its Sleep & Respiratory Care business, highlighting the high-performing quality management systems demanded from healthcare technology players. Over the same period, Philips has also tackled operational and supply chain disruptions, with key component shortages (e.g. chips) holding back deliveries, especially in its Diagnosis & Treatment segment. As a result, the company's market cap dropped by 75%+ from its peak (€46 billion in April 2021 to €11 billion in November 2022) before recovering to €19 billion by the end of 2023.

We believe Philips fits well within our healthcare portfolio. The company has leadership positions in highly attractive segments that offer significant potential for growth and margin expansion, such as Image Guided Therapy, Ultrasound, Monitoring and Informatics. These segments are strongly exposed to the positive changes permeating healthcare, like a demand for more precise and less invasive surgery, a greater focus on prevention and the growing role of data.

The company is seeking to improve 2.5 billion lives per year by 2030. While Philips pursues its purpose of improving people's health and well-being through meaningful innovation, it wants to deliver superior long-term value to its customers and shareholders. The leadership has a solid turnaround plan and a focus on bringing the company back to a healthy top-line growth (mid-single-digit) and profitability (mid-to-high teens) after 2025. The early signs are positive, with Philips delivering good 2023 results of €18.2 billion in revenues with mid-single-digit comparable sales growth and low double-digit profitability, strong free cash flow of €1.6 billion and carried out clear actions to strengthen its balance sheet, outperforming its original targets.

In line with what I described earlier, what further strengthened our conviction was the alignment we saw between the ownership, governance and leadership in Philips.

Regarding ownership, we entered into a relationship agreement to acquire 15% of the shareholding in Philips (with the opportunity to increase our stake to a maximum of 20%) making us the largest shareholder in the company. I would like to thank Benoît Ribadeau-Dumas for his determination and efforts to build our relationship with Philips and we were pleased he was proposed as a Director for the Supervisory Board.

In terms of governance, our discussions with Feike Sijbesma, Chair of Philips, increased our conviction that he and the Board were tackling head-on the challenges the company was facing with a clear agenda of change. When looking at leadership, Roy Jakobs, who began his role as CEO in October 2022, and his largely renewed and experienced team have a clear plan to address company-specific issues and implement the required cultural and organisational changes to drive profitable growth.

The Exor team receives a warm welcome at the Philips Innovation Center Eindhoven

We are fully supportive of Philips' leadership and strategy. The company is in a good position to capture the exciting opportunities shaping the healthtech sector.

Navigating a difficult year for GEDI and Juventus

While 2023 included some excellent results from our largest companies and the arrival of Philips as our newest one, it also represented a more challenging year for two of our smaller companies: GEDI and Juventus.

Since Gruppo Espresso and ITEDI decided to merge in 2016 to create GEDI, daily newspapers have seen a constant decrease in their share of the advertising market, which has now fallen below 5% (from more than 8% in 2016). At the same time, the advertising revenues captured by digital players have rapidly increased and are now estimated to account for more than 40% of the market. The circulation of all Italian newspapers has decreased on average by more than 10% per year, particularly following the COVID pandemic, with circulation now at 1 million copies, less than half the number in 2016. This combination of a decreasing share of the advertising market combined with declining circulation and inflationary costs has strongly impacted the economics of the news business.

Despite this challenging environment, GEDI has been carrying out decisive actions to position itself more favourably against its competitors. Since Exor became its majority shareholder in 2020, the media company's focus has pivoted towards digital, which is better suited for its national titles. As a result, almost all its local newspapers have been sold, the most recent being *Il Secolo XIX*.

Today, GEDI's news strategy is centred around *La Repubblica* and *La Stampa*, two of the main newspapers in Italy, whose significant print presence is being complemented by a growing digital offering. We continue to believe in the importance of reliable and high-quality journalism, especially in a world where it is sometimes hard to trust what we read. This is critical as we form opinions and, for that reason, we must never lose independent journalism that is true to the identity and values of the newspapers and readers they serve, not to the interests of who owns them.

GEDI, through a combination of organic initiatives and selected digital acquisitions, is also broadening its portfolio and is increasingly able to engage with younger audiences. One such example is Stardust, a digital content creation platform fuelled by a carefully chosen and nurtured roster of ambassadors and influencers, where GEDI first entered as a minority shareholder in 2022 before transitioning to a majority in 2023.

These initiatives are helping drive GEDI's digital transformation with tangible results. On average, GEDI reaches 4.7 million unique users per day across its websites, ranking it as the number one player among Italian news publishers. Digital subscriber numbers have seen a double-digit year-on-year increase since we acquired GEDI with a 50% increase over the last year. Digital revenues are now more than €125 million, or 26% of total revenues.

The entertainment side of GEDI is also showing positive signs. Radio Deejay reaches on average 5.5 million listeners each day. This makes it the third most popular radio station in Italy and the largest in terms of social media presence, with 1.2 million Instagram followers (no other Italian radio station has more than 1 million). In 2022, GEDI also launched its podcast factory, OnePodcast, created with very limited costs, by efficiently using the expertise of its editorial team and its in-house radio business. It now has 170 original series, and reached 17 million streams per month in 2023, with its Elisa True Crime series being the most listened to Italian podcast on Spotify last year.

The road ahead for GEDI remains challenging. However, Maurizio Scanavino and his leadership team are determined to accelerate its digital transformation journey. We remain convinced in the fundamental value of content in entertainment and news both for today and tomorrow.

Maurizio has also had his hands full with Juventus, where 2023 represented a year of transition. Under its newly appointed Board, chaired by Gianluca Ferrero, the focus has been on resolving the issues it was facing with Sport Justice, both in Italy and Europe.

While reiterating the correctness of its actions, Juventus effectively addressed the issues and started planning for the future without the backdrop of tension and instability that had characterised prior seasons.

On the back of these developments, Juventus began its turnaround, appointed a new Sporting Director and launched a capital increase of €200 million that was successfully completed. The 2023/24 season is therefore “Year-Zero” for Juventus, in which the company is putting in place the foundations for its comeback, both on and off the pitch.

Cristiano Giuntoli, who joined in 2023 and has just been named Best Sporting Director of the year at the Globe Soccer Awards for his work with Napoli last year, will help shape the Juventus of the future. The team aims to return to the Champions League and has already confirmed its presence in the expanded FIFA Club World Cup in the summer of 2025. With an increased focus on young talent from its Next Gen team (who have proved their value this year), Juventus aims to build a sustainable cost structure in line with the new regulations from UEFA, which require clubs to increasingly reduce players’ wages and amortisations as a percentage of operating revenues.

If you are familiar with our supporters, players and spirit, then the phrase *fino alla fine* will not be new to you. It embodies the club’s determination to keep fighting and overcome adversities, a belief that Edoardo Agnelli embodied when he stepped into the role of Chairman on 24th July 1923. This began a one-hundred-year love story between the *bianconeri* families and my own that we celebrated with the generations of Juventus *tifosi* in Italy and around the world in 2023 – all of us united by our love for Juventus.

Forza Juve!!!

The positive performance of our private companies

I would like to spend some time reflecting on the performance of some of our private companies that enjoyed a strong 2023: Christian Louboutin, Welltec and TagEnergy.

Since we invested in Christian Louboutin in 2021, the company has grown strongly with healthy double-digit profitability and cash generation. Following the post-COVID growth, however, the broader luxury market expansion is returning to more normalised rates and its players will need to adapt to this new environment.

As the overall luxury industry sees its growth slow, Christian Louboutin is focusing on delivering a strong financial performance while continuing to innovate its products and maintain its brand positioning. The company is exploring new categories (e.g. its eyewear collaboration with Marcolin) and collaborations with other brands (e.g. Christian Louboutin for Maison Margiela, which was a hit at this year's Grammy Awards) and artists (Christian Louboutin provided the shoes for Taylor Swift's current world tour). It also keeps on expanding its shoe offering, with flat shoes, low heels and boots becoming increasingly popular in its women's range while its men's range continues to strengthen.

Credits: Christian Louboutin

As the company progresses towards its target of passing €1 billion in revenues, we continue to be excited about its prospects and the partnership that we have had over the last three years encourages us in our belief of a bright future, in spite of short-term industry difficulties.

Following strong results in 2022, we were delighted to see Welltec continue to deliver record results both in terms of revenue and profitability, with industry-leading growth and margins in 2023. Revenue and EBITDA grew by 25% and 32% year-on-year to $435 million and $230 million (53% margin), respectively. Net profit also increased from $65 million to $106 million, an impressive result given that the company generated its first substantial net profit since 2014 of $5 million only in 2021. A strong cash flow generation has allowed the company to reduce its leverage ratio from 3.1x to 0.7x and be upgraded by rating agencies.

Favourable market conditions have driven performance as the growing spend in the oil and gas business positions Welltec well with its superior technologies. This has ensured revenue and earnings growth significantly higher than peers as clients increasingly select best-in-class products and services. Under the leadership of CEO Peter Hansen and his team, the company has successfully expanded in the Middle East and strengthened growth by building long-lasting international client relationships. With its efficient and asset-light operating model, Welltec is well-positioned to provide reliable services and solutions that are only growing in importance in the energy sector.

In 2023, we added TagEnergy, a clean energy company dedicated to accelerating the energy transition, to our portfolio of companies when we invested €100 million to fund part of its pipeline of projects. Established in 2019 and based in Lisbon, Portugal, TagEnergy's operations encompass the entire energy generation process, from the development to the operation of different types of clean energy production plants.

The majority of TagEnergy's assets are renewable wind and solar projects, alongside a growing offering of energy storage solutions and grid stabilisation services. TagEnergy has a diverse portfolio of projects at various stages of development across Australia, the UK, Portugal and several European nations. The largest project in their portfolio is Golden Plains, which will become Australia's biggest wind farm and will power more than 765,000 homes. This is currently under construction and is due to start operations in 2025.

Our investment in TagEnergy has allowed us to partner with Jacques Veyrat and Franck Woitiez, two like-minded entrepreneurs in the renewable energy sector who lead a highly experienced team. Their prior track record, marked by innovative strategies, astute decision-making, and effective execution, has solidified their reputation as a driving force in the industry. We look forward to supporting Jacques, Franck and the TagEnergy team by providing long-term capital as they expand their operations and build a great company.

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Investments (7% of GAV)

In last year's Letter, I mentioned how we are now presenting our GAV in three segments: Companies, Investments and Others. Under the Investments section, we include the Venture activities led by Noam Ohana as well as the activities of our alternative investment manager, Lingotto, that was born in May 2023 and is fully owned by Exor.

Exor Ventures

Since its inception, Exor Ventures has invested just over $600 million across approximately 100 companies. Despite a challenging market in 2023, Exor Ventures found many good opportunities, deploying ~$100 million in 22 new investments, of which ~40% were in early-stage healthcare. As I mentioned earlier in this Letter, we have developed a systematic approach to deepen our sector expertise that is helping us identify interesting investment opportunities. Below, I have outlined three themes within healthcare that we have found particularly interesting.

Firstly, new tools and instruments that process biological data with an unprecedented level of depth, speed and volume. Like semiconductors in electronics, sequencers and other tools for life sciences allow the analogue-to-digital conversion of biological data, enhancing our understanding of diseases. Since the original sequencing of the human genome in 2000, technological breakthroughs have collapsed the cost of sequencing from a few hundred million dollars to $100 today. This has been a major driver of the biotech industry, unlocking new diagnostics and therapeutic modalities including cell and gene therapies. We expect a similar revolution to unfold in related sectors like proteomics, which the Ventures team is closely watching.

Robotics and automation are enabling unprecedented precision, reliability and scale across a range of functions in healthcare and life sciences. Despite the great promise of advanced therapies, prohibitive costs and manufacturing challenges have stifled their adoption. We believe that integrated data and agile software in new robotic automation systems offer substantially improved reliability, observability and throughput. Combining hardware and data science will enable the manufacturing of these new medicines at scale with much lower costs.

AI, the third and final theme, is also transforming healthcare, from accelerated drug discovery to improved clinical trial design. Last year, Exor Ventures invested in a startup using machine learning algorithms to optimise clinical trial design and operations. We continue to look for companies that take a collaborative approach to integrating AI in biotechnology and care delivery.

We remain excited about the opportunities ahead in innovative early-stage companies within our focus areas, which include mobility and AI in addition to the healthcare themes described here. Valuations are more rational and companies are deploying capital at a sensible pace with a focus on profitability.

Lingotto

To conclude last year's Letter, I was excited to talk about Lingotto, an alternative investment manager that we launched in May 2023 with the purpose of delivering attractive long-term returns to its limited partners. A year later, Lingotto has developed rapidly. Under the leadership of Enrico Vellano, Exor's former CFO, Lingotto has grown to almost 40 investment and business professionals and its Assets Under Management (AUM) were ~$4.5 billion at the end of 2023.

Lingotto openly acknowledges that it is not the right place for everyone, but rather for those able and willing to *embrace the extraordinary*. What Enrico and his team are building at Lingotto is a culture that challenges conventional thinking to create something exceptional for the long-term. They have assembled a unique team of investment professionals who have the licence to express themselves through their talent and experiences.

Lingotto is a home for talented investors with proven track records, where they can pursue their passion for investing without the bureaucracy of most large organisations or the loneliness of standalone funds.

We have organised Lingotto in a different way to most other asset managers. By acting as principals, rather than agents, their investment professionals are fully aligned with the limited partners. Lingotto's success depends on ensuring that its assets under management primarily grow through performance rather than capital inflows and it will be highly selective in partnering with like-minded investors. Lingotto offers differentiated and unique investment strategies, each led by a Managing Partner and Chief Investment Officer (CIO). It views concentration, illiquidity and volatility as opportunities to generate outstanding returns rather than risks.

I would like to share what Matteo Scolari and his team, who manage more than half of Lingotto's assets, have achieved using a fundamental bottom-up approach, with long-term analysis, to identify concentrated mid- and large-cap public market investments. In 2023, the Concentrated Long Strategy returned 42.9% net of fees (compared to the MSCI World Index returning 23.8%) and the Long/Short Strategy returned 28.9% net of fees. The strong performance of these strategies was mainly driven by their three largest investments in Rolls-Royce (the best performing stock in the Eurostoxx 600 universe), Carvana and Ocado.

As was the case last year, currently the team's largest investment is in the precious metal sector. Following a lacklustre 2023, gold and platinum mining shares remain at multi-decade lows on a number of valuation metrics.

I would also like to provide an update on the strategy managed by Nikhil Srinivasan, who, like Matteo, has been with us since the beginning. Over the course of the year, his team has been focused on sourcing and deploying capital into a series of new private market opportunities. These include an investment in CFG Bank, a Baltimore-based lender in the healthcare and multifamily financing space and in TVS Industrial & Logistics Parks, a leading provider of Grade-A industrial and logistics parks across India.

Also in 2023, Lingotto welcomed James Anderson, with his exceptional track record, and Morgan Samet to the family. They both strongly embody the quality of investors who Lingotto is looking to empower and in April they launched the Innovation Strategy. This is a concentrated portfolio of long-term public equity and fast-growing private equity positions in companies driving exponential innovation through dominant technologies and business models. The strategy has a long-term outlook on the success of these innovation outliers unlike the market emphasis on short-term investment horizons. We look forward to providing more updates on how this strategy progresses over the course of 2024.

At the beginning of 2024, Lingotto announced the appointment of Pam Chan as Managing Partner and CIO of its newest strategy: Mosaic. This new private market strategy will invest across asset classes, industries and capital structures that do not fit traditional investment categories such as private equity or private credit. Pam joined from BlackRock, where she was CIO and Head of Direct Private Opportunities, co-founding and growing the cross-asset private markets team from zero to over $12 billion. At Lingotto, Pam will continue her passion for investing in, as she puts it, “weird and wonderful” assets. With her arrival, Lingotto also announced the opening of its New York office.

Lingotto is creating a culture where highly capable investors can focus on what they love: investing. We look forward to seeing their results compound over the long term.

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Others (7% of GAV)

We define liquidity as cash or assets held as financial investments which can be converted into cash. At 31 December 2023, our liquidity was equal to €1.4 billion and was composed of:

- cash and cash equivalents of €0.3 billion, including cash on hand or held in deposits, investments in liquidity and bond funds and bond securities;
- listed securities of €1.1 billion, including equity stakes and investments in funds held as financial investments.

In 2023, our cash and cash equivalents decreased by €4.7 billion mainly driven by the deployment of capital into Companies (€3.0 billion), Investments (€0.7 billion), Buyback (€1.0 billion) and Others (€0.7 billion), offset by free cash flow from the dividends we received from our companies net of financial and general expenses and dividends paid to our shareholders (€0.7 billion).

We will continue to manage cash conservatively to preserve its principal amount and prioritise liquidity while generating a positive return.

Our cash investments are highly diversified among asset classes, counterparties and duration.

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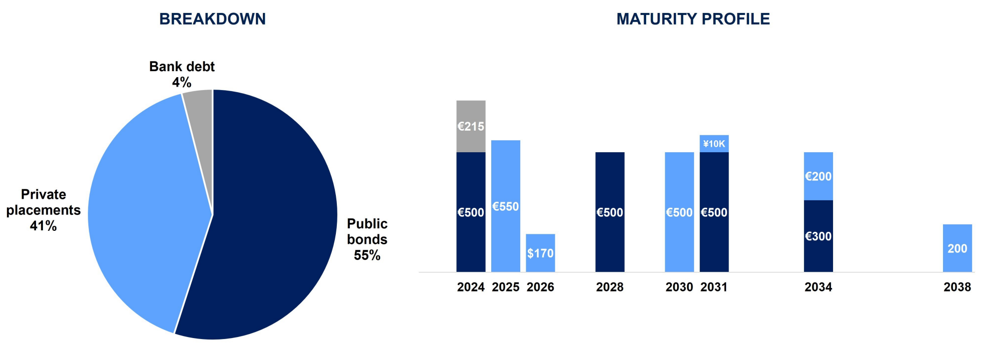
GROSS DEBT AT 31 DECEMBER 2023

In light of our solid capital structure and well-balanced maturity profile, we have continued to focus on efficient debt management.

Our Gross Debt at 31 December 2023 was equal to €3.7 billion (excluding financial liabilities of €0.6 billion corresponding to the outstanding commitment in Institut Mérieux). The majority of our debt is made up of bonds with average maturity of six years and an average cost of 2.5%, mostly denominated in Euro (95%) and bearing fixed interest rates.

GROSS DEBT
at 31 December 2023



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

Our upgraded credit rating

Over the last years, we have improved our portfolio quality and diversity by investing a higher share of Exor's GAV into listed assets, increasing our exposure to less cyclical industries (i.e. healthcare, luxury and technology).

On the back of the recent capital redeployment, Standard & Poor's upgraded Exor's long-term credit rating to A- in November, keeping a stable outlook, after eighteen years of a stable BBB+ rating. Standard & Poor's believes Exor is well established in the investment-grade category with a strong track record of asset value growth, which, together with sizable annual dividend income, is expected to support further disciplined capital allocation.

We are pleased by the rating upgrade and remain committed to keeping a strong credit rating, with a track record of Loan-to-Value ratio comfortably below 20%.

Buyback

One important component of our capital allocation is buybacks. We consider buybacks a value-accretive way to invest in what we know when terms are attractive.

In her biography, Katherine Graham, former CEO of the Washington Post, described how Warren Buffett had persuaded her of the benefits of buying your own stock: "He re-emphasised how low the stock was compared with its real value and how this was a better business move than many we were contemplating."

Using a similar approach, we have continued to take advantage of our discount to NAV to invest in our portfolio by announcing a new share buyback program of €1 billion in September 2023.

As part of this newly announced program, we carried out a tender offer executed via a reverse "Dutch auction" for an aggregate amount of €0.75 billion. The tender offer was significantly oversubscribed, which allowed us to repurchase 3.8% of the share capital in a short time frame at zero premium to reference price.

In total, we bought back €1.25 billion of our shares between 2022 and 2023, representing 6.8% of our issued ordinary share capital at 31 December 2023. The remaining €0.25 billion of the €1 billion share buyback program will be executed via regular on-market purchases during 2024.

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2024

In February 2024, we returned to the public market after three years, successfully pricing a €650 million nine-year bond, with an issue price of 99.371% and a fixed annual coupon of 3.75%. This transaction allowed us to raise funds at favourable market conditions to refinance the debt maturing in the second half of 2024.

This was the latest transaction successfully closed by Maite Labairu-Trenchs, Head of Corporate Finance and Investor Relations at Exor, who has also assumed responsibility for our Treasury activities. This is an important step in her brilliant career, which started almost nine years ago as a talented analyst in our Corporate team. Her progress inside our organisation is also a sign of the great work being carried out by our CFO, Guido de Boer, who has been strengthening our Corporate team with a continuous improvement mindset.

We also announced that our investment in Clarivate, which we built over 2023, had taken an important step forward with Suzanne Heywood, our COO, being nominated for election to its Board of Directors. Clarivate has, therefore, become the latest addition to our portfolio of companies with our stake now representing 10.1%.

Clarivate is a leading global provider of transformative intelligence with an offering that includes enriched data, insights & analytics, workflow solutions and expert services. The company has a market capitalisation of $5.0 billion and revenues of $2.6 billion in 2023 split across three key segments: Academia & Government (50% of 2023 revenues), Intellectual Property (33%) and Life Sciences & Healthcare (17%). The company was carved out from Thomson Reuter’s Property & Science business and went public in 2019. Since then, Clarivate has grown quickly through a series of acquisitions, with its portfolio of solutions containing several industry-renowned assets such as Web of Science, CPA and Cortellis.

We have been interested in data companies for some time as they are increasingly able to collect, process and analyse data to provide useful insights to their customers. The three sectors that Clarivate operates in are stable or growing. While we believe the company will be changed by AI, we think most of those changes will be beneficial for customers, allowing them to access Clarivate’s data in more convenient and useful ways.

Our conversations with their leadership and Andy Snyder (Clarivate’s Chair and also a large shareholder with deep industry knowledge) have given us confidence that we are strongly aligned on Clarivate’s future.

Turning our attention from our newest company to our first one, on July 11th, Fiat will celebrate 125 years since its founding by my great-great-grandfather, *Il Senatore*, Giovanni Agnelli. For the third year in a row, Fiat was the largest Stellantis brand in terms of sales volume, with 1.35 million units sold worldwide (an increase of 12% versus 2022), which includes the success of the 500e, the European electric city car leader that is built with pride at Mirafiori in Torino.

2024 will be a year where we will accelerate our purpose of building great companies with the right alignment of ownership, governance and leadership. The Scuderia Ferrari is delivering a good example of such progress, as they have started the new F1 season with podium finishes.

Credits: Ferrari

With success, it is important to bear in mind the words of Lewis Hamilton (who will join the Scuderia next season): “In racing there are always things you can learn, every single day. There is always space for improvement, and I think that applies to everything in life.” His words resonate with one set of our values: Ambition and Humility.

In November, we will meet virtually for our Investor and Analyst Call to update you about the present and discuss our future.

Looking forward to it!

John Elkann

Board of Directors

Chairman	Nitin Nohria
Chief Executive Officer	John Elkann
Non-independent Non-executive Directors	
	Tiberto Ruy Brandolini D'Adda
	Ginevra Elkann
	Alessandro Nasi
Independent Non-executive Directors	
	Melissa Bethell
	Marc Bolland
	Laurence Debroux
	Sandra Dembeck
	Axel Dumas

Compensation Committee

Marc Bolland (*Chair*), Axel Dumas and Nitin Nohria

Audit Committee

Laurence Debroux (*Chair*), Marc Bolland, Sandra Dembeck and Nitin Nohria

ESG Committee

Nitin Nohria *(Chair)*, Melissa Bethell and Laurence Debroux

Independent Auditors

Deloitte Accountants B.V.

Expiry of term of office

The Board's appointment will expire concurrently with the shareholders' meeting that will approve the 2025 annual financial statements, hence in 2026

2023 HIGHLIGHTS

KEY FIGURES

€ million	31/12/2023	31/12/2022
Gross Asset Value	**39,819**	32,487
Gross Debt	**4,286**	4,234
Net Asset Value	**35,513**	28,233
Net Asset Value per share - €	**162.36**	122.34
Market capitalization	**21,176**	16,460
Share Price - €	***90.50***	*68.30*
Discount to Net Asset Value (%)	**(44.3)%**	(44.2)%
Net Financial Position of Exor Holdings System	**(3,968)**	795
Loan-to-Value ratio (%)	**10.1%**	n.a.

	Years ended 31 December	
€ million	**2023**	**2022**
Net profit from continuing operations	**6,777**	4,836
Net profit	**6,777**	6,203
of which attributable to owners of the parent	**4,194**	4,227
Dividends received	**835**	839
Dividends paid	**(99)**	(99)
Dividends per share paid - €	**0.44**	0.43

	Years ended 31 December	
Earnings per share (€)[a]	**2023**	**2022**
Profit (loss) attributable to owners of the parent – basic	**18.72**	18.38
Profit (loss) attributable to owners of the parent – diluted	**18.38**	18.10
Earnings per share (€) from continuing operations		
Profit (loss) attributable to owners of the parent – basic	**18.72**	12.42
Profit (loss) attributable to owners of the parent – diluted	**18.38**	12.23

(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 and are related to the year ended 31 December 2023.

Increase in 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 involving new and existing investors \to expand the company's TransitTech portfolio. After the completion of the financing round, Exor holds 18.20% of the share capital of Via Transportation.

Investment in Philips

During the first half of 2023 Exor acquired a stake of 2.96% in Philips.

On 14 August 2023, Philips and Exor announced that they had entered into a relationship agreement, as a result of which Exor increased its stake in Philips to 15.25%. The total amount invested was €2,771 million.

The relationship agreement includes Exor's commitment to be a long-term investor and the right to propose one member to the Supervisory Board, as well as several customary conditions. While Exor does not plan to acquire further Philips shares in the short term, over time Exor can, at its discretion, increase its participation to a maximum limit of 20% of Philips' outstanding ordinary share capital.

On 20 February 2024, Philips announced that Benoît Ribadeau-Dumas will be nominated for election to the Philips Supervisory Board at the company's next annual general meeting of shareholders on 7 May 2024.

Increase in investment in Lingotto funds

During the year 2023 Exor invested a total amount of €563 million of which €400 million in funds managed by Lingotto, the independent alternative investment manager wholly owned by Exor.

Dividend distribution

On 31 May 2023 the Exor's Annual General Meeting of shareholders approved an ordinary dividend distribution of €0.46 per outstanding share, for a total of approximately €99 million. The dividend was paid to the shareholders of record as of 5 June 2023.

New partnership between Impala and Exor in TagEnergy

On 19 July 2023, Impala - the investment firm controlled by Jacques Veyrat and his family - and Exor announced a new partnership to further develop TagEnergy, a fast-growing company operating in the renewables and energy storage sectors.

To accelerate TagEnergy's future growth and support its experienced team and strong entrepreneurial culture, Impala and Exor have joined forces in a new holding company, Tag Holding, which is TagEnergy's largest single shareholder.

Completion of €500 million share buyback program and new program of €1 billion

During the first half of 2023 Exor purchased ordinary shares for a total invested amount of €246 million, completing the €500 million share buyback program announced in March 2022.

On 13 September 2023 Exor's Board approved a new share buyback program up to €1 billion to be completed in the following 12 months. Exor considers buybacks an attractive opportunity to invest in its own Companies when terms are attractive.

As part of this transaction, on 14 September 2023 Exor launched a reverse Dutch auction tender offer for an aggregate consideration up to €750 million to qualifying shareholders.

On 13 October 2023, Exor announced that the tender offer was oversubscribed and priced at zero premium to reference price. In accordance with its irrevocable undertaking, shares were purchased from Giovanni Agnelli B.V. for a total consideration of €202 million.

The tender offer allowed Exor to acquire 3.8% of the issued ordinary shares efficiently and at an attractive discount.

In 2024 Exor expects to buy back shares for the remaining €250 million amount through on-market purchases of ordinary shares on Euronext Amsterdam.

Support to Juventus' capital increase

On 6 October 2023, Juventus communicated Exor’s support to the company's capital increase by undertaking to subscribe the portion equivalent to its 63.8% stake and Exor’s availability to execute a contribution for future capital increases for a maximum of €127 million. On 21 December 2023, Juventus communicated that Exor had committed to subscribe for and pay any newly issued shares that may remain unsubscribed at the end of the offering period, up to an aggregate amount equal to approximately €72 million, and that Exor had paid in full its contribution for future capital increase.

Credit rating upgrade by Standard and Poor's

On 9 November 2023, Standard & Poor’s communicated that it had upgraded Exor’s long-term corporate credit rating to A- from BBB+, maintaining a “stable” outlook. The short-term rating of Exor is A-2.

EXOR SHARES

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

The share capital of Exor at 31 December 2023 is composed of 233,992,536 ordinary shares and 124,717,163 Special Voting shares A, with a nominal value of €0.01 and €0.04 per share respectively.

Cancellation of ordinary shares

In March 2023, Exor completed the cancellation of 7,007,464 ordinary shares held in treasury, which had been acquired as part of the 2018-2020 and 2022-2024 share buyback programs.

In February 2024, Exor completed the cancellation of 13,008,289 ordinary shares held in treasury, which had been acquired as part of the Tender Offer announced in September 2023 (for a total of 8,873,452 ordinary shares) and the 2022-2024 share buyback program (for a total of 4,131,837 ordinary shares), bringing the total number of ordinary shares in the share capital of Exor to 220,984,247 as of the date of this Annual Report.

Share buyback

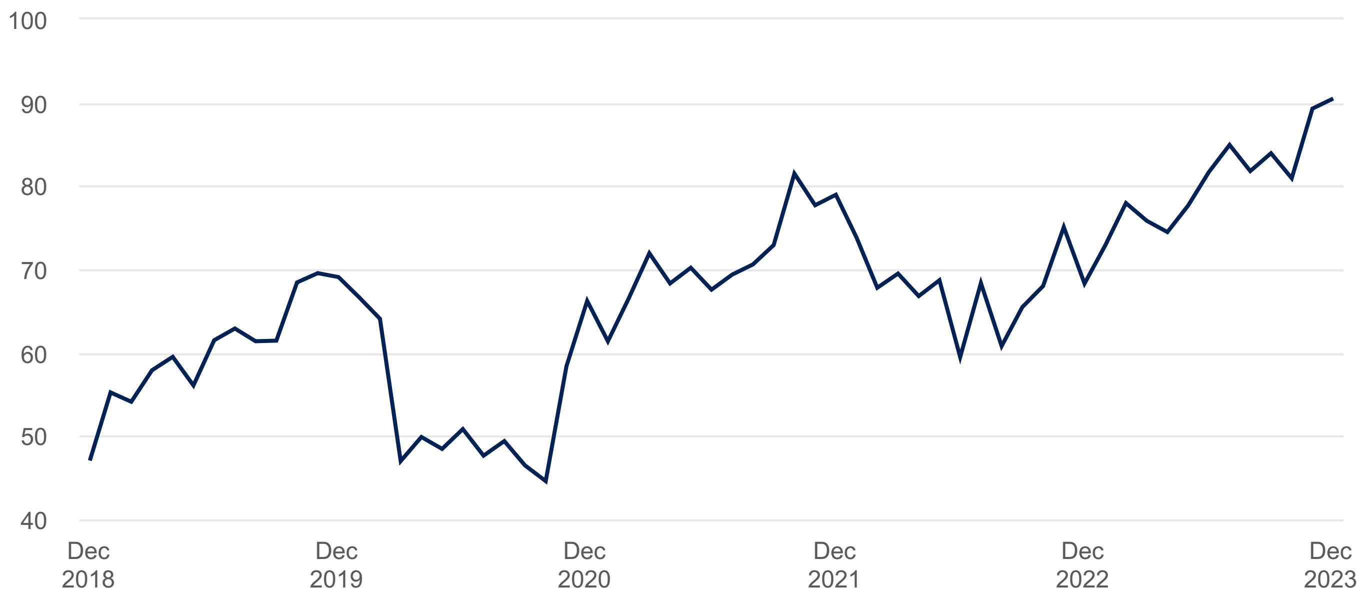
In the first half of 2023 Exor repurchased 3,174,389 shares under the share buyback program announced in March 2022. In the second half of 2023, Exor repurchased 8,873,452 shares under the Tender Offer announced in September 2023 and completed in October 2023.

As of the date of this Annual Report, Exor holds in total 5,000,687 ordinary shares in treasury (2.26% of total ordinary shares).

Stock Market data	01/01/24 – 31/03/24	01/01/23 – 31/12/23
Share price - At the end of the period (€)	103.05	90.50
Share price - Maximum (€)	104.15	93.78
Share price - Minimum (€)	86.28	70.44
Average daily volume exchanged during the period (shares)	123,846	164,414
Average daily value exchanged during the period (€)[a]	11,850,824	13,218,557

(a) Official daily trading price by daily volume, trading on Euronext Amsterdam since 12/08/2022.

Exor share price evolution over 5 years (€)



PROFILE

PROFILE

EXOR N.V. ("Exor" or "the Company") is one of Europe's largest diversified investment holding companies, with a Net Asset Value (NAV) of around €36 billion at 31 December 2023. It is headquartered in Amsterdam, the Netherlands, listed on Euronext Amsterdam and included in the AEX Index.

For over a century, Exor has built great companies. It originated from the holding companies that brought together Senator Giovanni Agnelli (the founder of FIAT)'s shareholdings in Fiat and other diversified investments. Exor was formed in 2009 when these historic holding companies (IFI and IFIL) merged.

Exor's portfolio has evolved over the years from a limited number of controlling investments to a larger, globally diversified set of investments in leading companies. The portfolio is principally made up of companies in which Exor is the largest shareholder and where Exor plays an active role in their governance, supporting them in becoming great companies.

Exor is majority owned and controlled by Giovanni Agnelli B.V., the company grouping the descendants of Senator Giovanni Agnelli. This continuity of ownership gives Exor its long-term perspective and has allowed it to preserve its founding culture, which combines entrepreneurial spirit with financial discipline. Today, Giovanni Agnelli B.V., holds approximately 56.93% of the outstanding ordinary shares and 86.86% of voting rights on outstanding capital.

PURPOSE AND VALUES

Exor's purpose is to build great companies in both the public and private sectors. 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 those that not only perform to the highest standards but also are distinctive in what they do, seek renewal and change and act in a responsible way.

Exor's purpose is underpinned by its values, many of which are derived from its history. Each of these are described through two words that are in tension with each other. Finding the right balance between these values is the role of everyone who works for Exor.

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

Exor helps to build these great companies by creating strong governance that allows diversity of thinking, by fostering cultures with clarity of purpose and by appointing leaders that embody its values.

Through building great companies, Exor aims to deliver superior returns to its investors by outperforming the MSCI World Index. Its portfolio has diversified over time from primarily controlling shareholdings to also include minority shareholdings, and to other asset classes such as venture investments (managed by Exor Ventures) and alternative investment strategies (managed by Lingotto).

Back in 2019, Exor set its 10-year priorities. Exor is making progress against each of these and remains committed to them today.

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).

Through delivering on these priorities, Exor aims to achieve the financial targets below:

		Our Targets	*2023*	*Last 5 years[1]*
OBJECTIVES	**NAV / Share growth (%)**	**Outperform MSCI World Index**	**~32.7% vs. MSCI: ~17.6%**	**~126% vs. MSCI: ~74%**
	TSR (CAGR) (%)	**8%**	**~33%**	**~15%**
EXOR KPIs[2]	**FCF[2] / Dividend paid**	**Above 1.0x**	**~8.1x**	**~4.2x**
	Cash holding cost / GAV	**Below 10bps**	**~7bps**	**~6bps**
	Loan To Value ratio (%)	**Below 20%**	**~10%**	**~8%**

(1) The last 5 years refer to the period from December 2018 to December 2023.
(2) Free Cash Flow (FCF) defined as Dividend inflow – Net general expenses – Net financial income (expenses) excluding unrealized gains (losses).

EXOR'S PORTFOLIO

Companies

The majority of Exor's portfolio (86% of Gross Asset Value) is made up of its investments in companies. Most of these investments are in global leading companies and all are held for capital appreciation and for long-term periods (often 10+ years).

Exor's four largest companies are listed (Ferrari, Stellantis, CNH Industrial and Philips) and they represent 75% of its Gross Asset Value, with the remaining 11% being listed and private companies across different sectors. More details about their performance is provided throughout this report.

To pursue its purpose of building great companies, Exor plays an active role within their governance. To do this, Exor acts as a "critical friend" – encouraging companies to increase their performance on all the dimensions of greatness, while also being supportive when required. It does this both directly through the board positions it occupies and through helping to build strong boards that can provide direction, expertise and challenge to management teams.

Exor is not operationally involved in the day-to-day management of the companies in which it invests, and while it does look for opportunities for companies to share best practices with each other, it does not invest for the purpose of creating cross-company synergies.

Investment approach. Exor looks for investment opportunities in companies that have the potential to be great and where Exor's participation in their governance can accelerate their performance. When opportunities are identified, they are screened using the following 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 make 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

When considering new investments, Exor takes a long-term perspective and considers the potential contribution of that investment to NAV per share growth as well as its contribution to the portfolio's geographical and sector diversification.

Exor has a systematic approach to monitoring its portfolio of companies. This portfolio review process enables Exor to make informed capital allocation decisions, including increasing or decreasing the capital allocated to a company, acquiring new companies or divesting companies. Exor is not bound by any specific target or criteria regarding its investments such as geographical exposure, sector exposure or the split between listed and private investments or holding periods. Instead, Exor makes its capital allocation decisions in a way that maximises its ability to deliver its purpose of delivering superior returns to its investors by building great companies.

Focus sectors. Exor has prioritised three sectors for future investments although it remains open to investments in new sectors and geographies where there is potential to build great companies.

- **Healthcare** is a non-cyclical sector with structural tailwinds. It is a large sector with significant inefficiencies where there may be opportunities for Exor to help accelerate innovation and where technology-enabled healthcare solutions can be highly scalable.
- **Luxury** is a growing and resilient sector with demographic tailwinds and where technology is changing the customer connection and supply chain transparency. Companies in this sector may benefit from Exor's long-term committed capital and experience of family ownership.
- **Technology** is a sector which is under-represented in Exor's portfolio and has substantial growth potential. Exor has an understanding of high growth technology companies, developed from its Venture investments, and its existing ownership of large operating companies can make it an attractive partner to related technology companies.

Investments
7% of Gross Asset Value is invested in two categories:

- **Lingotto** is the independent alternative investment manager wholly owned by Exor and established in May 2023. At 31 December 2023, Lingotto had ~$4.5 billion assets under management of which Exor has invested around half. The Lingotto team is committed to delivering attractive long-term returns, protecting capital from permanent losses while accepting concentration, illiquidity and volatility.

The strategies managed by Lingotto through different funds include:

- **Equity Long/Short:** investments in public equity, on a Concentrated Long and Long/Short basis. A fundamental bottom-up investment approach, long-term analysis and concentrated portfolio predominantly in developed markets.
- **Opportunity:** investments across the full capital structure, mostly in private companies. An investment approach which is focused on special situation opportunities in idiosyncratic niches on a global basis but with a bias to Europe and Asia.
- **Innovation:** investments primarily in public equity with some private equity, on a long-only basis. An investment approach which identifies rare structural winners globally, with a long-term commitment and concentrated portfolio.

- **Exor Ventures** invests in early-stage to 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. Since inception, Exor Ventures has invested $578 million across a balanced portfolio of 100 companies across different sectors (primarily in Mobility, Healthcare, Fintech) and geographies including US, EMEA and APAC.

(examples) **EXOR VENTURES**

ACTING RESPONSIBLY

Exor publishes a Sustainability Report that details its approach to sustainability. It has set sustainability targets for itself at holding level and is progressing well against these. It also champions a set of sustainability passions with its companies since it believes that acting responsibly is one of the four attributes of a great company.

Exor's sustainability framework is composed of three parts.

- **Foundations:** these consist of a set of fundamental sustainable governance procedures, policies and guidelines that companies need to operate with integrity, responsibility and ethics.
- **Passions:** Exor has identified three passions that it is pursuing, and which it encourages its companies to pursue (alongside their other sustainability priorities). Holding these passions in common means that Exor and the companies in which it invests can learn from each other to increase the total impact of their activities. The three passions are: reducing emissions; education; and diversity and inclusion.
- **Communication:** Exor expects its companies to communicate their commitments to acting responsibly, to continue to raise the bar for these commitments, and to communicate their progress against them and Exor holds itself accountable in the same way. To help its companies in doing this, Exor encourages cross-company dialogue on all the elements of this framework and sustainability in general.

COMPANIES OVERVIEW

Company	Description	Economic and voting rights[1]
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 the FTSE MIB Index.	22.9% 36.5%
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 the FTSE MIB Index.	14.2% 23.2%
CNH	CNH Industrial is a world-class agriculture, construction and services company that sustainably advances the noble work of agriculture and construction workers. CNH Industrial is listed on the New York Stock Exchange.	26.9% 45.1%
PHILIPS	Royal Philips is a leading health technology company focused on improving people's health and well-being through meaningful innovation. Philips' patient and people-centric innovation leverages advanced technology and deep clinical and consumer insights to deliver personal health solutions for consumers and professional health solutions for healthcare providers and their patients in the hospital and the home. The company is a leader in diagnostic imaging, ultrasound, image-guided therapy, monitoring and enterprise informatics, and personal health. Royal Philips is listed on Euronext Amsterdam, the New York Stock Exchange and is part of the AEX Index.	15.2% 15.4%
INSTITUT MERIEUX	Institut Mérieux is an independent family-owned company and 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 over 160 boutiques around the world.	24.0% 24.0%

Company	Description	Economic and voting rights[1]
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 the FTSE MIB Index.	27.1% 42.6%
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%
via	First launched in New York City in 2013, Via is a pioneering TransitTech company specialising in dynamic, on-demand and cost-effective mobility solutions for transit agencies, municipalities, school districts and corporates around the world.	18.2% 18.2%
Clarivate™	Clarivate™ is a leading global provider of transformative intelligence. It offers enriched data, insights & analytics, workflow solutions and expert services in the areas of Academia & Government, Intellectual Property and Life Sciences & Healthcare. Clarivate is listed on the New York Stock Exchange.	10.1% 10.1%
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.	47.6% 47.6%
tagenergy	Founded in 2019, TagEnergy is a clean energy enterprise creating competitive clean power stations to accelerate the energy transition and help the world reach net-zero carbon emissions sooner. TagEnergy has a rich portfolio of projects that range from under-development, in-construction or in-operation in Australia, the UK, Portugal and other European countries.	14.2% 14.2%
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 five Italian regions (Lombardy, Piedmont, Emilia-Romagna, Tuscany and Lazio).	44.7% 44.7%

Company	Description	Economic and voting rights[1]
GEDI GRUPPO EDITORIALE	GEDI Gruppo Editoriale is a leading media company in Italy, with news brands including La Repubblica, La Stampa, among others. 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 also operates the multi-platform advertising business A. Manzoni & C.	89.6% 89.6%
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%
CASAVO	Casavo is a European real estate platform that enables home buyers and sellers to seamlessly transact with a simple, transparent, and frictionless end-to-end digital journey.	18.6% 17.7%
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%

Note:
1. Percentages at 31 March 2024 are based on issued share capital for economic rights while on outstanding shares for voting rights. Percentages may differ from figures published by companies based on outstanding capital.
2. The Economist voting rights are limited to 20%. Casavo includes stake held directly (11.6%) and indirectly (6.1%) through Exor Seeds.

EXOR PERFORMANCE MEASURES

The 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.

For the alternative performance measures used by any of our investments, reference is made to the annual reports of these companies

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 41: 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 42: 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 43: 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 45: 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 46.

To facilitate the understanding of the economic and financial performance of the Exor, 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 48) 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.

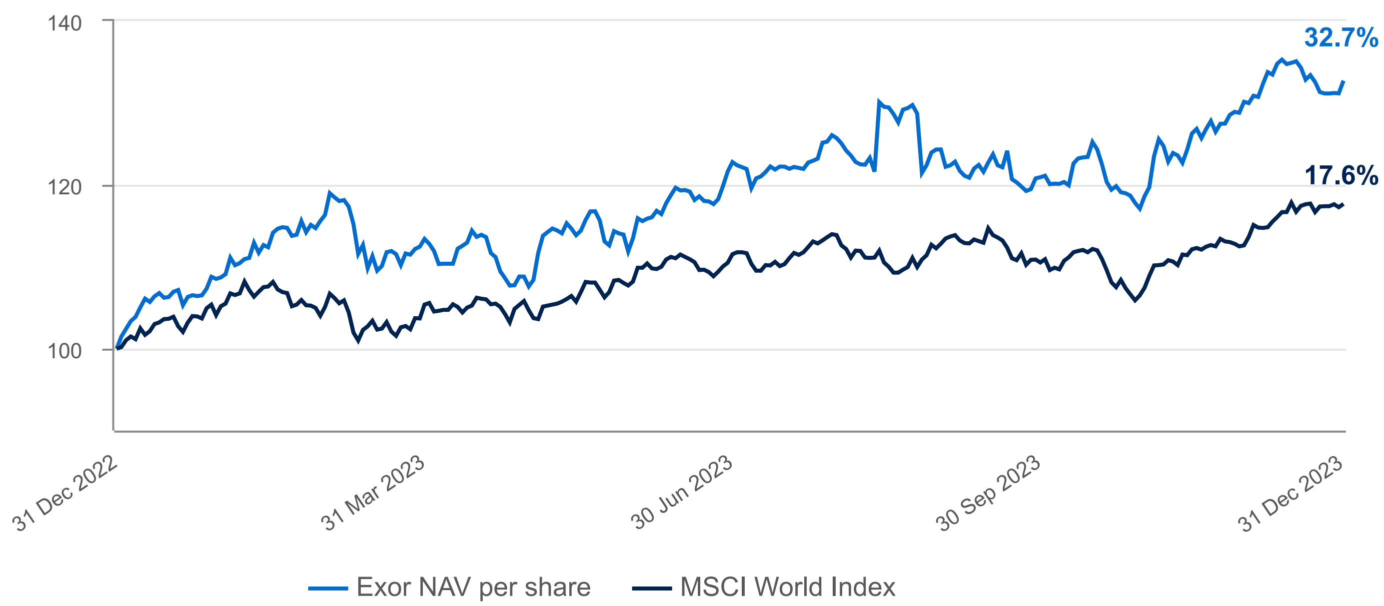
The Company reports on its NAV per share performance, which is tracked against the MSCI World Index. The Company's long-term financial objective is to outperform the MSCI World Index.

2023 Highlights

- At 31 December 2023 Exor's NAV is €35,513 million compared to €28,233 million at 31 December 2022.
- At 31 December 2023 Exor's NAV per share amounts to €162.36 compared to €122.34 at 31 December 2022, an increase of €40.02/share or 32.7%. This compares to an increase of 17.6% for the MSCI World Index in Euro.

NAV per share is based on 218,735,426 shares at 31 December 2023 and 230,783,267 shares at 31 December 2022. At 31 December 2023, this is calculated based on 233,992,536 issued shares excluding (i) the 5,512,910 shares bought back in the context of the share buyback program launched in March 2022 to be cancelled, excluding (ii) the 8,873,452 shares bought back with the Tender Offer launched in September 2023 to be cancelled and excluding (iii) 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	31/12/2023	31/12/2022	Change vs. 31 December 2022	
				Amount	%
Companies		**34,233**	**24,278**	**9,955**	**41.0 %**
Ferrari	L	13,562	8,896	4,666	52.5 %
Stellantis	L	9,505	5,961	3,544	59.5 %
CNH Industrial	L	4,066	5,491	(1,425)	(26.0%)
Philips	L	2,937	—	2,937	n.a.
Iveco	L	598	408	190	46.6 %
Juventus	L	542	510	32	6.3 %
Other companies[(a)]	P	3,023	3,012	11	0.4%
Investments		**2,836**	**1,766**	**1,070**	**60.6%**
Lingotto[(b)]	L/P	2,099	1,185	914	77.1%
Ventures[(c)]	P	737	581	156	26.9%
Others		**2,750**	**6,443**	**(3,693)**	**(57.3%)**
Reinsurance vehicles	P	802	622	180	28.9 %
Other assets[(d)]	P	463	378	85	22.5%
Liquidity[(e)]		1,395	5,349	(3,954)	(73.9%)
Treasury stock[(f)]		90	94	(4)	(4.3)%
Gross Asset Value		**39,819**	**32,487**	**7,332**	**22.6 %**
Gross Debt		**(4,286)**	**(4,234)**	**(52)**	**1.2 %**
Bonds and bank debt		(3,682)	(3,625)	(57)	1.6 %
Financial liabilities[(g)]		(604)	(609)	5	(0.8%)
Other liabilities		**(20)**	**(20)**	**—**	**— %**
Net Asset Value (NAV)		**35,513**	**28,233**	**7,280**	**25.8 %**
NAV per Share in Euro[(h)]		**162.36**	122.34	40.02	32.7 %

L= Listed Company; P= Private Company.

(a) Other companies at 31 December 2023 include Institut Mérieux (€844 million), Christian Louboutin (€700 million), Via Transportation (€514 million), The Economist (€384 million), Welltec (€280 million), TagEnergy (€100 million), Lifenet (€71 million), GEDI (€68 million), NUO (€42 million), Casavo (€20 million) and Shang Xia (€0 million). Other companies at 31 December 2022 included 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 (€56 million) and NUO (€39 million).

(b) At 31 December 2023 it includes public funds (€1,737 million) and private funds (€362 million). At 31 December 2022 it included public funds (€1,069 million) and private funds (€116 million).

(c) At 31 December 2023 Ventures include Exor Ventures (€598 million) and direct investments (€139 million). At 31 December 2022 Ventures included Exor Ventures (€504 million) and direct investments (€77 million). The stake owned in Casavo via Exor Ventures has been reclassified into Casavo and included in Other companies.

(d) Other assets include minor private investments and receivables among others. Items previously classified under Financial investments are included in Other assets.

(e) At 31 December 2023 liquidity includes listed securities (€1,077 million), cash and cash equivalents (€274 million) and financial assets (€44 million) included in the net financial position. At 31 December 2022 liquidity included cash and cash equivalents (€4,985 million), listed securities (€320 million) and financial assets (€44 million) included in the net financial position. Listed securities at 31 December 2023 include Clarivate (€551 million), Forvia (€203 million) and Investlinx ETFs (€169 million) among others. Listed securities at 31 December 2022 included Forvia (€141 million) and Clarivate (€130 million) among others. Financial assets are investment-grade and high-yield bonds purchased by Exor.

(f) Treasury stock includes shares held in treasury at the service of 2016 stock option plan, valued at the option strike price if less than market price.

(g) At 31 December 2023 financial liabilities corresponds mainly to the outstanding commitment in Institut Mérieux.

(h) Based on 218,735,426 shares at 31 December 2023 and 230,783,267 shares at 31 December 2022.

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	
Lingotto	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	
Liquidity and Other assets	Valued in accordance with the methodologies applied in the consolidated financial statements (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 statements (amortized cost or fair value) (iv) Listed securities are valued at market price
Treasury stock	Includes only shares held in treasury at the service of the 2016 Stock Option Plan, valued at the option exercise price under the plan if this is less than the market price.

Number of Shares held in Listed Companies[a]

	31/12/2023	Economic / Voting Rights	31/12/2022	Economic / Voting Rights
Ferrari	**44,435,280**	**22.91% / 36.46%**	44,435,280	22.91% / 36.23
Stellantis	**449,410,092**	**14.20% / 14.87%**	449,410,092	13.99% / 14.29%
CNH Industrial	**366,927,900**	**26.89% / 44.16%**	366,927,900	26.89% / 42.78%
Philips	**139,297,503**	**15.25% / 15.25%**	—	—
Iveco Group	**73,385,580**	**27.06% / 43.25%**	73,385,580	27.06% / 42.49%
Juventus	**1,611,669,116**	**63.77% / 77.87%**	1,611,669,116	63.77% / 77.87%

(a) Percentages are based on issued share capital for economic rights while on outstanding shares for voting rights.

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.

	31/12/2023	31/12/2022
U.S. dollar	**1.105**	1.067
British pound	**0.869**	0.887
Chinese Renminbi	**7.851**	7.358

Gross Asset Value or GAV components - Performance drivers

	GAV	Listed Companies	Private Companies	Companies	Lingotto	Ventures	Investments	Others
31/12/2022	**32,487**	21,266	3,012	**24,278**	1,185	581	**1,766**	**6,443**
Cash-in (out)	(281)	2,888	148	3,036	563	146	709	(4,026)
Appreciation (depreciation)	7,613	7,056	(137)	6,919	351	10	361	333
31/12/2023	**39,819**	31,210	3,023	**34,233**	2,099	737	**2,836**	**2,750**

Companies

At 31 December 2023, Companies amounted to €34,233 million (€24,278 million at 31 December 2022) composed of Listed Companies for €31,210 million (€21,266 million at 31 December 2022) and of Private Companies for €3,023 million (€3,012 million at 31 December 2022).

The value of Listed Companies at 31 December 2023 increased by €9,944 million compared to the previous year mainly driven by the market performance of Ferrari and Stellantis and the investment made in Philips. The value of Private Companies at 31 December 2023 increased by €11 million compared to the previous year mainly due to additional investments, partially offset by negative fair value adjustments.

Investments

At 31 December 2023, Investments amounted to €2,836 million (€1,766 million at 31 December 2022) composed of Lingotto funds for €2,099 million (€1,185 million at 31 December 2022) and of Ventures for €737 million (€581 million at 31 December 2022).

The value of Lingotto funds at 31 December 2023 increased by €914 million compared to the previous year due to investments made (€563 million) and positive performance (€351 million). The value of Ventures at 31 December 2023 increased by €156 million compared to the previous year both due to investments made (€146 million) and positive performance (€10 million).

Others

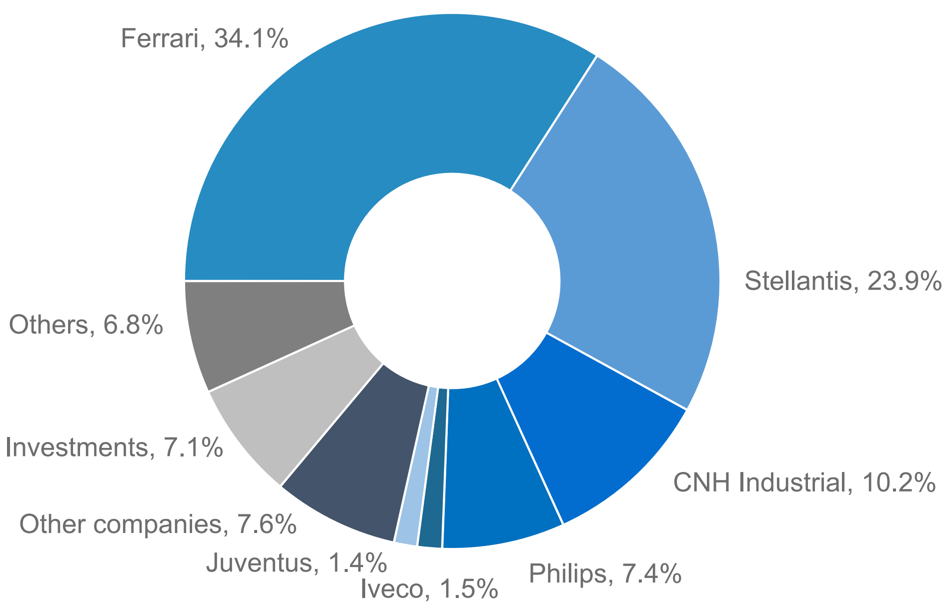
At 31 December 2023, Others includes liquidity, reinsurance vehicles, other assets and treasury stock amounted to €2,750 million (€6,443 million at 31 December 2022).

The value of Others at 31 December 2023 decreased by €3,693 million compared to 31 December 2022 mainly due to cash outflows over the period (€4,711 million) partially offset by investments made in listed securities and other assets (€685 million) and positive fair value adjustments (€333 million), mainly attributable to reinsurance vehicles, listed securities and other assets.

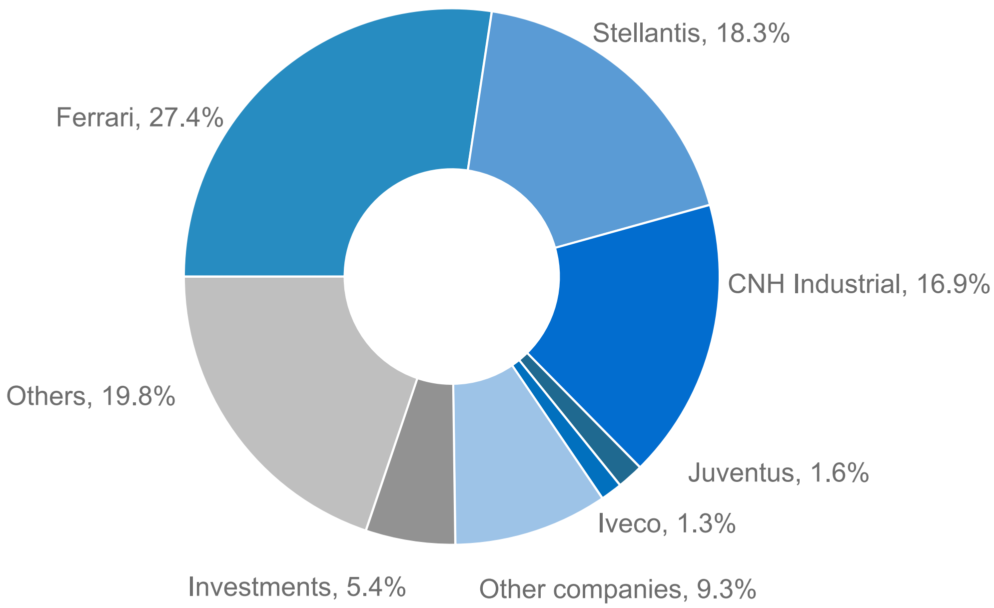
Breakdown

The following chart illustrates the GAV composition at 31 December 2023 (€39,819 million), compared to 31 December 2022 (€32,487 million).

31 December 2023



31 December 2022



Performance of listed companies

This section illustrates a summary of 2023 performance of the main listed investee companies, based on information published by each company and approved by its board of directors.

Sector: Luxury **/ Exor's stake:** 22.91% **/ Fair value at 31 December 2023:** €13,562 million / **FY ending:** December 31st

Key figures

	Year ended at 31 December		Change	
€ million	2023	2022		
Shipments (in units)	**13,663**	**13,221**	**442**	**3.3 %**
EMEA	6,063	5,958	105	1.8 %
Americas	3,811	3,447	364	10.6 %
Mainland China, Hong Kong and Taiwan	1,490	1,552	(62)	(4.0)%
Rest of APAC	2,299	2,264	35	1.5 %
Net revenues	**5,970**	**5,095**	**875**	**17.2 %**
Car and spare parts	5,119	4,321	798	18.5 %
Sponsorship, commercial and brand	572	499	73	14.6 %
Engines	127	155	(28)	(18.1)%
Other	152	120	32	26.7 %
EBIT[(a)]	**1,617**	**1,227**	**390**	**31.8 %**
Net profit	**1,257**	**939**	**318**	**33.9 %**
Net industrial debt[(b)]	**(99)**	**(207)**	**108**	**(52.2)%**
Free cash flow from Industrial Activities[(c)]	**932**	**758**	**174**	**23.0 %**
Available liquidity[(d)]	**1,722**	**2,058**	**(336)**	**(16.3)%**
Market Capitalization	**59,185**	**38,823**	**20,362**	**52.4 %**
Share price - €	**305.2**	**200.2**	**105.0**	**52.4 %**
Exor's share	**13,562**	**8,896**	**4,666**	**52.5 %**

a) Adjusted Operating Profit (Adjusted EBIT) represents operating profit (EBIT) as adjusted for certain income and costs which are significant in nature, expected to occur infrequently, and that management considers not reflective of ongoing operational activities.
b) Net industrial debt is a non-GAAP financial measure.Net industrial debt is defined as total debt less cash and cash equivalents (Net debt), further adjusted to exclude the debt and cash and cash equivalents related to financial services activities.
c) Free cash flow from industrial activities is a non-GAAP measure. Free cash flow from industrial activities is defined as cash flows from operating activities less investments in property, plant and equipment (excluding right-of use- asset recognized during the period in accordance with IFRS 16 - Leases), intangible assets and joint venture and excluding the operating cash flow from financial services activities.
d) Total available liquidity is a non-GAAP measure. Total available liquidity is defined as cash and cash equivalents and the undrawn committed credit lines.

Key highlights

- Shipments totalled 13,663 units in the year ended 31 December 2023, up 442 units or 3.3% versus the prior year. The deliveries of the year included 11 internal combustion engine (ICE) models (including one ICE track car model) and 4 hybrid engine models, which represented 55.8 percent and 44.2 percent of shipments, respectively. Both the number of hybrid cars and the proportion of hybrid cars to the total number of cars shipped more than doubled in 2023 compared to 2022, driven by the 296 and SF90 families. The increase in shipments was also driven by the 812 Competizione family, the Purosangue, which was in ramp-up phase in the second half of the year, and the Portofino M, which was approaching the end of its lifecycle during the year, partially offset by lower shipments of the 812 GTS and the Roma, as well as the F8 Tributo and F8 Spider, which were phased out in the first and fourth quarters of the year, respectively. Shipments of the Daytona SP3 were in line with delivery plans for this phase of its lifecycle and the first shipments of the Roma Spider were made in the fourth quarter of 2023.

- Net revenues for the year ended 31 December 2023 were €5,970 million, an increase of €875 million or 17.2% (17.1% on a constant currency basis), compared to €5,095 million. The improvement was attributable to the combination of a €798 million increase in cars and spare parts, a €73 million increase in sponsorship, commercial and brand and a €32 million increase in other net revenues, partially offset by a €28 million decrease in engines.
- EBIT for the year ended 31 December 2023 was €1,617 million, an increase of €390 million, or 31.8%, from €1,227 million in the year 2022. The increase was primarily attributable to the combined effects of: (i) positive volume impact of €261 million, (ii) negative product mix impact of €16 million, mainly impacted by lower shipments of the Ferrari Monza SP1 and SP2, which phased out in the first quarter of 2022, partially offset by positive contribution from personalizations and Range model mix, (iii) negative contribution of €109 million from higher industrial costs, including cost inflation (particularly for energy and raw materials) and depreciation, (iv) an increase in research and development costs of €8 million, (v) an increase in selling, general and administrative costs of €80 million, (vi) negative contribution of €15 million from racing activities, and reduced engine shipments to Maserati (in line with plans), partially offset by a positive contribution from lifestyle activities.
- Net Industrial debt at 31 December 2023 was €99 million, compared to €207 million at 31 December 2022, also reflecting share repurchases of €461 million and €334 million of dividend distribution. At 31 December 2023 total available liquidity was €1,722 million (€2,058 million at 31 December 2022), including undrawn committed credit lines of €600 million.

2024 Outlook

The company has provided the following 2024 Full Year Guidance:

– Positive product and country mix, along with strong personalizations;

– Racing activities impacted by lower Formula 1 ranking in 2023 despite higher number of races in the 2024 calendar;

– Lifestyle activities expected to increase top line contribution while investing to accelerate development;

– Cost inflation to persist;

– Continuous brand investments;

– Robust Industrial free cash flow generation, partially offset by increased capital expenditures and higher tax payment;

– Net revenue from actual €6.0 billion to >€6.4 billion;

– Adjusted EBIT[a] (margin %) from actual 1.62 - 27.1% to ≥1.77- ≥27%;

– Adjusted diluted EPS[b] from actual €6.90 to ≥€7.50[1];

– Adjusted EBITDA[c] (margin %) from actual 2.28 - 38.2% to ≥2.45 - ≥38%;

– Industrial free cash flow[d] from actual 0.93 to ≥0.90.

a) Adjusted EBIT is a non-GAAP financial measure. Adjusted EBIT represents EBIT as adjusted for certain income and costs which are significant in nature, expected to occur infrequently, and that management considers not reflective of ongoing operational activities.
b) Adjusted diluted EPS is a non-GAAP financial measure. Adjusted diluted EPS represents EPS as adjusted for certain income and costs (net of tax effect) which are significant in nature, expected to occur infrequently and that management considers not reflective of ongoing operational activities.
c) Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA represents EBITDA (net profit before income tax expense, net financial expenses and amortization and depreciation), as adjusted for certain income and costs which are significant in nature, expected to occur infrequently, and that management considers not reflective of ongoing operational activities.
d) Industrial Free cash flow is a non-GAAP financial measure. Industrial free cash flow is defined as Free cash flow adjusted to exclude the operating cash flow from financial services activities.

(1) Calculated using the weighted average diluted number of common shares at 31 December 2023 (181,511 thousand).

Sector: Automakers and mobility providers **/ Exor's stake:** 14.20% **/ Fair value at 31 December 2023:** €9,505 million / **FY ending:** December 31st

Key figures

€ million	Years ended 31 December 2023	2022	Change	
Shipments (in 000 of units)	**6,168**	**5,782**	**386**	**6.7 %**
North America	1,903	1,861	42	2.3 %
Enlarged Europe	2,814	2,626	188	7.2 %
Middle East & Africa	443	283	160	56.5 %
South America	879	859	20	2.3 %
China and India & Asia Pacific	102	127	(25)	(19.7)%
Maserati	27	26	1	3.8 %
Net revenues	**189,544**	**179,592**	**9,952**	**5.5 %**
North America	86,500	85,475	1,025	1.2 %
Enlarged Europe	66,598	63,311	3,287	5.2 %
Middle East & Africa	10,560	6,453	4,107	63.6 %
South America	16,058	15,620	438	2.8 %
China and India & Asia Pacific	3,528	4,505	(977)	(21.7)%
Maserati	2,335	2,320	15	0.6 %
Other	3,965	1,908	2,057	107.8 %
Adjusted operating Income[(a)]	**24,343**	**24,017**	**326**	**1.4 %**
Net profit	**18,625**	**16,779**	**1,846**	**11.0 %**
Industrial net financial position[(b)]	**29,487**	**25,705**	**3,782**	**14.7 %**
Industrial free cash flows[(c)]	**12,858**	**10,819**	**2,039**	**18.8 %**
Available liquidity[(d)]	**62,610**	**62,705**	**(95)**	**(0.2)%**
Market Capitalization	**66,944**	**42,622**	**24,322**	**57.1 %**
Share price - €	**21.15**	**13.26**	**7.89**	**59.5 %**
Exor's share	**9,505**	**5,961**	**3,544**	**59.5 %**

a) 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 Stellantis's ongoing operating performance, and also excludes Net financial expenses/(income), Tax expense/(benefit) and Share of the profit of equity method investees.

b) Industrial net financial position is a non-GAAP measure. Industrial net financial position is calculated as: Debt plus derivative financial liabilities related to industrial activities less (i) cash and cash equivalents, (ii) financial securities that are considered liquid, (iii) current financial receivables from Stellantis or its jointly controlled financial services entities and (iv) derivative financial assets and collateral deposits. Therefore, debt, cash and cash equivalents and other financial assets/liabilities pertaining to Stellantis' financial services entities are excluded from the computation of the Industrial net financial position. Industrial net financial position includes the Industrial net financial position classified as held for sale. Stellantis believes Industrial net financial position is useful in providing a measure of its net cash, considering cash and cash equivalents and financial securities. Due to different sources of cash flows used for the repayment of the financial debt between industrial activities and financial services (by cash from operations for industrial activities and by collection of financial receivables for financial services) and the different business structure and leverage implications, Stellantis provides a separate analysis of Net financial position between industrial activities and financial services. Refer to Stellantis 2023 Annual Report for further information.

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. 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.

d) The majority of the liquidity is available to Stellantis treasury operations in Europe and U.S.; however, liquidity is also available to certain subsidiaries which operate in other countries. Cash held in such countries may be subject to restrictions on transfer depending on the foreign jurisdictions in which these subsidiaries operate. Based on the review of such transfer restrictions in the countries in which Stellantis operates and maintains material cash balances, (and in particular in Argentina, in which Stellantis has €686 million cash and securities at 31 December 2023), Stellantis does not believe such transfer restrictions had an adverse impact on its ability to meet its liquidity requirements at the dates presented above. Cash and cash equivalents also include €210 million at 31 December 2023 held in bank deposits which are restricted to the operations related to securitization programs and warehouse credit facilities of Stellantis Financial Services U.S.

Key highlights

- Shipments totalled 6.2 millions of units at 31 December 2023, an increase of 7% compared to 2022, with North America and the enlarged Europe area leading the way. The increase of 56.5% registered in the Middle East & Africa compared to the year ended 31 December 2022 was primarily due to higher volumes.
- Net revenues in the year ended 31 December 2023 were €189.5 billion, up 6% compared to 2022 (€179.6 million); higher revenues recorded principally in Middle East & Africa and Enlarge Europe, with an increase of 64%, 6%, respectively.
- Adjusted operating income up 1% to €24.3 billion, with 12.8% margin,

2024 Outlook

The company has provided the following 2024 guidance:

– Revenue backdrop: Supportive;
– Adjusted Operating Income: Margin Double digit minimum commitment;
– Industrial Free Cash Flows: Positive.

Sector: Agriculture and construction workers **/ Exor's stake:** 26.89% **/ Fair value at 31 December 2023:** €4,066 million / **FY ending:** December 31st

Key figures

$ million	Years ended 31 December 2023	2022	Change	
Revenues	**24,504**	**23,473**	**1,031**	**4.4 %**
Agriculture	18,148	17,969	179	1.0 %
Construction	3,932	3,572	360	10.1 %
Net revenues Industrial Activities	22,080	21,541	539.0	2.5 %
Financial Services	2,518	1,982	536	27.0 %
Eliminations and other	(94)	(50)	(44)	88.0 %
Adjusted EBIT of Industrial Activities[a]	**2,674**	**2,436**	**238.0**	**9.8 %**
Agriculture	2,688	2,460	228	9.3 %
Construction	232	119	113	95.0 %
Unallocated items, elimination and other	(246)	(143)	(103)	72.0 %
Net (loss) income	**2,327**	**1,877**	**450**	**24.0 %**
Net Cash/(Debt) of Industrial Activities[b]	**(350)**	**114**	**(464)**	**(407.0)%**
Free cash flow of Industrial Activities[c]	**1,135**	**1,591**	**(456)**	**(28.7)%**
Available liquidity[d]	**11,224**	**10,632**	**592**	**5.6 %**
Market Capitalization	**15,118**	**20,418**	**(5,300)**	**(26.0)%**
Share price - €	**11.1**	**15.0**	**(3.9)**	**(26.0)%**
Exor's share	**4,066**	**5,491**	**(1,425)**	**(26.0)%**

a) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT of Industrial Activities is defined as profit/(loss) before: taxes, financial services results, industrial activities financial expenses, restructuring costs and certain non- recurring items.
b) Net Cash (Debt) of Industrial Activities 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 with high-credit rating counterparties).
c) Free cash flow of industrial activities is computed as consolidated cash flow from operating activities less: cash flow from operating activities of financial services, investments of industrial activities in property, plant and equipment and intangible assets; as well as other changes and intersegment eliminations.
d) Available liquidity is defined as cash and cash equivalents (including restricted cash), undrawn committed facilities and other current financial assets (primarily current securities, short term deposits and investments with high-credit rating counterparties.

Key highlights

- Net revenues were $24,504 million in the year ended 31 December 2023, an increase of 4.4% (up 4.8% on a constant currency basis) compared to 2022. This increase is primarily due to favourable price realization.
- Adjusted EBIT of Industrial Activities was $2,674 million in the year ended 31 December 2023 ($2,436 million in the year ended 31 December 2022), with an adjusted EBIT margin of 12.1% (11.3% in 2022). The increase in adjusted EBIT was primarily attributable to gross margin improvement in our Agriculture and Construction segments, partially offset by increased SG&A expenditures and R&D investments.

2024 Outlook for Industrial Activities

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

– Agriculture segment adjusted EBIT margin between 14.0% and 15.0%;

– Construction segment net sales[a] down between 7% and 11% year-over-year including currency translation effects;

– Construction segment adjusted EBIT margin between 5.0% and 6.0%;

– Free Cash Flow of Industrial Activities[b] between $1.2bn and $1.4bn;

– Adjusted diluted EPS between $1.50 to $1.60.

a) Net sales reflecting the exchange rate of 1.10 EUR/USD.

b) Free cash flow of Industrial Activities is a non-GAAP measure. It refers to Industrial Activities only and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of financial services; investments of Industrial Activities in assets sold under operating leases, property, property plant and equipment and intangible assets; change in derivatives hedging debt of Industrial Activities, as well as other changes and intersegment eliminations.

Sector: Medtech company **/ Exor's stake:** 15.4**% / Fair value at 31 December 2023:** €2,938 million **/ FY ending:** December 31st

Key figures

€ million	Years ended 31 December 2023	2022	Change	
Sales	**18,170**	**17,827**	**343**	**1.9 %**
Diagnosis & Treatment	8,818	8,290	528	6.4 %
Connected Care	5,138	5,268	(130)	(2.5)%
Personal Health	3,602	3,626	(24)	(0.7)%
Other	612	643	(31)	(4.8)%
Income from operations	**(115)**	**(1,529)**	**1,414**	**92.5 %**
Net income	**(463)**	**(1,605)**	**1,142**	**71.2 %**
EBITA(1)	**183**	**192**	**(9)**	**(4.7)%**
Adjusted EBITA(2)	**1,921**	**1,318**	**603**	**45.8 %**
Adjusted EBITDA(3)	**2,845**	**2,305**	**540**	**23.4 %**
Free Cash Flow(4)	**1,582**	**(961)**	**2,543**	**264.6 %**
Market Capitalization	**19,261**	**12,450**	**6,811**	**54.7 %**
Share price - €	**21.09**	**14.00**	**7.09**	**50.6 %**
Exor's share	**2,937**	**—**	**2,937**	**N.A.**

(1) EBITA represents Income from operations excluding amortization and impairment of acquired intangible assets and impairment of goodwill.
(2) Adjusted EBITA represents EBITA excluding gains or losses from restructuring costs, acquisition-related charges and other items. Restructuring costs are defined as the estimated costs of initiated reorganizations, the most significant of which have been approved by the Executive Committee, and which generally involve the realignment of certain parts of the industrial and commercial organization. Acquisition-related charges are defined as costs that are directly triggered by the acquisition of a company, such as transaction costs, purchase accounting related costs and integration related expenses. Other items are defined as any individual item with an income statement impact (loss or gain) that is deemed by management to be both significant and incidental to normal business activity. This includes the following: litigation costs and settlements in favour of (or against) the company, gains (or losses) on sale of businesses or assets, remediation costs, impairment of assets, portfolio realignment charges, environmental charges and other items which are individually above an amount of €20 million in a quarter, or an individual item which is above €40 million across multiple quarters.
(3) Adjusted EBITDA is defined as Income from operations excluding amortization and impairment of intangible assets, impairment of goodwill, depreciation and impairment of property, plant and equipment, restructuring costs, acquisition-related charges and other items.
(4) Free cash flow is defined as net cash flows from operating activities minus net capital expenditures. Net capital expenditures are comprised of the purchase of intangible assets, expenditures on development assets, capital expenditures on property, plant and equipment and proceeds from sales of property, plant and equipment.

Key highlights

- Comparable sales increased by 6%. Excluding provisions charged to sales of €174 million, mainly in connection with the Respironics consent decree, comparable sales growth was 7%. This was mainly driven by double-digit growth in the Diagnosis & Treatment segment and mid-single-digit growth in the Connected Care segment.
- Income from operations improved to a loss of €115 million, including charges of €575 million for the Respironics litigation provision, €363 million in connection with the Respironics consent decree, and €224 million for Respironics field-action running remediation costs, from a loss of €1,529 million in 2022, which included a charge of €1.5 billion related to goodwill and R&D impairments.
- Adjusted EBITA increased to €1,921 million and the margin improved to 10.6%. Excluding provisions charged to sales of €174 million, mainly in connection with the Respironics consent decree. 2023 Adjusted EBITA amounted to 10.5%, compared to 7.4% in 2022, as a result of increased sales and pricing & productivity measures, partly offset by cost inflation.

- Net income in 2023 improved, driven by higher earnings, offset by €575 million Respironics litigation provision. Net income in 2022 included a charge of €1.5 billion related to goodwill and R&D impairments.

2024 Outlook

- Philips reiterates confidence in delivering the plan for 2023-2025, acknowledging that uncertainties remain. For full-year 2024, Philips expects to deliver 3-5% comparable sales growth and an Adjusted EBITA margin of 11-11.5%. The free cash flow from Philips' businesses is expected to amount to €0.8-1 billion. This only excludes the remaining cash-out related to the previously announced resolution of the economic loss class action in the US.
- The previously stated 2023-2025 Group financial outlook of mid-single-digit comparable sales growth, low-teens Adjusted EBITA margin, and €1.4-1.6 billion free cash flow now takes the consent decree into account and remains unchanged. It excludes the investigation by the US DOJ related to the Respironics field action and the impact of the ongoing litigation.

IVECO • GROUP

Sector: Automotive / **Exor's stake:** 27.06% / **Fair value at 31 December 2023:** €598 million / **FY ending:** December 31st

Key figures

	Years ended 31 December		Change	
€ million	2023	2022		
Revenues	**16,213**	**14,357**	**1,856**	**12.9 %**
Commercial and Specialty Vehicles	13,778	12,100	1,678	13.9 %
Powertrain	4,258	3,960	298	7.5 %
Eliminations and Other	(2,159)	(1,895)	(264)	13.9 %
Net revenues Industrial Activities	**15,877**	**14,165**	**1,712**	**12.1 %**
Financial Services	494	281	213	75.8 %
Eliminations and other	(158)	(89)	(69)	77.5 %
Adjusted EBIT[(a)]	**940**	**527**	413	78.4 %
Commercial and Specialty Vehicles	773	415	358	86.3 %
Powertrain	252	187	65	34.8 %
Unallocated items, eliminations and other	(207)	(178)	(29)	16.3 %
Adjusted EBIT of Industrial Activities	**818**	**424**	394	92.9 %
Financial Services	122	103	19	18.4 %
Net (loss) income	**234**	**159**	**75**	**47.2 %**
Net cash (Debt) of Industrial Activities[(c)]	**1,852**	**1,727**	**125**	**7.2 %**
Free cash flow of Industrial Activities[(d)]	**412**	**690**	**(278)**	**(40.3)%**
Available liquidity[(e)]	**4,748**	**4,364**	**384**	**8.8 %**
Market Capitalization	**2,209**	**1,507**	**702**	**46.6 %**
Share price - €	**8.1**	**5.6**	**2.5**	**44.6 %**
Exor's share	**598**	**408**	**190**	**46.6 %**

(a) Adjusted EBIT is a non-GAAP measure. Adjusted EBIT Is defined EBIT before restructuring costs and non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.

(b) Net cash/(debt) of industrial activities is a non-GAAP measure. It is defined as total Debt plus derivative liabilities, net of Cash and cash equivalents, derivative assets and other current financial assets (primarily current securities, short term deposits and investments towards high-credit rating counterparties) and financial receivables from CNH Industrial deriving from financing activities and sale of trade receivables.

(c) Free cash flow of industrial activities is a non-GAAP measure. Free cash flow of industrial activities refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of financial services, investments of Industrial activities in property, plant and equipment and intangible assets; as well as other changes and intersegment eliminations.

(d) Available liquidity is a non-GAAP measure. Available liquidity is defined as cash and cash equivalents, including restricted cash, undrawn medium-team unsecured committed facilities, other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties), and financial receivables from CNH Industrial deriving from financing activities and sale of trade receivables.

Key highlights

- Net revenues of Iveco Group were €16,213 million in the year ended 31 December 2023, an increase of 12.9% compared to the year ended 31 December 2022. Net revenues of Industrial Activities were €15,877 million in the year ended 31 December 2023 an increase of 12.1% compared to the year ended 31 December 2022, mainly due to positive price realization and higher volumes mix.
- Adjusted EBIT of Industrial Activities was €818 million for the year ended 31 December 2023, compared to €424 million for the year ended 31 December 2022, representing an Adjusted EBIT margin of 5.2%, up 220 basis points compared to 2022. The increase was primarily attributable to positive price realization throughout the year.

2024 Outlook[(i)]

Based on current industry outlook, solid order backlogs and no signs of unusual levels of order cancellations, Iveco Group is expecting the following preliminary financial guidance for 2024:

- Consolidated Adjusted EBIT between €900 million and €950 million;
- Net revenues of Industrial Activities[(ii)] ~(5)% versus full year 2023;
- Adjusted EBIT of Industrial Activities between €770 million and €820 million.
- Free cash flow of Industrial Activities between €350 million and €400 million;
- Investments of Industrial Activities[(iii)] ~€1 billion.

i. Financial Guidance based on current visibility. A significant escalation or expansion of current macroeconomic and geopolitical issues, supply chain issues and global logistic constraints, and energy and materials availability and relevant price variability could have a material adverse effect on Iveco Group financial results.

ii. Including currency translation effects.

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

JUVENTUS

Sector: Football Club **/ Exor's stake:** 63.77% **/ Fair value at 31 December 2023:** €4,066 million / **FY ending: June** 30th

Key figures

€ million	First half year ended 31 December		Change	
	2023/2024	**2022/2023**		
Revenues	**191**	**276**	(85)	(30.8)%
Operating costs	**(206)**	**(211)**	5	(2.4)%
Operating result	**(83)**	**(19)**	(64)	336.8 %
Loss for the period	**(95)**	**(30)**	(65)	216.7 %

€ million	At 31 December 2023	At 30 June 2023	Change	
Net financial debt[a]	327	340	(13)	(3.8)%
Market Capitalization	**639**	**867**	**(228)**	**(26.3)%**
Share price - €	**0.3**	**0.3**	**—**	**— %**
Exor's share	**542**	**553**	**(11)**	**(2.0)%**

(a) Net financial debt is an indicator of the financial structure, and it corresponds to the difference between short and long-term liabilities on the one hand, and highly liquid financial assets on the other.

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 2023/2024.
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 2022/2023 and the first half of the financial year 2023/2024) and cannot be construed as representing the basis for a Juventus 2022/2023 full-year projection.
The economic trend is characterized by the highly seasonal nature, typical of the sector, basically determined by the participation in football competitions, the calendar of sporting events and 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 2023 amounted to €191 million, a decrease of €85 million compared to €276 million for the period from 1 July to 31 December 2022. The decrease is mainly due to lower revenues from audiovisual rights and media income for €47 million (which include approximately €56 million relating to the loss of revenues from participation in UEFA competitions) and to lower income from the management of players' registration rights (€26 million).
- Operating costs for the period from 1 July to 31 December 2023 amounted to €206 million, a decrease of €5 million compared to €211 million for the period from 1 July to 31 December 2023.The decrease is mainly attributable to lower costs for external services (€7 million) and for players' wages (€3 million), partially offset by higher expenses from players' registration rights (€6 million) and other minor items.
- The loss of the period from 1 July to 31 December 2023 amounted to €95 million, worsening by €65 million compared to the loss for the period from 1 July to 31 December 2022 of €30 million. The first half of 2023/2024 is penalised for approximately €60 million - on a economic level - by the direct effects of the First Team's non participation in UEFA competitions.

Net financial debt at 31 December 2023 (€327 million) decreased by €13 million compared to the net debt at 30 June 2023 (€340 million). The improvement is the result of a combination of multiple effects: the negative operating cash flow for the period – deriving in particular from the absence of proceeds from participation in European competitions (amounting, in the first half of the previous year, to approximately €55 million) – and the significant net payments for transfer campaigns mostly relating to previous years (amounting to €86 million) are more than offset by the positive impact of the contributions for future capital increase of €127 million and the collection of €42 million (net), deriving from the assignment without recourse of receivables from foreign football clubs.

2024 Outlook

The cash flow is expected to be positive in the second half of the year, with a subsequent significant reduction in net financial debt, due to both the completion of the capital increase, and the lower impact, in the second half of the financial year, of the negative effects on cash flows stemming from non-participation in UEFA competitions and from the payments of net payables for transfer campaigns.

The net result of Juventus for the 2023/2024 financial year is expected to be a loss, higher than the loss for the previous year due to the mentioned significant negative effects – direct and indirect – deriving from non participation of the First Team in UEFA competitions. On the basis of current forecasts, the Group's net result, excluding the above mentioned negative effects, although still recording a loss, would show an appreciable improvement compared to that of the previous year, mainly due to the incisive structural cost rationalization actions implemented since the pandemic period. The net financial debt at the end of the financial year is expected to significantly decrease compared to 31 December 2023, mainly due to the completion of the capital increase. As usual, the current financial year's economic, equity and financial performance will be influenced by the performance of sports results and by the 2023/2024 Transfer Campaign.
Lastly, it should be noted that the strategic plan of the company – on the basis of the assumptions contained therein, including those relating to sports performance – envisages a progressive improvement of economic and financial performance over the period of the strategic plan itself, with the achievement of positive net result and cash flow in the 2026/2027 financial year.

Performance of private companies and investments

This section illustrates a summary of 2023 performance and the valuation drivers of private companies and investments held by Exor at 31 December 2023, accounted at fair value in the NAV.

Private companies

INSTITUT MERIEUX

Sector: Healthcare **/ Exor's stake:** 3.6%, with agreement to reach 10% / **FY ending:** December 31st

Performance

Institut Mérieux's performance this year has been mainly driven by the market performance of bioMérieux (their largest company representing more than 80% of the portfolio). Other companies include Transgene (listed), Mérieux Nutrisciences, ABL and Mérieux Développement (all private).

bioMérieux reported solid growth in FY 2023, with sales of €3.7 billion, a growth of 6.6% versus the previous year. Contributive operating margin was 16.6% of sales, a 1.9 p.p. decrease compared with FY 2022. FY 2023 sales showed a strong momentum in clinical microbiology (+14%) and BIOFIRE® non-respiratory panels (+24%) combined with a solid growth in industrial applications (+9%).

Valuation

In July 2022 Exor signed an agreement with Institut Mérieux to acquire a 10% shareholding in 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.

The fair value at 31 December 2023 equal to €844 million includes (i) the €278 million contributed in July 2022, valued at 31 December 2023 based on official market prices for listed assets and fundamental valuation for private assets determined by a third-party, equal to €289 million plus (ii) the €555 million corresponding to the remaining capital not yet contributed.

Christian Louboutin

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

Performance

Following a very strong growth in 2022, Christian Louboutin reported a slowdown in FY 2023 sales with a weaker performance in the retail channel partially offset by a strong growth in wholesale. The company continued to maintain a healthy level of profitability thanks to several initiatives and has invested in improving its communication strategy as it looks to build on its collections across its 160+ boutiques worldwide. The economic outlook for the sector remains challenging in 2024.

Valuation

The fair value at 31 December 2023 of Exor's shareholding equal to €700 million (€700 million at 31 December 2022) has remained flat.

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 continued its strong growth trajectory in 2023, as cities and transit agencies globally turn to digital solutions to improve the efficiency of their transportation systems. In North America, Via reinforced its leadership position by winning milestone contracts with SFMTA, Calgary Transit, and Miami-Dade County. In Europe, Via accelerated its growth in Germany by partnering with cities to take over several transit services formerly operated by a local competitor. Via’s TransitTech solutions are now deployed in over 700 communities around the world.

In 2023, Via’s revenue and bookings growth accelerated through the year driven by significant customer demand. Via ended 2023 with an annualized revenue run-rate of over $280 million and continued to execute on its profitability plan.

Valuation
The fair value at 31 December 2023 of Exor’s shareholding equal to $568 million ($509 million at 31 December 2022) is based on the price of the latest financing round (February 2023) 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 2023 equals €514 million (€477 million at 31 December 2022) and has increased by approximately 8% including currency effects.

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

Performance
The Economist Group reported revenues for the six months ending 30 September 2023 of £179 million, in line with the same period in the prior year (1% growth at constant currency). Total subscription numbers at The Economist were in line with last year (1.2 million subscribers) and there has been a continuous shift from print to digital (61% of subscriptions were digital-only in the half-year, compared with 56% in the prior period). Operating profit for the six months ending 30 September 2023 was £24 million, in line with the same period of the prior year.

Economist Impact, the second largest business division after The Economist, focusing on Partnership and Events, saw revenues decrease to £46 million (versus £53 million in the same period in the prior year) due to a decline in sales of new business, partially offset by the fact that the Economist Impact Events business performed well. Economist Intelligence, which brings together the company’s capabilities in datasets, forecasting and analysis also decreased to £24 million (versus £25 million) due to a dip in sales for its Clearstate medtech business, however, its subscription offering has received awards recognition. The focus on innovation and digitisation across The Economist Group will remain central to their strategy which, this half-year, has continued to deliver progress.

Valuation
The fair value at 31 December 2023 of Exor’s shareholding equal to £334 million (£328 million at 31 December 2022) has increased by 2% and it is based on a third-party valuation including (i) a selected group of publicly traded companies with similar characteristics to the Group and (ii) discounted cash flow analysis.

The fair value in Euro at 31 December 2023 equals €384 million (€370 million at 31 December 2022) and has increased by 4% including currency effects.

Welltec

Sector: Technology solutions for energy industry **/ Exor's stake:** 47.6% / **FY ending:** December 31st

Performance
Welltec continued to deliver record results in 2023 both in terms of revenue and profitability and to demonstrate industry-leading growth and margins. Revenue and EBITDA grew by 25% and 32% year on year to $435 million and $230 million (53% margin), respectively, with net profit increasing from $65 million to $106 million. A strong cash flow generation has allowed the company to reduce its leverage ratio from 3.0x to 0.7x, leading to an upgrade by the credit rating agencies.

Performance has been driven by favourable market conditions with a growing spend in the oil and gas industry, coupled with Welltec's superior technology offering. This has driven 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 2023 of Exor's shareholding equal to $309 million ($232 million at 31 December 2022) has increased by 33% 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 2023 equal to €280 million (€217 million at 31 December 2022) has increased by 29% including currency effects.

tagenergy

Sector: Renewable energy **/ Exor's stake:** 14.15% / **FY ending:** December 31st

Performance:
TagEnergy reported €3.2 million in revenues in FY 2023, with 1.1 GW of projects, mostly under construction and a minimal part already in operation. Despite the challenging market conditions, marked by rising interest rates and elevated components cost, the company remains well positioned to deliver a significant ramp up in both revenues and margins, in line with the current business plan.

Valuation:
During the second half of 2023 Exor invested €100 million in TagHolding (TagEnergy's major shareholder) in order to acquire a 14.15% shareholding in TagEnergy.

The fair value at 31 December 2023 of Exor's shareholding equal to €100 million is based on the acquisition cost, being a recent transaction.

Lifenet Healthcare

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

Performance:
Lifenet Healthcare's revenue performance in FY 2023 was strong compared to the previous year, driven by a combination of organic growth and continued inorganic activity. Management also continued to prove its ability to execute on operational initiatives.

The Group now comprises 12 facilities including hospitals and large outpatient clinics in four Italian regions and over 1,500 employees.

Valuation:
The fair value at 31 December 2023 of Exor's shareholding equal to €71 million (€71 million at 31 December 2022) has remained flat as a result of a stable financial performance and 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 healthcare sector and (ii) financial analysis based on sum-of-part approach of recent transactions.

GEDI
GRUPPO EDITORIALE

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

Performance:
GEDI reported FY 2023 revenues equal to €480 million, down by approximately 2% compared to the previous year. Circulation revenue from traditional products and digital subscriptions was €170 million (down by approximately 13% on a comparable basis), while advertising revenue stood at €263 million (up 3%).

In 2023 the positive trend of digital subscription sales continued, up 50% 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 loss was equal to €103 million in 2023, compared to a net profit of €2 million in the previous year. Net loss in 2023 was impacted by impairment charges on the company's publications for €51 million net of tax effects, HR restructuring costs and other non-recurring effects for €11 million. Net adjusted loss was equal to €41 million in 2023, compared to a net adjusted loss of €1 million in the previous year. The 2022 value however included €26 million of subsidies partly offsetting the €30 million increase in cost of raw materials. In 2023, despite the cost of raw materials remaining high (€23 million) subsidies received for distribution and energy costs amounted to €6 million.

GEDI notes how enduring elements of uncertainty related to macroeconomic and geopolitical events in 2024 create elements of risk around the results for the current year. To reduce the potential impact of these risks, management is continuing to implement significant cost saving initiatives, while at the same time continuing to invest in line with the identified strategic guidelines, with a particular emphasis on digital transformation.

Valuation:
The fair value at 31 December 2023 of Exor's shareholding in GEDI, equal to €68 million (€167 million at 31 December 2022), has decreased by approximately 60% in line with the impairment taken by the company.

NUO

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 4 mid-size premium consumer companies based in Italy operating in the personal care (Ludovico Martelli), outdoor (Montura), food (Andriani) and most recently fashion (Subdued).

Valuation:
The fair value at 31 December 2023 of Exor's shareholding equal to €42 million (€39 million at 31 December 2022) has increased mainly as a result of additional capital contributions in 2023 and it is based on the equity value of the company.

Sector: Prop-tech **/ Exor's stake:** 18.6% / **FY ending:** December 31st

Performance:
Casavo closed the year 2023 with 1,300+ homes sold, a result driven by a mix of i-buying and digital broking business models.

In 2023 the company accelerated its strategy to transition towards an asset-light model, and executed on multiple operational efficiency initiatives including headcount right-sizing.

Casavo also secured €20 million in additional funding in the form of a convertible note, strengthening its liquidity position in the face of difficult market conditions.

Valuation:
The fair value at 31 December 2023 of Exor's shareholding in Casavo, equal to €20 million (€56 million at 31 December 2022), was written down by approximately 64% due to the lowered profitability outlook despite improvement in the cash conversion rate.

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

Performance:
Shang Xia's FY 2023 sales were negatively affected by the challenging economic conditions in China, exacerbated by the aftermath of COVID restrictions. Many luxury brands, including Shang Xia, experienced double-digit declines compared to the previous year. Despite the challenges faced in 2023, continuous cost-saving initiatives and strategies are being implemented to enhance Shang Xia's brand, underscoring its core identity at the top-end of the luxury sector.

Valuation:
The fair value at 31 December 2023 of Exor's shareholding was €0 million compared to €67 million at 31 December 2022.

This was driven by the increased size of the financing mechanism put in place between Exor and Shang Xia, which negatively impacts its equity value, as well as the company's poor performance and the uncertain outlook for China's macroeconomic environment.

Investments

Exor Ventures

Sector: ventures

Performance
In 2023 Exor Ventures made 19 new investments and led three deals. Approximately 40% of this capital deployed was in early-stage healthcare where we think the opportunity set is particularly attractive. We refined our strategy to focus on the earlier stages and set higher target ownership, and bolstered the internal team and infrastructure to identify the best companies.

Since its inception in late 2017, approximately $620 million has been invested across 100 companies, primarily in healthcare, mobility and fintech, with new opportunities being explored in AI/software.

Valuation
The fair value at 31 December 2023 of Exor's investments via Exor Ventures is equal €737 million (€581 million at 31 December 2022) a 27% increase, mainly driven by additional investments made for €146 million.

Lingotto

Sector public and private markets

Performance
In 2023, the performance of public funds (83% of total amount invested in Lingotto funds at 31 December 2023, or 75% including un-called commitments) was mainly driven by the Concentrated Long Strategy, and Long/Short Strategy, and their three largest investments in Rolls-Royce, Ocado and Carvana.

Rolls-Royce ended 2023 as the best-performing stock in the Eurostoxx 600 universe. Under the leadership of its new CEO, Tufan Erginbilgic, the company's operational and financial performance dramatically improved over the course of the year, resulting in a more than tripling of the share price.

Carvana, a company the fund first invested in at the start of the year, also made much faster than expected progress in its turnaround. Importantly, the company was able to reduce its financial leverage through a capital raise and debt exchange transaction. Consequently, the share price jumped almost ten-fold as investors acknowledged the potential for the company to invest in growth again.

Ocado, a detractor in 2022, also turned around and performed well during 2023. The company reached the settlement of a longstanding patent dispute and delivered strong operating results, leading to a doubling of the shares over the summer. This was somewhat offset in Q4, as investors adjusted expectations with regards to the timing of future client installations.

In April 2023 the Innovation fund was launched, led by James Anderson and Morgan Samet. It is a concentrated portfolio of long-term public and private equity positions in companies driving exponential innovation through dominant technologies and business models. Despite the market's current obsession with short-term investment horizons, the Innovation strategy invests for the long-term in the next generation of extraordinary innovation outliers.

In 2023, the performance of private funds (17% of total amount invested at 31 December 2023 or 25% including un-called commitments) was driven by the Opportunity Fund and the Co-investment Fund.

2023 was a reasonable year for the Private Markets strategy both in terms of portfolio developments and deal origination. In the 2021 vintage fund, the two largest direct exposures are in India; Automotive Services and Non-Performing Loans. Both worked well, with the former delivering substantial revenue growth and the latter accelerating recovery rates. In February, the second private markets initiative was launched, the Opportunity Fund. By year-end, this fund was 55% committed as the team sourced a series of idiosyncratic investments ranging from contracted cash flow structures to growth equity.

In the U.S., the fund invested alongside a well-known Sovereign Wealth Fund into a vehicle that provides revolving credit facilities against receivables due from FEMA (Federal Emergency Management Agency) and other U.S. government agencies.

The fund also took a stake in Baltimore-based CFG Bank, a specialised lender focused on bridge-to-HUD (Housing and Urban Development) lending. In Europe, the fund invested in U-Power, the market-leading Italian safety shoe company, and also in NEURA Robotics, a German firm that has developed the world's first cognitive robot.

Valuation
The fair value at 31 December 2023 of Exor's investments in the funds equal to €2,099 million (€1,185 million at 31 December 2022) increased by 77% driven by positive performance for €351 million and additional investments made for €563 million.

The fair value at 31 December 2023 includes public funds for €1,737 million (€1,069 million at 31 December 2022) and private funds for €362 million (€116 million at 31 December 2022).

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

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	**2023**	**2022**
Issued capital and reserves attributable to owners of the parent[(a)]	**23,268**	20,627
Difference between the market value and the book value of the Companies	12,153	7,505
Treasury stock and others	92	99
Net Asset Value (NAV)	**35,513**	**28,233**
Gross debt of the Holding System	4,286	4,234
Other liabilities of the Holdings System	20	20
Gross Asset Value (GAV)	**39,819**	**32,487**

(a) IFRS measure.

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

	At 31 December			
	2023		2022	
€ million	Market value	Book value[(a)]	Market value	Book value[(a)]
Listed companies				
Ferrari	13,562	754	8,896	633
Stellantis	9,505	12,765	5,961	10,885
CNH Industrial	4,066	2,187	5,491	1,873
Philips	2,937	2,937	—	—
Iveco Group	598	657	408	642
Juventus Football Club	542	93	510	87
Total listed companies	31,210	19,393	21,266	14,120
Private companies				
Institut Meriéux[(b)]	844	832	848	833
Christian Louboutin	700	594	700	581
The Economist Group	384	313	370	300
Other companies	1,095	948	1,094	939
Total private companies	3,023	2,687	3,012	2,653
Total Companies	***34,233***	***22,080***	***24,278***	***16,773***
Difference	***12,153***		***7,505***	

(a) Correspond to the Exor' 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) 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	2023	2022
Cash and cash equivalents	**150**	1,860
Liquidity funds	**66**	1,114
Short duration and bond funds	**58**	2,011
Financial assets and financial receivables	**44**	44
Cash, cash equivalents and financial assets [A]	**318**	5,029
Exor bonds	**3,467**	3,475
Bank debt	**215**	150
Other financial liabilities	**604**	609
Gross debt [B]	**4,286**	4,234
Net financial position [A-B]	**(3,968)**	795

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.

	At 31 December	
€ million	2023	2022
Cash and cash equivalents[(a)]	**8,678**	11,577
(Less) Cash and cash equivalents of the operating subsidiaries accounted for using the equity method in the Holdings System	**(8,462)**	(8,603)
Short duration and other bond funds	**58**	2,011
Financial assets and financial receivables	**44**	44
Cash, cash equivalents and financial assets of the Holdings System	**318**	5,029

(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:

	At 31 December	
€ million	2023	2022
Gross debt[(a)]	**40,218**	33,970
(Less) Gross debt of the operating subsidiaries accounted for using the equity method in the Holdings System	**(35,932)**	(29,736)
Gross debt of the Holdings System	**4,286**	4,234

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

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
	2023	**2022**	
Stellantis	**2,790**	2,392	398
CNH Industrial	**608**	471	137
Ferrari	**308**	228	80
Iveco Group	**60**	40	20
Welltec	**47**	30	17
Exor Seeds/Ventures	**35**	(97)	132
The Economist Group	**16**	16	—
Institut Mérieux	**6**	4	2
Juventus Football Club	**(121)**	(100)	(21)
Other	**(88)**	(6)	(82)
PartnerRe[(a)]	**—**	(1,064)	1,064
Share of the profit (loss) from investments in subsidiaries and associates	**3,661**	1,914	1,747

(a) The disposal of PartnerRe was completed on 12 July 2022.

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
	2023	**2022**	
Profit (loss) attributable to owners the parent[(a)]	**4,194**	4,227	(33)
Less:			
- Gain on disposal	**—**	(2,424)	2,424
- (Profit) loss from investments at FVTOCI	**(14)**	—	(14)
- (Profit) loss from investments at FVTPL	**(578)**	(80)	(498)
- Net financial (income) expenses	**(18)**	104	(122)
- Net recurring general expenses	**46**	31	15
- Net non-recurring other income/expenses	**8**	47	(39)
- Income taxes and other taxes and duties	**23**	9	14
Share of the profit (loss) of investments accounted for using the equity method	**3,661**	1,914	1,747

(a) IFRS measure.

4 - Loan-To-Value (LTV) Ratio

Exor focuses on managing its leverage and maintaining indebtedness below the target Loan-to-Value (LTV) ratio of 20%. 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 dividing the sum of net financial position of the Holdings System and other liabilities of the Holdings System, and 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 had a net cash position. The Company's LTV ratio at 31 December 2023 was equal to 10.10%. 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 2023 and at 31 December 2022.

	At 31 December	
€ million	**2023**	**2022**
Net financial position of the Holdings System	(3,968)	795
Other liabilities of the Holdings System	(20)	(20)
Numerator	**(3,988)**	775
Gross Asset Value	**39,819**	32,487
(less) Cash, cash equivalents and financial assets of the Holdings System	(318)	(5,029)
Denominator	**39,501**	27,458
LTV Ratio	**10.10 %**	n.a.

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 2023	2022	Change
Profit (loss) from investments in subsidiaries and associates:				
Share of the profit (loss)	1	**3,661**	1,914	1,747
Gain on disposal	1	**—**	2,424	(2,424)
Dividends received	1	**835**	839	(4)
Dividends eliminated[(a)]		**(835)**	(839)	4
Profit (loss) from investments in subsidiaries and associates		**3,661**	4,338	(677)
Profit (loss) from investments at FVTOCI[(b)]		**14**	—	14
Profit (loss) from investments at FVTPL	7	**578**	80	498
Net financial income (expenses):				
Profit (loss) from cash, cash equivalents and financial assets	2	**138**	39	99
Cost of debt	2	**(100)**	(102)	2
Exchange (losses) gains, net and other	2	**(20)**	(41)	21
Net financial income (expenses)		**18**	(104)	122
Net recurring general expenses	3	**(46)**	(31)	(15)
Net non-recurring other (expenses)income	4	**(8)**	(47)	39
Income taxes and other taxes and duties		**(23)**	(9)	(14)
Profit (loss) attributable to owners of the parent		**4,194**	4,227	(33)

(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) Includes dividends received from Philips (€10 million), Almacantar Group (€3 million) and FL Entertainment (€1 million).

EXOR GROUP – Consolidated Statement of Financial Position – Shortened

€ million	Note	At 31 December 2023	2022	Change
Investments in subsidiaries and associates	5	**18,725**	16,244	2,481
Investments at FVTOCI	6	**4,480**	971	3,509
Investments at FVTPL	7	**3,227**	1,854	1,373
Other assets (liabilities), net	8	**804**	763	41
Invested capital		**27,236**	19,832	7,404
Issued capital and reserves attributable to owners of the parent	9	**23,268**	20,627	2,641
(less) Cash, cash equivalents and financial assets	10	**(318)**	(5,029)	4,711
Gross debt	10	**4,286**	4,234	52
Equity and net financial position		**27,236**	19,832	7,404

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 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 (UK)	IFRS-compliant financial statements	Line-by-line method
Investee companies (subsidiaries and associates)	Ferrari, CNH Industrial, Exor Seeds, Exor Ventures, Juventus, Iveco Group, GEDI, Shang Xia, Lingotto Investment Management, Stellantis, Christian Louboutin, The Economist Group, Welltec, Lifenet, Casavo Group, Institut Meriéux, Nuo and Tag Holding	IFRS-compliant financial statements	Equity method

Overview consolidated data

Exor closed 2023 with a consolidated profit of €4,194 million, a net decrease of €33 million compared to the previous year. In 2023, the share of the results of subsidiaries and associates increased by €1,747 million and the positive performance of the investment funds contributed €498 million, while 2022 results included a €2,424 million net gain realized on the disposal of PartnerRe.

At 31 December 2023 the consolidated equity attributable to owners of the parent amounts to €23,268 million, a net increase of €2,641 million versus the previous year. Additional details are provided in Note 9.

The consolidated net financial position of the Holdings System at 31 December 2023 is negative €3,968 million, a negative change of €4,763 million compared to the previous year, mainly due to €4,392 million in investments, €996 million in share buybacks, partially offset by €835 million in dividends received from investments. Additional details are provided in Note 10.

Scope of consolidation

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

	Reporting currency	% of consolidation At 31 December 2023	2022
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 (UK)	£	**100**	100
Investments in operating subsidiaries accounted for using the equity method			
– Ferrari N.V.	€	**24.63**	24.42
– CNH Industrial N.V.	$	**28.42**	27.30
– Juventus Football Club S.p.A.	€	**63.77**	63.77
– Iveco Group N.V.	€	**27.67**	27.06
– Exor Seeds LP	$	**87.80**	87.64
– Exor Ventures LP(a)	$	**98.50**	—
– GEDI Gruppo Editoriale S.p.A.	€	**89.62**	89.62
– Shang Xia Trading Co. Ltd(b)	CNY	**82.30**	82.30
– Lingotto Investment Management LLP(c)	£	**100**	100
Investments in operating associates accounted for using the equity method			
– Stellantis N.V.	€	**14.87**	14.29
– Christian Louboutin S.A.S.	€	**24.00**	24.00
– The Economist Newspaper Limited	£	**43.40**	43.40
– Welltec International ApS	$	**47.62**	47.62
– NUO S.p.A.	€	**50.00**	50.00
– Lifenet S.r.l.	€	**44.67**	44.67
– Casavo Management S.p.A.	€	**18.55**	18.68
– Institut Mérieux S.A.S.	€	**3.57**	3.57
– Tag Holding S.A.S.(d)	€	**34.85**	—

(a) Incorporated in 2023.
(b) Owned through the holding company Full More Group (Hong Kong).
(c) Previously Exor Capital, owned through the holding company Lingotto Investment Management (UK) Limited.
(d) The acquisition date was 19 July 2023.

Change in scope of consolidation

Accounting for Tag Holding in the second half of 2023

In the second half of 2023, Exor and Impala invested to further develop TagEnergy, through the holding company Tag Holding. At 31 December 2023 Tag Holding 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, with the income statement including the share of the result for the period 1 August to 31 December 2023.

Consolidation of foreign entities

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

	2023		2022	
	Average	At 31 December	Average	At 31 December
U.S. dollar	**1.081**	**1.105**	1.053	1.067
British pound	**0.870**	**0.869**	0.853	0.887
Chinese Renminbi	**7.661**	**7.851**	7.079	7.358

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 2023 is a profit of €3,661 million, an increase of €1,747 million compared to the previous year. The increase is mainly due to the positive performances of Exor's subsidiaries and associates, in particular Stellantis and CNH Industrial. The 2022 result was negatively affected by the unrealized losses of the fixed income portfolio of PartnerRe.

	Result[a]		Exor's share[b]		Change
	Years ended 31 December		Years ended 31 December		
€ million	2023	2022	2023	2022	
Stellantis	18,596	16,799	**2,790**	2,392	398
CNH Industrial	2,138	1,726	**608**	471	137
Ferrari	1,252	933	**308**	228	80
Iveco Group	218	147	**60**	40	20
Welltec	98	62	**47**	30	17
The Economist Group[c]	38	37	**16**	16	—
Institut Mérieux[d]	152	111	**6**	4	2
Exor Ventures	22	(151)	**35**	(97)	132
Juventus Football Club[e]	(189)	(157)	**(121)**	(100)	(21)
Other[f]	—	—	**(88)**	(6)	(82)
PartnerRe[g]	—	(1,100)	**—**	(1,064)	1,064
Share of the profit (loss) of investments in subsidiaries and associates			**3,661**	**1,914**	1,747

(a) Results attributable to owners of the parents, prepared by each subsidiary and associate for Exor consolidation purposes, which may differ from those published or to be 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) The result refers to the period 1 October –30 September.
(d) The result 2022 referred to the period 1 July - 31 December 2022.
(e) The result refers to the accounting data prepared for consolidation in Exor for the period 1 January – 31 December.
(f) Mainly includes the share of the results of GEDI, Shang Xia and Lingotto Investment Management.
(g) The disposal was completed on 12 July 2022.

Dividends

€ million	Years ended 31 December 2023	2022	Change
Dividends from investments accounted for using the equity method:			
– Stellantis	**602**	467	135
– CNH Industrial	**132**	103	29
– Ferrari	**81**	61	20
– The Economist	**12**	13	(1)
– Lingotto Investment Management	**5**	19	(14)
– Christian Louboutin	**3**	7	(4)
– PartnerRe	**—**	169	(169)
Dividends included in the net financial position	**835**	**839**	(4)
Less: Dividends included in the share of the profit (loss) from investments accounted for using the equity method	**(835)**	(839)	4
Dividends included in the income statement	**—**	—	—

2. Net financial income (expenses)

In the year ended 31 December 2023 net financial income amounts to €18 million (net financial expenses of €104 million in the year ended 31 December 2022).

€ million	Years ended 31 December 2023	2022	Change
Profit (loss) from cash, cash equivalents, financial assets			
Realized gains (losses)	**36**	10	26
Unrealized gains (losses)	**25**	(6)	31
Interest income on:			
– bank current accounts and deposits	**60**	27	33
– financial receivables and financial assets	**14**	3	11
– debt securities	**3**	5	(2)
Total profit (loss) from cash, cash equivalents, financial assets	**138**	**39**	99
Cost of debt:			
Bonds[(a)]	**(88)**	(98)	10
Bank debt and other	**(12)**	(4)	(8)
Total cost of debt	**(100)**	**(102)**	2
Exchange (losses) gains	**(9)**	(40)	31
Derivates and other	**(11)**	(1)	(10)
Net financial income (expenses) recorded in the income statement	**18**	**(104)**	122

(a) Includes the negative credit risk adjustment component recorded in the income statement relating to the fair value measurement of the cross currency swap in accordance with IFRS 13.

3. Net recurring general expenses

Net recurring general expenses in the year ended 31 December 2023 amount to €46 million, an increase of €15 million compared to the year ended 31 December 2022 (€31 million).

The main items are detailed below:

€ million	Years ended 31 December 2023	2022	Change
Personnel costs	**9**	8	1
Compensation and other costs relating to directors[a]	**5**	2	3
Service costs, net	**15**	14	1
Net recurring general expenses included in net financial position	**29**	**24**	5
Share based compensation plan costs	**17**	7	10
Net recurring general expenses	**46**	**31**	15

(a) Year ended 31 December 2023 includes special awards granted to the current Chairman in accordance with the resolution of the AGM held on 31 May 2023.

The costs of share based compensation plans are related to the units granted on 1 July 2023 and 1 July 2022 under the Exor LTI plan.

4. Net non-recurring other income (expenses)

Net non-recurring expenses in the year ended 31 December 2023 amount to €8 million and refer to a special award granted to the former Chairman (€1 million), consulting fees related to investments and other projects (€7 million).

Net non-recurring expenses in the year ended 31 December 2022 amounted €47 million mainly refer to consulting fees related to investments and other project (€21 million), donations to cultural and charitable associations (€11 million) and among other, non-recurring awards and bonuses granted to employees (€15 million).

5. Investments in subsidiaries and associates

€ million	At 31 December 2023	2022	Change
Stellantis	**12,765**	10,885	1,880
CNH Industrial	**2,187**	1,873	314
Ferrari	**754**	633	121
Iveco Group	**657**	642	15
Christian Louboutin	**594**	581	13
Exor Seeds	**509**	498	11
The Economist Group	**313**	300	13
Institut Mérieux[a]	**277**	278	(1)
Welltec	**147**	104	43
Tag Holding[b]	**98**	—	98
Juventus	**93**	87	6
Exor Ventures[c]	**89**	—	89
Other[d]	**242**	363	(121)
Investments in subsidiaries and associates	**18,725**	**16,244**	2,481

(a) The acquisition date was 1 July 2022.
(b) The acquisition date was 19 July 2023.
(c) Incorporated in 2023.
(d) Includes the investments in GEDI, Casavo, Lifenet, Shang Xia, Nuo and Lingotto Investment Management.

The positive change in Exor's investment in Stellantis (€1,880 million) is mainly attributable to Exor's share of the profit (€2,790 million), partially offset by dividend distribution (€626 million), share buy-backs (€362 million), negative change in the cash flow hedge reserve (€100 million) and negative translation exchange differences (€319 million).

The positive change in Exor’s investment in CNH Industrial (€314 million) is mainly attributable to Exor’s share of the profit (€608 million), partially offset by dividend distribution (€138 million), share buy-backs (€171 million), negative translation exchange differences (€64 million) and cash flow hedge reserve (€22 million).

The positive change in Exor’s investment in Ferrari (€121 million) is mainly attributable to Exor’s share of the profit (€308 million), partially offset by dividends distribution (€81 million) and share buy-backs (€113 million).

The positive change in Exor’s investment in Iveco Group (€15 million) is mainly attributable to Exor’s share of the profit (€60 million), partially offset by the negative translation exchange differences (€58 million) and share buy-backs (€15 million).

6. Investments measured at fair value through other comprehensive income

The investments measured at fair value through other comprehensive income amount to €4,480 million (€971 million at 31 December 2022) and include principally investments in equity instruments.

Details of changes during the year are as follows:

	At 31 December				
€ million	2022	Increases	Reclassification	Fair value adjustments[a]	2023
Listed:					
– Philips[b]	—	2,771		166	**2,937**
– Clarivate	130	386	—	35	**551**
– Forvia	141	—	—	62	**203**
– Neumora	—	—	61	4	**65**
– Zegna	25	—	—	1	**26**
– FL Entertainment	24	—	—	(3)	**21**
Total Listed	**320**	**3,157**	**61**	**265**	**3,803**
Unlisted:					
– Via Transportation	477	46	—	(9)	**514**
– Neumora	14	47	—	—	**61**
– Other	160	14	(61)	(11)	**102**
Total Unlisted	**651**	**107**	**(61)**	**(20)**	**677**
Total	**971**	**3,264**	**—**	**245**	**4,480**

(a) Of which -€15 million related to exchange differences on translation recognized in the OCI reserves.
(b) The increase of €2,771 million includes a dividend in kind of €10 million.

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 aligned with the investment carried out in the year.

Other financial investments at FVTOCI mainly refers to small equity investments in unlisted companies (also early stage); the carrying amounts at 31 December 2023 are aligned to reflect the most recent transactions and capital increases.

7. Investments measured at fair value through profit and loss

The investments measured at fair value through profit and loss amount to €3,227 million (€1,854 million at 31 December 2022) and mainly include investments in funds.

Details of changes during the year are as follows:

	At 31 December				
€ million	2022	Increases	Disposals	Fair value adjustments[(a)]	2023
Funds managed by Lingotto:					
– public market	1,069	325	—	342	**1,736**
– private market	116	238	—	9	**363**
Total funds managed by Lingotto	**1,185**	**563**	**—**	**351**	**2,099**
Reinsurance vehicles	**622**	—	—	180	**802**
Funds managed by third parties	47	150	—	22	**219**
Other listed equity investments	—	111	—	(4)	**107**
Total other	**47**	**261**	**—**	**18**	**326**
Total	**1,854**	**824**	**—**	**549**	**3,227**

(a) Fair value adjustment includes -€28 million related to exchange differences on translation recognized in the profit and loss.

8. Other assets (liabilities), net

At 31 December 2023 and 31 December 2022 other assets net (€804 million and €763 million, respectively) mainly comprises Exor's commitment to purchase 341.171 shares of Institut Meriéux (€555 million).

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

	At 31 December	
€ million	2023	2022
Share capital	**7**	7
Reserves	**24,411**	21,172
Treasury stock	**(1,150)**	(552)
Issued capital and reserves attributable to owners of the parent	**23,268**	**20,627**

Details of changes during the year ended 31 December 2023 are as follows:

€ million	Years ended 31 December 2023	2022
Initial amount	**20,627**	**16,759**
Movements attributable to Exor and the Holdings System:		
– Buyback Exor shares	(996)	(255)
– Fair value adjustment to investments	260	(235)
– Dividend paid by Exor	(99)	(99)
– Measurement of derivative financial instruments	(3)	17
– Exchange differences on translation	(84)	617
– Other net	15	10
Movements attributable to operating companies accounted for using the equity method:		
– Reversal to profit and loss of OCI Reserve of PartnerRe	—	(834)
– Exchange differences on translation	(465)	486
– Remeasurement of defined benefit plans	(38)	246
– Fair value reserve	(4)	(47)
– Buyback own shares	(663)	(268)
– Cash flow hedge reserve	(126)	(25)
– Other net[(a)]	650	28
Consolidated profit (loss) attributable to owners of the parent[(b)]	4,194	4,227
Net change during the period	**2,641**	**3,868**
Final amount	**23,268**	**20,627**

(a) Mainly due to the increases of the percentages of consolidation of Stellantis (€412 million) and CNH Industrial (€79 million).
(b) 2022 consolidated profit includes 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.

10. Net financial position of the Holdings System

The Holdings System at 31 December 2023 has a negative net cash position of €3,968 million, with a negative change of €4,763 million compared to the net cash position at 31 December 2022 (€795 million).

€ million	At 31 December 2023	2022	Change
Bank accounts and time deposits	**150**	1,860	(1,710)
Liquidity funds	**66**	1,114	(1,048)
Short duration and other bond funds	**58**	2,011	(1,953)
Financial assets	**35**	38	(3)
Financial receivables	**9**	6	3
Cash, cash equivalents and financial assets[(a)] [A]	**318**	**5,029**	(4,711)
Exor bonds	**3,467**	3,475	(8)
Bank debt	**215**	150	65
Other financial liabilities	**604**	609	(5)
Gross debt [B]	**4,286**	**4,234**	52
Net financial position of the Holdings System [A-B]	**(3,968)**	**795**	(4,763)

(a) Cash, cash equivalents and financial assets available amount to €768 million (€5,479 million at 31 December 2022) considering also the undrawn committed credit lines for €450 million (€450 million at 31 December 2022).

Cash in bank accounts and time deposits are spread over different counterparties chosen based on 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 2023 are as follows:

Issue date	Maturity date	Issue price		Fixed Rate (%)			Nominal amount (million)		At 31 December 2023 (€ million)	2022 (€ million)	Change
08-Oct-14	08-Oct-24	100.090		2.500		€	500	(a)	**503**	503	—
07-Dec-12	31-Jan-25	97.844		5.250		€	100		**105**	104	1
22-Dec-15	22-Dec-25	100.779	(b)	2.875		€	450	(b)	**451**	451	—
20-May-16	20-May-26	99.650		4.398		$	170		**154**	160	(6)
18-Jan-18	18-Jan-28	98.520		1.750		€	500		**504**	503	1
29-Apr-20	29-Apr-30	98.489		2.250		€	500		**502**	501	1
19-Jan-21	19-Jan-31	99.089		0.875		€	500		**500**	499	1
09-May-11	09-May-31	100.000		2.800	(c)	¥	10,000		**65**	72	(7)
14-Oct-19	14-Oct-34	99.725		1.750		€	500	(d)	**482**	480	2
15-Feb-18	15-Feb-38	98.183		3.125		€	200		**202**	202	—
									3,467	**3,475**	(8)
– Current portion									**537**	37	500
– Non-current portion									**2,930**	**3,438**	(508)

(a) After the repurchase settlement dated 20 January 2021; originally €650 million.
(b) 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.
(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.
(d) Originally €300 million; the amount was increased by another €200 million with settlement date 23 June 2020.

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 includes a €150 million term loan fully repaid in February 2024.

At 31 December 2023 Exor has undrawn committed credit lines in Euro for €450 million, of which €350 million expiring after 31 December 2024 as well as uncommitted credit lines for €515 million, drawn for €65 million.

Other financial liabilities (€604 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 (€27 million) and the put option on certain minority stakes in Shang Xia (€18 million).

In November 2023 Standard & Poor's upgraded Exor’s long-term corporate credit rating to“A-” from “BBB+”, maintaining a "stable outlook". The short-term rating of Exor is A-2.

The net change for the year ended 31 December 2023 can be analysed as follows:

€ million	Years ended 31 December 2023	2022
Net financial position of the Holdings System - Initial amount	**795**	**3,924**
Dividends received from investments [Note 1 above]	835	839
Investments [see table below]	(4,392)	(2,212)
Asset disposals [see table below]	—	7,754
Dividends paid by Exor [Note 9 above]	(99)	(99)
Buyback Exor shares [Note 9 above]	(996)	(255)
Other changes [see table below]	(111)	(1,308)
Net change during the year	**(4,763)**	**4,719**
Net financial position of the Holdings System - Final amount	**(3,968)**	**795**

The detail of main changes in investments and other is as follows:

€ million	Years ended 31 December 2023	2022
Investments	**(4,392)**	**(2,212)**
Subsidiaries, associates and funds	**(1,027)**	**(1,794)**
Lingotto Funds	(563)	(732)
Other funds	(150)	—
Juventus[(a)]	(127)	—
Tag Holding	(100)	—
Exor Ventures/Seeds	(85)	(95)
Institut Meriéux	—	(833)
Lifenet	—	(71)
Other	(2)	(63)
Investment measured at FVTOCI - listed	**(3,194)**	**(222)**
Philips	(2,761)	—
Clarivate	(386)	(161)
Neumora	(47)	—
Forvia	—	(36)
FL Entertainment	—	(25)
Investment measured at FVTOCI - unlisted	**(60)**	**(196)**
Via Transportation	(46)	(196)
Other	(14)	—
Investment measured at FVTPL - listed	**(111)**	**—**
Equity listed investments	(111)	—
Disposals	**—**	**7,754**
PartnerRe	—	7,743
Other	—	11
Other changes	**(111)**	**(1,308)**
Net recurring general expenses	(29)	(24)
Net non-recurring other income (expenses)	(8)	(47)
Net financial (expenses) income generated by the financial position[(b)]	18	(106)
Tax claim	—	(746)
Other net changes[(c)]	(92)	(385)

(a) The amount refers to the contribution of Exor for the future capital increase of Juventus, which will be effective in 2024. Further details are provided in Key Events and Subsequent Events.

(b) In the year ended 31 December 2023 related to: cost of debt (-€100 million), net exchange losses and derivative and other (-€20 million) and profit from cash, cash equivalents and financial assets (+€138 million). In the year ended 31 December 2022 related to: cost of debt (-€102 million), net exchange losses and derivative and other (-€43 million) and profit from cash, cash equivalents and financial assets (+€39 million).

(c) In the year ended 31 December 2023 other net changes includes among other, further additions to the loan granted to the subsidiaries GEDI for €25 million and Shang Xia for €22 million.

The net ordinary Free Cash Flow is as follows:

	At 31 December	
€ million	**2023**	**2022**
Ordinary dividends from investments and other ordinary proceeds		
– Stellantis	**602**	467
– CNH Industrial	**132**	103
– Ferrari	**81**	61
– The Economist	**12**	13
– Lingotto Investment Management	**5**	19
– Christian Louboutin	**3**	7
– PartnerRe	**—**	169
Inflow	**835**	839
Net financial income (expenses) included in the Net Financial Position	**18**	(106)
Recurring net general expenses included in the Net Financial Position	**(29)**	(24)
Free Cash Flow	**824**	709
Dividend paid	**(99)**	(99)
Net ordinary Free Cash Flows	**725**	610

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Exor (and the subsidiaries constituting the Holdings System) together with its operating subsidiaries and associates 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

Significant economic data[(a)]

	Years ended 31 December					
	2023			2022		
€ 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	—	2,790	2,790	—	2,392	2,392
CNH Industrial	22,662	2,149	608	22,292	1,735	471
Iveco Group	16,213	234	60	14,357	159	40
Ferrari	5,970	1,257	308	5,095	939	228
Juventus	422	(189)	(121)	496	(157)	(100)
GEDI	480	(91)	(77)	490	(6)	(9)
Other and adjustments[(c)]	(1,005)	627	626	(886)	(226)	1,205
Consolidated data	**44,742**	**6,777**	**4,194**	**41,844**	**4,836**	**4,227**

(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) 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 2023 were €44,742 million, with an increase of €2,898 million compared to the year ended 31 December 2022 (€41,844 million) mainly attributable to the improvement in the performance of CNH Industrial, Iveco and Ferrari for €371 million, €1,856 million and €875 million, respectively.

Net revenues of CNH Industrial for the year ended 31 December 2023 were €22,662 million, with an increase of €370 million compared to the year ended 31 December 2022 (€22,292 million) mainly due to favourable price realization.

Net revenues of Iveco Group for the year ended 31 December 2023 were €16,213 million, an increase of 12.9% compared to the year ended 31 December 2022 (€14,357 million) mainly due to positive price realization and higher volumes.

Net revenues of Ferrari for the year ended 31 December 2023 were €5,970 million, with an increase of €875 million or 17.2% (an increase of 17.1% on a constant currency basis), compared to €5,095 million for the year ended 31 December 2022. The increase was attributable to the combination of a €798 million increase in cars and spare parts, a €73 million increase in sponsorship, commercial and brand and a €32 million increase in other net revenues, partially offset by a €28 million decrease in engines.

Net Profit (loss) from continuing operations

Net profit (loss) from continuing operations for the year ended 31 December 2023 was €6,777 million, with an increase of €1,941 million compared to the year ended 31 December 2022 (€4,836 million). The increase is mainly attributable to improvement in the performance of Stellantis, CNH Industrial and Ferrari for €398 million, €414 million and €318 million, respectively.

Net profit from continuing operations of CNH Industrial was €2,149 million for the year ended 31 December 2023, compared to €1,735 million for the year ended 31 December 2022. In 2023 net profit includes a loss of €21 million on the sale of Raven Engineered Films and Aerostar divisions and restructuring costs of €60 million, partially offset by a gain of €12 million in relation to the fair value remeasurement of the investments previously held in Augmenta and Bennamann.

Net profit from continuing operations of Iveco Group was €234 million for the year ended 31 December 2023 (€159 million for the year ended 31 December 2022) primarily due to profitability improvements across the segments.

Net profit from continuing operations of Ferrari was €1,257 million for the year ended 31 December 2023, with an increase of €318 million compared to €939 million for the year ended 31 December 2022. Higher industrial costs (including the effects of cost inflation and depreciation), as well as the increase in selling, general and administrative costs and in research and development cost, were more than offset by the increase in revenues.

Significant financial data[(a)]

	At 31 December									
	2023					2022				
€ million	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	—	12,765	—	12,765	12,765	—	10,885	—	10,885	10,885
CNH Industrial	4,566	42,450	25,766	7,926	2,187	4,809	37,526	22,368	7,041	1,873
Iveco Group	2,698	18,384	6,141	2,390	657	2,288	16,013	4,479	2,391	642
Ferrari	1,122	8,051	2,490	3,071	754	1,389	7,766	2,832	2,602	633
Juventus	13	711	340	74	93	43	937	376	135	87
GEDI	31	636	268	81	68	18	708	209	194	167
Other and adjustments[(d)]	248	11,782	5,213	6,825	6,744	3,030	9,864	3,706	6,422	6,340
Consolidated data	**8,678**	**94,779**	**40,218**	**33,132**	**23,268**	**11,577**	**83,699**	**33,970**	**29,670**	**20,627**

(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) 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.

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 (vii) 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 2023 and at 31 December 2022 the Group was in compliance with all covenants under its debt agreements.

In this regard, it should be noted that Exor is an investment 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)	2023	2022
Financial debt	39,923	33,662
Derivative liabilities	295	308
Gross debt	**40,218**	**33,970**

The composition of gross debt is as follow:

	At 31 December	
(€ million)	2023	2022
Asset-backed financing	15,633	13,399
Notes	13,034	13,608
Borrowings from banks	6,166	3,991
Payables represented by securities	1,974	1,173
Lease liabilities	606	533
Other financial debt	2,510	958
Derivative liabilities	295	308
Gross debt	**40,218**	**33,970**

The composition of gross debt by entity is as follows:

	At 31 December	
(€ million)	2023	2022
CNH Industrial(a)	25,633	22,222
Iveco Group(a)	5,808	4,201
Exor	4,286	4,233
Ferrari	2,491	2,832
Juventus	340	376
GEDI(b)	130	102
Shang Xia	6	4
Other and adjustments	1,524	—
Gross debt	**40,218**	**33,970**

(a) Net of intercompany between CNH Industrial and Iveco Group.
(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 years indicated.

(€ million)	Years ended 31 December 2023	2022
Cash and cash equivalents at the beginning of the period	**11,577**	**7,905**
Cash and cash equivalents at the beginning of the period included in Assets held for sale	—	584
Total Cash and cash equivalents at the beginning of the period	**11,577**	**8,489**
Cash flow from operating activities:	6,246	4,918
- continuing operations	*6,246*	*4,340*
- discontinued operations	—	*578*
Cash flow used in investing activities	(10,946)	(4,099)
- continuing operations	(10,993)	*(10,789)*
- discontinued operations	*47*	*6,690*
Cash flow from (used in) financing activities	2,107	2,132
- continuing operations	2,149	*2,312*
- discontinued operations	*(42)*	*(180)*
Translation differences	(306)	137
Net change in cash and cash equivalents	(2,899)	3,088
Cash and cash equivalents at the end of the period	**8,678**	**11,577**
Cash and cash equivalents at the end of the period included in Assets held for sale	—	—
Cash and cash equivalents at the end of the period	**8,678**	**11,577**

For the year ended 31 December 2023 group companies generated positive cash flows from operating activities related to continuing operation for €6,246 million, while the cash flow in investing activities from continuing operation is a negative €10,993 million, mainly related to the investments in property, plant and equipment and intangible assets for €2,810 million and in subsidiaries and associates for €4,027 million and to other negative net changes in financial assets for €4,360 million.

For the year ended 31 December 2023 net cash from financing activities related to continuing operations is positive €2,149 million, mainly related to the positive change in short term-debt and other financial assets/liabilities (€4,512 million), to the issue of new notes (€1,641 million), partially offset by repayment of notes and other long term debt net, for totally for €1,215 million, dividend distributed (€716 million), Exor and subsidiaries own share buybacks (respectively €996 million and €1,119 million).

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

For the year ended 31 December 2022 net cash from financing activities related to continuing operation was €2,312 million, mainly related to the positive change in short-term debt and other financial assets/liabilities (€3,231 million), issues of new notes (€1,197 million), partially offset by repayment of notes and other long-term for a total of €688 million, dividend distributed (€601 million) and the Exor and subsidiaries own shares buybacks (respectively €255 million and €542 million).

SUBSEQUENT EVENTS AND 2024 OUTLOOK

SUBSEQUENT EVENTS AND 2024 OUTLOOK

Dividend and distribution of reserves expected to be received in 2024

The dividends and distributions of reserves already received or proposed by the Board of Directors of some investee companies are as follows:

		Dividends	
Company	**Number of shares**	**Per share (€)**	**Total (€ million)**
Stellantis N.V.	449,410,092	1.55	697
CNH Industrial N.V.[(a)]	366,927,900	0.43	158
Philips N.V.[(b)]	139,297,503	0.85	118
Ferrari N.V.	44,435,280	2.44	109
Iveco Group N.V.	73,385,580	0.22	16
Exor's share of dividends			**1,098**

(a) Dividend proposed by CNH Industrial equal to $0.47 per share (equivalent to approximately €0.43 per outstanding common share, translated at the exchange rate reported by the European Central Bank on 28 March 2024).
(b) Dividend to be paid in shares.

New bond issue

On 14 February 2024 Exor issued bonds for a nominal amount of €650 million, maturing on 14 February 2033 with an issue price of 99.371% and a fixed annual coupon of 3.75%. The purpose of the issue was to raise new funds for Exor's general corporate purposes and to refinance debt maturing in 2024. The notes are listed on the Luxembourg Stock Exchange, admitted for trading on the Euro MTF Market, with an A- credit rating assigned by Standard & Poor's.

Investment in Clarivate

On 4 March 2024 Exor announced that it became a long-term investor in Clarivate, endorsing the strategic direction set out by the company's management and board, with a 10.1% shareholding in the company.

On the same date Clarivate and Exor announced that Suzanne Heywood, Exor's COO, will be nominated for election to the Clarivate Board of Directors at the company's next annual general meeting of shareholders on 7 May 2024. Under the terms of the agreement signed by Clarivate and Exor, Exor may increase its participation up to 17.5% of Clarivate's outstanding ordinary share capital.

The total amount invested in Clarivate since 2022 is $596 million.

Support to Juventus' capital increase

On 4 April 2024, Juventus announced that following the auction of the pre-emptive rights not exercised during the offer period, its capital increase has been fully subscribed. Therefore, funding of the approximately €72 million that Exor had underwritten is not required.

Investment entity status

Exor will change its reporting from 1 January 2024 as it is determined that it is an Investment Entity under IFRS 10 as of that date.

In the past years, Exor has evolved from a holding to an investment entity, driven by a significant change in its portfolio activity and composition, and changes in its portfolio review process to drive capital allocation decisions based on fair value.

In line with IFRS requirements, Exor will deconsolidate portfolio companies and account for them at fair value, while only continuing to consolidate subsidiaries that provide support services to the Investment Entity.

The change in reporting will be applied from 1 January 2024, with a material impact on the presentation of the consolidated financial statements and with first time application in Half-Year 2024 results. The one-off positive impact on the consolidated income statement would be approximately €12 billion, resulting from the difference between the net carrying amount of investments previously consolidated or accounted for using the equity method and their fair value at the date of the change. The definitive impact will be disclosed in the Half-Year 2024 results.

Exor believes that this change will better align Exor’s reporting and financial disclosures to its business and activities, with NAV and other key metrics audited.

2024 Outlook

Exor 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 in fact, is an investment holding company without a specific business of reference, whose activity is limited to exclusively or almost exclusively participating in companies without interfering in their business operations, except through the exercise of shareholders' rights.

Exor 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 the operations of Exor, nor represent a forecast or estimate of the company’s results. Therefore, in assessing the future prospects of Exor it is not possible to rely on the data and prospective information published by the aforesaid operating subsidiaries and associates.

In 2024 Exor will continue to monitor its investments and to evaluate the performance of the investee companies and their ability to become great companies in accordance with its portfolio review process. Other than the expected increase in the volatility of the profit, as a result of its change in reporting as an investment entity as set out under "Investment entity status" above, Exor does not expect there to be any circumstances affecting future turnover and profitability nor any material changes in financing arrangements or number of personnel in the foreseeable future.

10 April 2024

The Board of Directors

Nitin Nohria

John Elkann

Tiberto Ruy Brandolini D'Adda

Ginevra Elkann

Alessandro Nasi

Melissa Bethell

Marc Bolland

Laurence Debroux

Sandra Dembeck

Axel Dumas

MAJOR SHAREHOLDERS AND OWNERSHIP STRUCTURE

MAJOR SHAREHOLDERS AND OWNERSHIP STRUCTURE

Introduction

Exor N.V. ("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]	233,992,536	Euronext Amsterdam
Special voting shares A[3]	124,717,163	n/a

1. At 31 December 2023 the number of shares was 233,992,536. At the date of this document the number of shares is 220,984,247 following the cancellation on 5 February 2024 of 13,008,289 ordinary shares held in treasury.
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 with the ordinary shares to which they are associated (see www.exor.com).

At 31 December 2023 the Company held 18,022,847 of its own ordinary shares as treasury stock. Following the cancellation in February 2024 of 13,008,289 ordinary shares held in treasury and the exercise of stock options, the Company holds 5,000,687 of its own ordinary shares as treasury stock at the date of this Annual Report.

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 were allocated to Giovanni Agnelli B.V. In connection with the completion of the share buyback tender offer on 12 October 2023, 1,759,986 Special Voting Shares A held by Giovanni Agnelli B.V. were transferred back to the Company. As a result, 122,957,177 Special Voting Shares A were outstanding on 31 December 2023, of which 122,957,146 Special Voting Shares A were held by Giovanni Agnelli B.V.

Repurchase of Shares

The authorization of the Board of Directors to repurchase fully paid-up Exor 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 31 May 2023 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 2023:

Shareholder	number of shares	% of ordinary issued	% of issued capital[1]	latest AFM filing
Giovanni Agnelli B.V.	122,957,146	52.01%	83.89%	13 Dec 2021
Baillie Gifford & Co	10,881,385	4.52%	1.48%	13 Dec 2021
Harris Associates LP	9,028,828	3.75%	1.23%	13 Dec 2021
Vanguard Group	7,925,234	3.29%	1.08%	29 Sep 2022

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

In total eleven shareholders, one of which is Giovanni Agnelli B.V., are registered in the Loyalty Register to participate in the Special Voting Structure for a total amount of 128,882,016 shares, of which 122,957,177 qualifying shares and 5,924,839 electing shares.

At 31 December 2023, Giovanni Agnelli B.V. is the largest shareholder of Exor through its 52.55% shareholding and 86.86% of voting rights on outstanding capital (83.89% 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[1] would entitle subscribers of the following bonds outstanding at 31 December 2023 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, three lending banks would have the right to demand the cancellation of irrevocable lines of credit totalling €200 million, which, however, were unutilized at 31 December 2023.

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.

[1] 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 (holding) level, providing to the board of each investee 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 boards, the implementation of a sound internal control environment.

The System consists of a set of policies, procedures, rules and organisational structures, of which the purpose 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 best practices available nationally and internationally.

Responsibility for the establishment 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. The Board of Directors is responsible for the design, implementation and maintenance of the internal risk management and control system. In executing such responsibilities it is assisted by the Audit Committee, which is responsible for advising the Board of Directors and acts under the authority delegated by the Board of Directors with reference to the internal control and risk management system.

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

- The first line of control identifies and assesses the relevant risks and subsequently manages and implements specific response actions. It comprises the set of control activities that each function applies to their processes to ensure operations are carried out properly. Such activities, the primary responsibility of which lies with the management of the applicable function, are considered an integral part of corporate operations. This first line of control comprises functional management and the Exor Leadership Team.
- The second line of control monitors the main risks to ensure that the controls implemented by the first line are appropriate and effective. It also provides support to the first line of control in the identification and assessment of the main risks, as well as in the implementation of the management procedures and related controls necessary to address those risks. This control line is entrusted to the corporate functions.
- The third line of control provides for independent and objective assurance and advisory activities, and it is aimed at assessing the adequacy of internal control, risk management and corporate governance processes according to a risk-based approach. Third-line controls and activities fall within the remit of an outsourced Internal Audit function, which operates independently.

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

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. 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.

No major failings in the internal risk management and control systems have been observed in 2023.

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 Boards 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 objectives 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 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 2023 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 rising inflation, geopolitical instability, the conflict between Russia and Ukraine and monetary policy of central banks.

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 investee 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 (i.e. the level of risk that Exor is willing to accept to achieve its objective) 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 its reputation, compliance with the rules and regulations and accuracy and reliability of 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's 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 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 the 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 2023 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 8 September 2023 and to the Board of Directors on 22 November 2023.

Exor expects that the risk responses which have been implemented or that will be deployed when activated by ad-hoc triggers, will mitigate the risks up to the level defined within 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 (e.g. due to underperformance of the investment) to recover the operating costs, net financial expenses of Exor and to have free cash flow to invest and/or to reduce debt over time.	Investment diversification in accordance with the strategic objectives and risk appetite / risk bearing capacity. Periodically the diversification is monitored and reported by the Investments Team. Managing and monitoring periodically the cash-in, cash-out (cash flow), and operating costs by the CFO and Corporate Finance Team. Presence of Exor on the Boards of selected investee companies to act as critical friends to support investee companies on their respective paths to greatness (including sustainability topics).
Stock market performance and portfolio composition (Strategic/operational risk)	Risk that stock market fluctuations may affect the value of the investments and the risks 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 future performance; (ii) obtain a return on investments that will increase the Net Asset Value, surpassing the MSCI World Index in Euro; and (iii) limit the impact of climate change adverse developments on the overall portfolio performance.	Exor has a long-term approach in line with its strategy and priorities, reviewed annually by the Investments Team. Investment diversification in accordance with the strategic objectives and risk appetite / risk bearing capacity. The diversification is periodically monitored and reported by the Investments Team. Presence of Exor on the Boards of selected investee companies to act as critical friend to support investee companies on their respective paths to greatness (including sustainability topics). A strategic asset allocation system is in place, adhered and monitored by Exor senior management.
Capital markets fluctuations and financing systems (Financial risk)	Risk related to the capital market fluctuations as changes in long-term interest rates that could increase both counterparty risk for financial institutions (particularly banks which are used for financing and investment activities) and credit ratings (by rating agencies that may limit the access to the capital market). Consequences may be an increase in the cost of collection and impact on the valuation of certain assets with adverse effects on the financial and economic situation as well as potential non-compliance with bond covenants.	As part of internal policies and procedures, periodic meetings are held with rating agencies by the CFO and Corporate Finance team. Financial metrics (e.g. Loan to Value ratio and NAV) are regularly monitored by the CFO and Corporate Finance team. In line with Exor's strategic priorities, internal policies and procedures, a conservative use of leverage is adhered. Treasury and debt financing policies and procedures are adhered to, ensuring that all financing activities; duration, interest rate and cost of capital are monitored and managed adequately by the CFO and Treasury team. Allocation across leading financial institutions for long-term financing and in accordance with the approved list of institutions by the CFO. Management of indebtedness is prepared by the CFO and Corporate Finance team, and approved by the Board.
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 investee companies operate, with potential adverse effects on the businesses in which they operate.	Investment diversification in accordance with the strategic objectives and risk appetite / risk bearing capacity. Periodically the diversification is monitored and reported by the Investments Team. Presence of Exor on the Boards of selected investee companies to act as critical friend to support investee companies on their respective paths to greatness (including sustainability topics).

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

Exor'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, climate and environmental and other events

The financial results and financial condition of Exor's investee companies, and in turn those of Exor itself, are particularly influenced by the general state of the economy in the countries in which they operate and by the macroeconomic factors 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 sectors in which some investee companies operate 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 investee companies' operate include 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 would continue to hamper the pace of the recovery. Global economies are also confronted by a range of geopolitical events which have significantly increased economic and demand uncertainty such as the Covid-19 pandemic and geopolitical instability, including the conflict between Russia and Ukraine, the conflict in the Middle-East and other global events. Some of the impacts of these events include supply chain challenges, inflation, high interest rates, foreign currency exchange volatility, and volatility in global capital markets. Also, 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. Any future pandemic (including a resurgence of Covid-19) may also have a significant impact on 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 investee companies 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 investee companies, its financial results, cash flows or financial condition.

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

The extent of the impact of the Middle East crisis on the global economy cannot be predicted, including the extent to which the crisis may heighten other risks disclosed herein, any of which could have an adverse impact on the business of Exor and its investee companies, its financial results, cash flows or financial condition.

Exor's investee companies are also exposed to climate-related and environmental risks. For example, changes in environmental and climate change laws including laws relating to engine and equipment emissions, safety regulations, fuel requirements, restricted substances, or greenhouse gas emissions, could lead to new or additional investments in product designs to comply with these regulations. Changes to existing laws and regulations or changes to how they are interpreted, or the implementation of new, more stringent laws or regulations could adversely affect their businesses by increasing compliance costs, limiting their ability to offer a product or service, requiring changes to business practices, or otherwise making products and services less attractive to customers. Investee companies are also subject to risks related to climate change, environmental disasters and other events which could disrupt operations, delay production and adversely affect product development schedules, shipments and revenue.

It is not possible to provide an accurate indication of the future impact of the above events on Exor's investee companies. Those events may have an adverse impact on the activity of 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 Exor's ability to assess the value of its assets, in particular its private assets. A potential decline in the value of the portfolio of Exor as a result of the above factors, a potential difficulty to assess the value of private assets as well as any cash distribution by Exor could have an impact on Exor's NAV and its financial condition.

Exor's investee companies currently operate in different sectors and therefore Exor is indirectly exposed to the risks typical of the sectors and markets in which such investee companies operate which may in turn have a significant impact on the earnings, financial position and cash flows of Exor

Exor's investee companies operate mainly in the sectors of luxury (Ferrari, Christian Louboutin, Shang Xia), automobiles and mobility (Stellantis), equipment and services in agriculture and construction (CNH Industrial), healthcare (Philips, Institut Mérieux and Lifenet), commercial and specialty vehicles and powertrain (Iveco Group), media and entertainment (Juventus Football Club, The Economist Group and GEDI Gruppo Editoriale), among others including technology and energy (Via Transportation and Welltec). As a result, Exor is indirectly exposed to the risks typical of the sectors and markets in which such investee companies operate and, in turn, their performance has a very significant impact on the earnings, financial position and cash flows of Exor. The sectors and markets in which Exor's principal investee companies operate have already been impacted by some of the risks identified in this section. These risks may continue to cause a decline in demand for the products and services that Exor's investee companies provide and as a result adversely impact their respective business and operations. The specific risks to which Exor is exposed via its investee companies are identified and addressed by the investee companies themselves within the framework of their own internal control given the diverse nature of the sectors and markets in which they operate.

The financial results reported by the investee companies will continue to significantly influence Exor's results and any failure to achieve their business objectives, or the review of those objectives as a consequence of the deterioration of global market conditions and their own financial and economic condition, may have a negative effect on the business, financial condition, financial results, strategies and prospects of the Group as well as the performance of the shares of Exor in the market.

Risks relating to the competitive environment

Through its investments, Exor operates in businesses which are intensely competitive. Exor and its investee companies compete on the basis of a number of factors, including brand recognition, fund performance, transaction execution, products and services, innovation, reputation and price. Many of the competitors have significant financial resources, experience and marketing strength, and may have the ability to offer a wide range of products and services and introduce innovative products or services, which may enhance their competitive position.

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

Exor does not have operations or significant assets other than the capital stock of its investee companies and the composition of its portfolio may vary substantially from time to time. Exor's cash outflows are mainly related to expenses, payments on its indebtedness and dividends paid to its shareholders. Exor relies primarily on cash dividends and distributions 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 investee companies. Exor expects future dividends and other distributions 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 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 the absence of dividends and distributions may have an adverse effect on Exor's business, financial condition, results of operations and prospects.

Additionally, 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 board 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 in their financing agreements, availability of sufficient funds in such companies and applicable laws and regulatory restrictions. Claims of creditors of Exor's investee companies may have priority as to the assets of such companies over Exor's claims and claims of Exor's creditors and shareholders. To the extent the ability of Exor's investee companies to distribute dividends or other payments to Exor could be limited in any way, Exor's liquidity and ability to pursue its investment strategy and business objectives or to take any other action that could be beneficial to its business, or otherwise fund and conduct its business, could be materially limited. Finally, any restrictions on Exor's investee companies' ability to pay dividends or distributions may limit Exor's ability to incur additional indebtedness or refinance its existing indebtedness in the future as well. Exor's ability to refinance its indebtedness also depends on its ability to generate future cash flow which in turn depends on the ability of its investee companies' to pay dividends or make distributions.

Risks associated with the distribution of dividends

The distribution of dividends by Exor and the amount of such dividends depend on Exor's future profits which in turn depend on the dividends distributed by Exor's investee companies and on the gains realised on the divestment of those companies, events which by their nature are neither periodic nor recurrent. The failure to achieve business plan targets by investee companies 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 their economic results and financial position, impacting their ability to pay dividends to Exor. Therefore, no assurance can be given over the fact that Exor will receive constant flows of dividends from its investee companies, which are dependent on the economic and financial performance and the dividend policies of such companies. Exor's results in different financial years may be neither regular nor 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 investee companies 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 a dividend payout expressed as a percentage) and has not taken any specific commitment in this respect. Accordingly, common shareholders have no guaranteed dividend payment on their ordinary shares.

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. Exor's voting position in those investee companies precludes it from controlling them, limiting its ability to influence the implementation of strategies and the undertaking of actions which may, in some cases, be contrary to Exor's preferred strategies and actions. Exor's financial results depend on the performance of these investee companies, among its other investee companies.

For example, any significant impairments, asset sales, changes in strategy or operational performance, loss of 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, financial results, strategies and prospects of the relevant investee company, and in turn, Exor's business, financial condition, financial results, strategies and prospects.

Changes in market prices of Exor's investee companies

Exor holds investments in both listed companies and private companies. The value of the investments in listed companies is based on their market prices, whereas for investments in private 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 portfolio and in turn its financial results and financial condition. A substantial weakening of equities and/or bond markets or changes in interest rates and/or currency exchange rates could have a negative impact on the value of Exor's investments.

Furthermore, the operating costs which Exor incurs cannot be reduced with the same speed as a fall or unabated decline in financial markets and, in the case of inadequately efficient cost management, this could negatively impact the financial results of the Exor Holdings System.

The rating agencies may downgrade Exor's corporate credit rating

Exor's corporate credit rating from S&P is currently "A-" 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 Exor's business, financial condition and prospects.

Risks relating to claims, lawsuits, governmental investigations and other legal proceedings

As at the date of this Annual Report the Exor and its consolidated subsidiaries are not involved in pending legal proceedings nor have they 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 Exor's perception of the 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, Exor's investee companies may 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 and any related litigation could have a material adverse effect on its net income 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 indebtedness of Exor could have a significant negative impact on the business and the financial performance

The extent of Exor's indebtedness could have important consequences on its operations and financial results, including that Exor may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions. Furthermore, if due to market conditions or other circumstances Exor does not generate the financial resources necessary to repay the outstanding indebtedness in time, Exor could find itself in the position of having to seek additional financing and/or having to refinance or renegotiate the existing debt, on more burdensome terms and conditions including in unfavourable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have a material adverse effect on Exor and/or the Exor Holdings System's business, prospects, earnings and/or financial position.

It should be noted that Exor has not given any guarantee regarding the indebtedness of its investee companies.

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

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

All 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 rateably 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 Exor's financial position and prospects.

Exor has issued debt instruments containing, and any of Exor's future bond notes, other debt instruments and financing agreements may also 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 rateably 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.

Further, the bond notes issued by Exor 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.

The restrictions in the terms of the relevant instruments and agreements, subject to specified exceptions, may restrict 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.

At 31 December 2023, 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 financial covenants.

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

Exor may enter into financial arrangements, in addition to those already entered into and correspondingly incur substantial additional indebtedness to enable it to execute on its investment strategy. These financial obligations could result in limitations on Exor's ability to borrow additional amounts to cover expenses, capital expenditures, investments, debt service requirements, execution of its strategy and other purposes, which may have a negative impact on Exor's business, financial condition and prospects.

Future investments or divestments or similar transactions by Exor could involve risks unknown to Exor that may harm Exor's business and adversely affect its financial condition

Exor has previously pursued or completed, and may in the future pursue or complete, investments, divestments or similar transactions involving several risks, and in doing so, has relied on and intends to continue relying on a conservative management of its financial leverage. In the case of investments, those risks may relate to the industries in which the targeted companies operate, risks in sectors where Exor has no previous experience, as well as financial, legal and operational risks related to such investments and other risks unknown to Exor. In the case of divestments, those risks may arise from the relationship with counterparties, regulators and other stakeholders in the divested companies, risks related to Exor's management of such business, including financial, legal and operational risks related to such divestment and other risks unknown to Exor. In the case of 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 opportunities, there can be no assurance that the due diligence activities will identify every risk that could have a material adverse effect on Exor. The realisation of any such risks, identified before the completion of a transaction or otherwise, could expose Exor to unexpected costs and liabilities, including, without limitation, those arising from litigation or other regulatory proceedings, and limit or prevent it from completing the transaction or achieving its expectations in terms of the profitability of such investment, divestment or similar transaction, which could adversely affect Exor's financial condition, liquidity and ability to service its own debt. Furthermore, considering its own investments, Exor intends to maintain a financial leverage aligned to its assigned corporate credit rating. However, no assurance can be given that a current or future investment, divestment or any other similar transaction would not have a negative impact on Exor's financial condition in the short and/or long-term and in turn on its corporate credit rating. See the risk "The ratings agencies may downgrade the Exor's corporate credit rating".

Risks associated with the identification and completion of suitable investments, divestments or similar transactions

Exor may not be successful in identifying and completing suitable investments, divestments or similar transactions at attractive valuations and favourable terms. For example, any attractive investment, divestment or similar transaction may be limited or prohibited by applicable regulatory regimes, or the negotiations in relation to the investment, divestment or other similar transaction may fail.

Furthermore, any future investment, divestment or similar transaction may not be executed successfully, and the due diligence activities as well as the negotiation, drafting and execution of the relevant agreements, disclosure documents and the use of other instruments with respect to such transactions, might require a substantial amount of Exor's management's time as well as substantial costs related to the involvement of financial advisors, accountants, attorneys and other advisors. Even if an agreement was reached on a specific transaction, such transaction may fail to be completed for any reason, including for reasons beyond Exor's control or by virtue of Exor's decision not to proceed based on commercial or other grounds.

The use of a significant amount of Exor's management time and the incurring of transaction costs, including in the form of break or termination fees in case of failure to complete any acquisition, disposal or similar transaction, could have a material adverse effect on Exor's financial results and financial condition.

Additionally, any delay in completing an investment, divestment or other similar transaction, could negatively impact or delay the achievement of the expected results and benefits in respect of such investment, divestment or other similar transaction, and could have significant negative repercussions on the business prospects of Exor, as well as its financial results and its financial condition.

Furthermore, even if Exor does successfully complete an investment, divestment or other similar transaction, there is no assurance that such transaction will have a positive impact on Exor's business, financial condition, financial results and prospects.

Risks relating to Exor's investment portfolio and the concentration of investments

Maintaining long -term ownership in companies and the activity of investing involves certain risks, such as having high exposure to a certain sector or industry or an individual holding, being exposed to changing market conditions where to find attractive investment candidates or the inability to exit from a holding at the chosen time.

Exor holds a limited number of investments and, consequently, the economic and financial performance of Exor and of the Exor Holdings System may be materially influenced by the negative performance of just one of the investments made. No assurance can be given in relation to the future performance of Exor's investment portfolio nor that Exor's investment portfolio will not vary substantially from time to time nor that Exor will not increase its current investments or may not dispose in whole or in part of any of its current investments.

Exor's investment decisions are formulated on the basis of in-depth assessments by its leadership team and evaluated on the basis of the potential contribution of the individual investment to the geographical and sector diversification of Exor's overall investment portfolio and of its capacity to generate future cash flows. Divestment decisions are driven based on a long-term investment holding outlook which considers the attractiveness of specified sectors where Exor's leadership team expect to realize above average returns, as well as a continuous monitoring and rebalancing of its investment portfolio applying the framework developed by management. Exor is not bound by any specific target or criteria regarding geographical and industrial features of its investments, holding period and achievements of targets. Exor generates returns which may be retained, reinvested or distributed to shareholders at the absolute discretion of the company (subject only to shareholder vote on dividend distribution).

This also means that, immediately after a disposal of a (or several) significant portfolio investment (or investments), Exor could temporarily be exposed to few companies or industries, thus exhibiting low levels of portfolio diversification.

Risks relating to future investments, divestments acquisitions, disposals or other similar transactions that may not require a shareholder vote and may be material to Exor

Any future investments, divestments or similar transactions could be material in size and scope and Exor's shareholders and potential investors may have limited information on those transactions. Consequently, Exor shareholders may have limited information on which to base a decision regarding their investment in Exor shares. In any event, depending upon the size and structure of any transaction, shareholders are generally expected to not have the opportunity to vote on a specific relevant transaction, and may not have access to any information related to the transaction until it is completed (i.e. after Exor files the required documentation with the relevant authority, commission or regulator disclosing the nature of such transaction and publicly announces the transaction). Exor may proceed with a transaction which would potentially not have been approved should it had been required to be put to a vote by Exor's shareholders (assuming that they would vote against such transaction). The transaction may also fail and incur significant costs or, if completed, it may not achieve the expected results (for example, if an acquired company were not to perform as expected or in a divestment the sale price was lower due to unfavourable negotiations). Any such event may have an adverse impact on Exor's business, financial condition, financial results 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 depends, and will continue to depend, partially upon the ability to attract and retain management personnel and an efficient management of the business both within Exor and the investee companies.

If Exor and its investee companies 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 of Exor. Furthermore, if one or more managers were to resign from service within Exor or within Exor's investee companies and it was 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 investments, divestments and similar transactions, to monitor and manage Exor's investment portfolio, and otherwise to manage Exor's business. The inability of Exor to attract and retain such management personnel may have a materially adverse effect on Exor's business, financial condition, financial results and prospects.

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

Certain of Exor's major shareholders, investee companies 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 investment, divestments, business combinations 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 Exor's and/or one or more of its investee companies', as applicable, financial condition, financial results 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 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

Exor 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 Exor's reported revenue, profitability and financial results. In general, changes in IFRS-EU could have a significant impact on the amount or timing of Exor'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 Exor.

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 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 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 prepared in accordance with 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 shareholder

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 52.55% of the issued ordinary shares of Exor and, considering the Special Voting Structure holds 86.86% 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.

Risks relating to the loyalty voting scheme

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 2023 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.

In light of the above, the Special Voting Structure could prevent or discourage initiatives of shareholders directed at changing the management of Exor. The essential features of the Special Voting Shares are described in the Articles of Association of Exor, as well as in the terms and conditions of the Special Voting Shares available on Exor's website.

RISKS RELATED TO TAXATION

Risks and uncertainties associated with the development and interpretation of tax regulations

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

Additionally, Exor and its principal investee companies are also exposed to the risk arising from the interpretative complexity of tax regulations and may from time to time be subjected to inspections by the tax authorities.

The implementation of the Global Minimum Tax (Pillar Two) may affect Exor's future effective tax rates

The implementation of the Global Minimum Tax may affect Exor's future effective tax rates.
On December 14, 2022, the Council of the EU approved Directive 2022/2523 on ensuring a global minimum level of taxation ("Global Minimum Tax") for multinational enterprise groups and large-scale domestic groups in the EU. This directive introduces minimum effective taxation of 15% for multinational enterprise groups and large-scale domestic groups with annual revenues of at least €750 million in the consolidated financial statements in at least two of the four prior fiscal years.

Taxpayers included in the scope of the Global Minimum Tax should calculate their effective tax rate for each jurisdiction where they operate and pay a "top-up tax" (as defined and detailed in the abovementioned directive) for the difference between their effective tax rate per jurisdiction and the 15% minimum rate.

Many EU and non-EU countries have initiated domestic legislative procedures to enact these Global Minimum Tax rules. Depending on each country's final enactment, these rules may apply to Exor starting with the fiscal year beginning on 1 January 2024.

Since Exor (also through its investee companies) operates in countries where the Global Minimum Tax rules apply, Exor is analysing the impact of these rules on its operations. However, Exor is awaiting final legislation and detailed guidance to assess the full implications in the jurisdictions in which it operates, considering also that there is still uncertainty surrounding the implementation and application of these rules.

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 the Netherlands on Euronext Amsterdam. The Company’s legal and tax residence is in the Netherlands.

Exor attaches great importance to 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 laid down in the Dutch Corporate Governance Code 2022 (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 as reflected in the explanatory notes to Principle 5.1 of the Dutch Corporate Governance Code.

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.

Registered Offices

The Company has its registered office 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.

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 and its purpose to build great companies and deliver superior returns to its shareholders. In the performance of its tasks, the Board of Directors is guided by sustainable long-term value creation and takes into consideration the stakeholder interests that are relevant in this context.

Mr. Nohria was appointed as Chair of the Board on 31 May 2023. The Board of Directors is composed of one Executive Director and nine Non-Executive Directors. The Executive Director, the Chief Executive Officer of the Company, has the day-to-day responsibility for the management of the Company. The Non-Executive Directors do not have day-to-day responsibility and their duty is to supervise the management by 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. By resolution adopted on 22 November 2023, due to a transfer of the nominating activities from the CNC to the ESG Committee, the charters of the CNC and the ESG Committee were amended and the name of the CNC was changed to compensation committee (“CC”).

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. Nitin Nohria	1962	Chairman/Senior Non-Executive Director	Indian	31 May 2023	1 year
Mr. John Elkann	1976	Chief Executive Officer	Italian	31 May 2023	7 years
Mr. Tiberto Ruy Brandolini D’Adda	1948	Non-Executive Director	Italian	31 May 2023	1 year
Mrs. Ginevra Elkann	1979	Non-Executive Director	Italian	31 May 2023	7 years
Mr. Alessandro Nasi	1974	Non-Executive Director	Italian	31 May 2023	7 years
Ms. Melissa Bethell	1974	Non-Executive Director	British	31 May 2023	6 years
Mr. Marc Bolland	1959	Non-Executive Director	Dutch	31 May 2023	7 years
Mrs. Laurence Debroux	1969	Non-Executive Director	French	31 May 2023	6 years
Ms. Sandra Dembeck	1974	Non-Executive Director	German	31 May 2023	1 year
Mr. Axel Dumas	1970	Non-Executive Director	French	31 May 2023	2 years

(a) Years since the first appointment as Director by the Annual General Meeting of the Company.

The following six of the nine Non-Executive Directors (representing a majority) qualify as independent for the purposes of the Dutch Corporate Governance Code:

– Nitin Nohria
– Melissa Bethell
– Marc Bolland
– Laurence Debroux
– Sandra Dembeck
– Axel Dumas

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

– Nitin Nohria: Chairman/Senior Non-Executive Director
– John Elkann: Chief Executive Officer

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

Nitin Nohria (1962) – Chairman/Senior Non-Executive Director

Nitin Nohria is the George F. Baker Jr. and Distinguished Service University Professor at Harvard Business School. He previously served as the school's tenth dean from 2010-2020. His intellectual interests centre on leadership and corporate performance. He is the co-author of 16 books and over 100 articles and cases. Before joining the Harvard Business School faculty, Nohria received his Ph.D. (1988) from the Sloan School of Management, Massachusetts Institute of Technology, and a B. Tech. (1984) in Chemical Engineering from the Indian Institute of Technology, Bombay (which honoured him as a Distinguished Alumnus in 2007).

Additional positions
He serves as the Executive Chairman of Thrive Capital (a NYC venture capital firm) and sits on the Board of Directors of Anheuser-Busch InBev, Alsym, Bridgespan, Massachusetts General Brigham, and Rakuten Medical.

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. 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 member of the JP Morgan International Council.

Tiberto Ruy Brandolini d'Adda (1948) – Non-Executive Director

Mr. Tiberto Brandolini d'Adda graduated from the University of Parma in 1972 with a degree in commercial law and started his career within the international department of Fiat S.p.A. After working for Lazard Bank in London, he was appointed assistant to the Director General for Enterprise Policy at the European Economic Commission in Brussels. In 1975, he became General Manager at Ifint (Agnelli Group) for Europe and subsequently Managing Director of Exor Group Worldwide (formerly Ifint), where he also served as Vice Chairman until 2007. During this time, he was also on the Board of Directors of several companies, including Le Continent, Bolloré Investissement, Société Foncière Lyonnaise, Safic-Alcan, Château Margaux and SGS (Société Générale de Surveillance S.A.). Mr. Brandolini d'Adda served as Chairman of ClubMed, Chairman of the Supervisory Board of Worms & Cie and as Chairman and Executive Officer of Sequana Capital (formerly Worms & Cie) until 2009. From 2009 to 2015, he held the position of Vice Chairman of Exor S.p.A., formed through the merger between IFI and IFIL Investments (Agnelli Group), while also serving as the Chairman of Exor S.A. (Luxembourg) from 2007 to 2017. From 2003 to May 2023, he was a General Partner of Giovanni Agnelli & C. S.a.p.az. and then Board Member of Giovanni Agnelli B.V. From 2004 to 2020, Mr. Brandolini d'Adda was a Member of the Board of Directors of Fiat S.p.A. and then Board Member of Fiat Chrysler Automobiles N.V. (FCA), now Stellantis.

Additional position
Mr. Brandolini d'Adda is also a board member of Yafa S.p.A, which controls the Vittoria Assicurazioni Group and an Officier de la Légion d'Honneur.

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 on 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, Astra and GS S.p.A. and is a member of the board of CNH Industrial and Iveco Group. 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.

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 Senior Advisor at Atairos, an investment fund backed by Comcast NBC Universal, and Chair of Ocean Outdoor, an Atairos investee company. 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. From 1 January he became Senior Adviser.

Additional positions
Marc Bolland is currently a non-executive director of The Coca-Cola Company, 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.
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.

Additional positions
She is currently 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) and of HEC Paris.

Sandra Dembeck (1974) – Non-Executive Director

Sandra graduated in Business Administration from the University of Passau and holds a doctorate from the University of Konstanz. She started her career in 1999 at McKinsey & Company where she spent 6 years first in Europe and later relocated to Hong Kong. In 2005 she joined C&A to start up their retail business in China followed by various CFO roles for C&A in Europe. She joined Kingfisher Plc in 2014, first as CFO B&Q China before relocating to the UK to become CFO B&Q UK & Ireland. In 2018 she was appointed Deputy Group CFO for Kingfisher Plc. In April 2020, at the start of the Covid pandemic, she joined the world's largest caterer Compass Group Plc as Group Corporate Finance Director.

Additional position
Dr. Sandra Dembeck is CFO of Zalando SE, Europe's leading online fashion and lifestyle brand based in Berlin.

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.

Additional position
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 age, race and ethnic provenance, religion and ideology, disability, gender, sexual identity and social-economic status). 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 at least 1/3 male and 1/3 female, aims to continue the balance with a minimum of 1/3 female and 1/3 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 of the non-executive directors to be at least 1/3 male and 1/3 female). These rules apply to supervisory boards and non-executive directors of Dutch companies listed on Euronext Amsterdam. These female quota rules apply to the Company since its listing on Euronext Amsterdam in the summer of 2023. The 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, as four of the nine Non-Executive Directors are female, the non-executive composition of the Board is 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. During 2023, 43% of our employees were women and 57% 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 will 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 and the meetings of the committees of which they are a member, with the understanding that, on occasion, a Director may be unable to attend a meeting.

In total six Board of Directors meetings were held in 2023. In these meetings, the Board discussed, reviewed and decided on a number of topics amongst others, the general state of the economy, as well as the strategy of the Company, new investment opportunities, the review of existing investments and of the investment procedure, the long-term value creation, cash and debt management, the Tender Offer transaction as announced by the Company in September 2023, as well as the participation in the Tender Offer of Giovanni Agnelli B.V. as controlling shareholder of the Company being a Related Party transaction; the Company's Full and Half-Year financials, the Company's 2023 objectives, the 2023 risk assessment, the values and purposes for the coming years, ESG related topics, Path to Greatness, the investor day and the evaluation of the functioning of the Board, its members and its Committees.

The table below shows the attendance of the individual Board members at these meetings.

Director	Board of Directors	Audit Committee	Compensation and Nominating Committee	ESG Committee
Ajay Banga[1]	0/2	0/1		0/1
Nitin Nohria[2]	4/4	3/3	1/2	1/1
John Elkann	6/6			
Andrea Agnelli	1/2			
Tiberto Ruy Brandolini D'Adda[2]	4/4			
Ginevra Elkann	6/6			
Alessandro Nasi	5/6			
Melissa Bethell	6/6		1/1	2/2
Marc Bolland	6/6	4/4	3/3	
Laurence Debroux	5/6	4/4		2/2
Sandra Dembeck[2]	4/4	3/3		
Axel Dumas	6/6		3/3	

1 Resigned per 31 May 2023.
2 Joined the board as of 31 May 2023.
3 End of term per 31 May 2023.

Evaluation

Annually, under the oversight and responsibility of the Compensation Committee and of the Chairman/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 2023, 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 which emerged from this self-evaluation was positive.

In addition to the written questionnaires, the Chairman 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 Committee, as well as the ad interim Chairman, 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 was considered as well in more detail during this meeting and this was very insightful.

The overall conclusion on the composition and functioning of the Board is good and supportive. The Directors valued positively the open and constructive discussions as well as the discussions on purpose to build great companies and deliver superior returns to the Company's shareholders, the long-term goals 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 have more structure in the meeting agendas and be provided with time to read and prepare to encourage discussion. This is being addressed by establishing duration for each agenda topic and sending the meeting material more in advance.

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".

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 20 November 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.

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 22 November 2023.

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.

The non-independent Directors declared to have a potential conflict of interest in relation to the Tender Offer announced on 13 September 2023 on account of their financial interest as shareholder of the Company's majority shareholder Giovanni Agnelli B.V. that participated in the Tender Offer. In accordance with internal procedures, they did not participate in the deliberations and decision-making of the Board in respect of the Tender Offer. The internal procedures regarding transactions including conflicts of interest were therefore complied with.

Giovanni Agnelli B.V. participated in the Tender Offer on terms customary to the market and in accordance with applicable internal polices. The transaction was therefore entered into in accordance with best practice provision 2.7.5. of the Dutch Corporate Governance Code. There were no other transactions involving a conflict of interests with members of the Board or transactions with Giovanni Agnelli B.V. in the financial year 2023.

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.

Mr. Elkann, Executive Director of Exor, also fulfils a role as chairman of Ferrari N.V. and Stellantis N.V. 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.

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 must be fulfilled under Dutch 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.

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 liabilities, 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 (each a “Legal Action”), of or initiated by any party other than the Company itself or a group company thereof, in relation to any acts or omissions in or related to his 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 therefor. The Indemnified Person will not be indemnified with respect to Claims in so far as they relate to the gaining in fact of personal profits, advantages or remuneration to which he was not legally entitled, or if the Indemnified Person has been adjudged to be liable for willful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*).

Any expenses (including reasonable attorneys' fees and litigation costs) incurred by the Indemnified Peron in connection with any Legal Action will be settled or reimbursed by the Company, but only upon receipt of a written undertaking by that Indemnified Person that he will repay such Expenses if a competent court in an irrevocable judgment has determined that he is not entitled to be indemnified.

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 Full and Half-Year 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; and (vii) the effectiveness and functioning of the Company's internal audit function and independent auditors.

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 20 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, the majority are financial experts 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 31 May 2023[1], the Audit Committee consisted of the following members:

- Laurence Debroux (Chair)
- Marc Bolland
- Sandra Dembeck
- Nitin Nohria

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 Accounting Officer, the Chief Administrative Officer, the General Counsel and the Chief Audit Executive as the internal auditor 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 2023. The average attendance rate was 93%.

The main items discussed and/or reviewed during these meetings were, amongst others, the Full and Half-Year financial reports; the risk assessment and risk appetite; the 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 insider trading procedure; the quality of the control environment; the Tender Offer transaction as announced by the Company in September 2023, as well as the participation in the Tender Offer of Giovanni Agnelli B.V. as controlling shareholder of the Company being a Related Party transaction; updates on the liquidity position of the Company, the evaluation of and the (re)appointment of the external auditors;

[1] Until 31 May 2023 the Audit Committee consisted of: Laurence Debroux (Chair), Ajay Banga and Marc Bolland.

the evaluation and (re)appointment of the internal audit function and; the self-assessment of the Audit Committee itself.

The CFO, the General Counsel, the CAO, and the external auditors as well as the Chief Audit Executive (head of the internal audit function) attended all the meetings. Furthermore, the Committee held executive sessions with and between the committee members itself and with the external and internal 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 its 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 2023, 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 significant deficiencies or deficiencies were identified.

THE COMPENSATION COMMITTEE

The Compensation Committee, under the responsibility of the Board of Directors, assists and supports the Board of Directors with its oversight of, amongst others: (i) the Company's remuneration policy; (ii) the compensation of Executive and of Non-Executive Directors; (ii) and the Company's remuneration report.

The tasks and functions of the Compensation Committee are described in the Compensation Committee Charter, which was last amended and approved during the Board meeting held on 22 November 2023. The Charter is published on the Exor website (www.exor.com/pages/exor/governance/corporate-regulations).

Composition of the Compensation Committee

The Compensation 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 Committee Charter.

As of 31 May 2023[2], the Compensation Committee consisted of the following members:

- Marc Bolland (Chair)
- Axel Dumas
- Nitin Nohria

Meetings

The main items discussed and/or reviewed during these meetings were, amongst others: the remuneration policy and the remuneration of an independent Chairman of the Company; the CEO compensation; the short-term incentive targets and review of the 2023 Remuneration Report; the review of and discussions on the results of the self-assessment and the recommendations thereof to the Board of Directors and the establishment of the independence of the Non-Executive Directors.

[2] Until 31 May 2023 the Audit Compensation and Nominating Committee consisted of: Marc Bolland (Chair), Melissa Bethell and Axel Dumas.

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 ESG Committee furthermore assists and supports the Board of Directors with respect to: (i) drawing up the selection criteria and appointment procedures for directors of the Company; (ii) periodic assessment of the size and composition of the Board of Directors and as appropriate making proposals for a composition profile of the Board of Directors; periodic assessment of the performance of individual directors and reporting on this to the Board of Directors; and (iv) proposals for the Board of Directors for the nomination and re-nomination of directors to be elected by the shareholders.

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 22 November 2023. The Charter is published on the Exor website (www.exor.com/pages/exor/governance/corporate-regulations).

As of 31 May 2023[3], the ESG Committee consisted of the following members:

- Nitin Nohria (Chair)
- Melissa Bethell
- Laurence Debroux

In 2023, the ESG Committee met twice with an attendance rate of 83%.

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

The main items discussed and/or reviewed during these meetings were, amongst others: the sustainability report, the work performed on TCFD reporting, the TCFD report, the presentation by external advisors herein and the publication of the report, the ESG objectives and progress made.

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 investment 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 of 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 (if applicable);

[3] Until 31 May 2023 the ESG Committee consisted of: Ajay Banga (Chair), Melissa Bethell and Laurence Debroux.

(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 Euronext Amsterdam.

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 Chairman/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 or her 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 or her proxy will only be admitted to the meeting if he has notified the Company of his or her 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 or hr 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 or her 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 or her name, the number of votes that can be exercised by him or her and, if applicable, the name of his or her 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 of the general meeting of shareholders being the 28th calendar day before the date of the general meeting of shareholders. 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 10 April 2024, the Board of Directors approved and adopted the amended Code of Conduct (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 commitments as laid down in the Code. Its rigorous observance is required of all people in the Company.

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 the other policies and procedures of the Company, the Code constitutes the primary set of values in the Exor governance framework.

The Code is shared with all new employees and Exor 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 Company is committed to assuring the maximum diffusion of the values, principles and commitments of the Code through appropriate communication methods, including training and measures to increase awareness of its contents.

During 2023 there were no reports made regarding non-compliance with 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 means of corruption.

During 2023 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 31 May 2023 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 Amsterdam on the day before each transaction is made or in case of a public offering, an amount equal to 110% of the highest closing price recorded for the ordinary shares on Euronext Amsterdam on the trading days of the period between (a) the day of the announcement to the public and (b) the day before the day that the repurchase is made.

(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.

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 2.1.5 of the Dutch Corporate Governance Code: The Company should have a Diversity and Inclusion (D&I) policy for the enterprise. The D&I policy should in any case set specific, appropriate and ambitious targets in order to achieve a good balance in gender diversity and the other D&I aspects of relevance to the company with regard to the composition of the management board, the supervisory board, the executive committee (if any) and a category of employees in managerial positions ("senior management") to be determined by the management board. The supervisory board adopt the D&I policy for the composition of the management board and the supervisory board. The management board should adopt the D&I policy for the executive committee (if applicable), the senior management and the rest of the workforce with the prior approval of the supervisory board.*

The Board of Directors is responsible for maintaining sufficient diversity in the Board of Directors and has adopted a diversity policy that is available on Exor's website (the "Diversity Policy"). The Diversity Policy applies to the composition of the Board of Directors. Given the size and nature of Exor it has no executive committee in place and considering its limited workforce, the Company has not adopted in writing a diversity policy that applies to senior management and the rest of the workforce, but it adheres to the principles of the Diversity Policy in ensuring diversity in education, work experience, nationality, age and gender throughout the organisation and in the selection of new employees.

b) *Best practice provision 2.1.6 of the Dutch Corporate Governance Code: The corporate governance statement should explain the D&I policy and the way in which it is implemented in practice. This includes the following information: (i) the goals of the D&I policy, (ii) the plan to achieve the goals of the D&I policy, (iii) the results of the D&I policy in the past financial year and – where relevant and applicable – insight into the inflow, progression and retention of employees; and (iv) the gender composition of the management board, the supervisory board, the executive committee (if any) and senior management at the end of the past financial year. If one or more goals for the composition of the management board, the supervisory board, executive committee (if any) and/or senior management are not achieved, an explanation of the reasons should be included in the corporate governance statement, along with an explanation as to which measures are being taken to attain the goals and by when this is likely to be achieved.*

The goal of the Diversity Policy, besides to have gender diversity, is for the Board of Directors to be composed of a mix of industry knowledge and financial and managerial expertise. The current composition of the Board of Directors is considered to meet this goal and is considered to be balanced in terms of education, work experience, nationality, age and gender. Furthermore the Board of Directors consists of a minimum of 30% male and female representatives in line with Dutch law. Although the Company has not adopted in writing a diversity policy that applies to senior management and the rest of the workforce, the Company adopts and meets the same goals for senior management and the rest of the workforce as set out in the Diversity Policy. The current composition of the senior management and the rest of the workforce is also considered balanced in terms of education, work experience, nationality, age and gender and consists of a minimum of 30% female and male employees. Reference is made to the employee statistics included in the section “Sustainability Report – 7. Exor Employee Statistics”.

c) *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 Tiberto Ruy Brandolini d'Adda, Ginevra Elkann and Alessandro Nasi 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.

d) *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.

Until 22 November 2023, the Company has combined the activities of the remuneration committee and the selection and appointment committee in one committee, called the Compensation and Nominating Committee. As from 22 November 2023 the roles of the remuneration committee remained with the committee that was renamed Compensation Committee and the activities of the selection and appointment committee were allocated to the ESG Committee. Therefore, the Company now complies with Principle 2.3.2 that provides for the separation and allocation of roles to an audit committee (the Audit Committee), a remuneration committee (the Compensation Committee) and a selection and appointment committee (the ESG Committee).

e) Best practice provision 4.1.8 of the Dutch Corporate Governance Code: Management board members and supervisory board members nominated for appointment should attend the general meeting at which votes will be cast on their nomination.

Sandra Dembeck and Tiberto Ruy Brandolini d’Adda did not attend the annual general meeting on 31 May 2023 at which votes were cast on their nomination as Non-Executive Directors due to other prior commitments.

REPORT OF THE NON-EXECUTIVE DIRECTORS

Introduction

This is the report of the Non-Executive Directors of the Company on the financial year 2023 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 sustainable 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 consider the internal and external stakeholder interests that are relevant in this context.

The tasks of the Executive Director and the Non-Executive Directors in a one-tier board such as the 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 Director 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 Director and nominate Director candidates, via the ESG Committee, for appointment. 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 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 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 2023, 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 of the committees; the Tender Offer; the set-up of Lingotto; objectives 2023; the financial results and reporting, new investment opportunities and transactions, compensation, the appropriateness of the risk management and control systems, 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 six of the nine 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 were assisted by the Compensation and Nominating Committee and will be by ESG Committee for next year.

In 2023, the evaluation of the Board 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 Chair of the Compensation and Nominating Committee held individual conversations with each of the Non-Executive Directors. In these conversations, the overall functioning of the Board, that of the individual Directors and of 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 the 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 considered 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 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 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 2023, 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 103, (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 75, (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 judgment of the Board of Directors, relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the Board Report. Refer to the Risk Factors section on page 82.

10 April 2024

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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 of the position at the 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.

10 April 2024

The Board of Directors

Nitin Nohria

John Elkann

Tiberto Ruy Brandolini D'Adda

Ginevra Elkann

Alessandro Nasi

Melissa Bethell

Marc Bolland

Laurence Debroux

Sandra Dembeck

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).

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 is a diversified investment holding company with a culture that combines entrepreneurial spirit and financial discipline. Most of its portfolio is made up of companies, both public and private, 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 perform to the highest standards but also those that seek out renewal and change and are distinctive in what they do. In addition, great companies need ***to act in a responsible way.*** Exor expects the companies in which it is a significant shareholder to set and achieve clear sustainability targets and to communicate these clearly to all their stakeholders. It also expects that the principle of acting responsibly should be engrained into its business activities.

HOW WE BUILD:

- Create strong governance that allows diversity of thinking
- Foster a culture with clarity of purpose
- Appoint leaders who embody our values

BUILD GREAT COMPANIES

WHAT MAKES A COMPANY GREAT:

- Distinctive in what it does
- Seek renewal and change
- Performs to the highest standards
- ***Acts in a responsible way (cross-cutting)***

Exor's ownership helps create environments where companies can thrive and helps empower leaders to build great companies. Exor does this by having an active role in the governance of the companies it owns and by working with fellow directors to create strong boards that can act as "critical friends" to those companies, challenging them to improve performance across all the dimensions of being a great company and supporting them when they face obstacles. Through this approach, Exor encourages its companies to set and achieve their sustainability goals while always being conscious of their autonomy. Some of the ways in which Exor supports its companies are outlined below.

1 CREATING AN ENVIRONMENT WHERE COMPANIES CAN THRIVE	2 EMPOWERING LEADERS TO BUILD GREAT COMPANIES	3 USING GOVERNANCE TO STEER OUR COMPANIES
✓ Stable ownership	✓ Use Exor's network to find new leaders	✓ Build effective boards
✓ Long-term committed capital	✓ Act as a "critical-friend" to leaders in its 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 its 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 own organisation, offers equal opportunities, and creates a diverse and inclusive workforce. 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 Exor colleagues to find the appropriate balance between them.

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.

I. EXOR'S SUSTAINABILITY APPROACH

1. HOW GREAT COMPANIES ACT IN A RESPONSIBLE WAY

Exor believes that, to act in a responsible way, great companies should:

– Align with best practices and reporting frameworks;

– Identify priorities, set targets, measure and report progress;

– Continue to raise the bar;

– Aspire to industry sustainability leadership.

Exor has created a sustainability framework that it applies to itself and uses across its companies. This is structured into three parts:

FOUNDATIONS	• These are the fundamental sustainable governance procedures, policies and guidelines that Exor and its companies need to operate with integrity, responsibility and ethics
PASSIONS	• Exor has identified key passions 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 sustainability 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 sustainable 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 sustainability 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.

Exor will continue to review and add to this list of foundational elements over time.

1.2 PASSIONS

In addition to these foundational elements, Exor has identified three “passions” that it is pursuing at Exor level and which it champions with its companies. While Exor respects the independence of its companies, it encourages all of them to adopt these passions as part of their sustainability plans. These passions have deep roots – they have emerged from Exor’s history and values, and have been refined through its discussions with stakeholders.

Emissions reduction	Education: decreasing inequalities and promoting innovation	Diversity and inclusion
We are committed to 21st century sustainable manufacturing with a clear path to carbon neutrality	We have a history of championing the life changing power of education	We believe hiring and empowering diverse talent leads to better business results

Exor’s commitments on these passions are described in Section 2 and the progress being made by Exor’s companies is described in Section 3.

1.3 COMMUNICATION

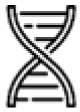
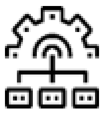
Exor’s passions are aligned with a sub-set of the United Nation’s Sustainable Development Goals (SDGs) as shown below. Exor is using these for communication at the holding level and is also encouraging their use at company level.

Emissions reduction	Education: decreasing inequalities and promoting innovation	Diversity and inclusion

1.4 IMPLEMENTATION

Exor's approach to governance is summarised in the table below. This governance framework has been derived based on extensive discussions with stakeholders and information gained through interviewing other organisations to understand their best practices. Exor’s Board of Directors is responsible for Exor’s overall strategy, including on sustainability 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 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 sustainability framework and through its presence in the boards of its companies, Exor champions and supports their progress on sustainability issues.

BOARD STRUCTURE 	*Exor creates effective board structures* • Board size – keep our boards relatively small to maintain high-quality debate • Committees – focus committees on audit, sustainability and remuneration issues • Meetings – create systematic annual board schedules and agendas
PEOPLE 	*Exor spends time choosing the right directors* • Exor role – play an active role within the boards of all its companies • Diversity – ensure there is a range of perspectives on all boards • Expertise – appoint directors with appropriate sector and functional expertise
PROCESS 	*Exor incentivises and improves board performance* • Assessment – conduct regular Chair, CEO and board reviews • Remuneration – encourage directors to become shareholders • Director terms – appoint directors for clear and overlapping terms

2. EXOR'S SUSTAINABILITY 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 views 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 SUSTAINABILITY 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 2023 is summarised below.

ESG Committee
This Committee is chaired by Exor's Chair, Nitin Nohria, with board members Melissa Bethell and Laurence Debroux attending as members. The Committee met twice in 2023 and oversees Exor's sustainability activities at holding company level, including its non-financial reporting. It also interacts with key management and functions within the organisation, in particular the Exor's COO (the designated lead for sustainability-related matters within Exor). The ESG Committee advises Exor's management on how they should use their roles within the governance of Exor's companies to champion progress on sustainability issues and it tracks the progress being made.

Code of Conduct
Exor updated its Code of Conduct so that it spoke more directly to its employees. The Code of Conduct is shared with all employees, approved by the Board of Directors and published on the Exor website. It is the responsibility of all employees to familiarise themselves and comply with its provisions and to monitor its application, as well as to report infringements, thereby helping to protect the Company and personal reputations.

Task Force on Climate-related Financial Disclosures (TCFD) Report
Exor published its first dedicated disclosure on climate change related issues in 2023, aligned with the recommendations of the TCFD. Besides defining an organisational structure for governing climate-related risks and opportunities, Exor performed a scenario analysis to identify the impact of these risks and opportunities on its business and defined a set of metrics and targets on which its performance can be measured with portfolio emissions being calculated by employing the PCAF standard. To carry out this analysis, Exor used information that was publicly disclosed by its largest companies (Ferrari, Stellantis, CNH and Iveco Group). Exor intends to publish another TCFD report in 2024.

2.3 SUSTAINABILITY PASSIONS

Exor has identified three passions with one focused on each of the pillars within the sustainability 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 (in collaboration with Fondazione Agnelli); 2) Promote innovation by helping high potential young entrepreneurs build disruptive ventures (in collaboration with Innovation 4 Change);
- **Diversity and inclusion:** Maintain the existing 40/60 gender balance within Exor and consider diverse candidates for all new appointments.

2.3.1 EMISSIONS REDUCTION PASSION

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 still has a responsibility to reduce its emissions at holding company level.

Exor has calculated its GHG inventory in accordance with the internationally recognised standards of the Greenhouse Gas Protocol and of the Partnership for Carbon Accounting Financials (PCAF) as this is an essential first step in its emissions reduction journey. The Company worked on identifying decarbonisation levers (at holding level) in 2023 that it will implement to improve the accuracy of its calculations and reduce its GHG footprint. These include increasing data quality by requesting more information from suppliers, investigating purchase of Guarantees of Origin for the London office, potentially obtaining sustainable aviation fuel certificates and some minor office management actions.

Exor achieved carbon neutrality for 2022 by offsetting its remaining emissions at holding level through a Ugandan reforestation project. This is a long-running community-led agroforestry programme that aims to increase carbon sequestration, encourage sustainable land use practices and provide farmers with performance-based payments. The project also aligns with Exor's education and D&I passions with the focus on educating and improving the knowledge of farmers as well as its focus on the role of community (particularly female) involvement in land planning processes.

All units are tCO2e	2021	2022	2023
Exor Scope 1 Emissions	7	8	14
Exor Scope 2 Emissions	35	34	27
Exor Scope 3 Emissions	1,217	4,552	1,771
Exor Total Holding Level Emissions	**1,259**	**4,594**	**1,811**
Exor Companies Emissions (Scope 1 and 2)[1]	**411,752**	**351,328**	

1) FY2023 emissions data from the companies will be disclosed within Exor's TCFD report that will be published later on in 2024.

2.3.2 EDUCATION PASSION

Exor commitments at holding level: 1) Decrease inequalities by running an education programme to reduce the gender gap in STEM subjects (in collaboration with Fondazione Agnelli); 2) Promote innovation by helping high potential young entrepreneurs build disruptive ventures (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. This was founded in 2016 and is focused on promoting innovation. Numerous Exor employees have been participants in its programme or acted as mentors within it

Reducing the gender gap in STEM subjects through the Matabì initiative with Fondazione Agnelli

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.

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 in 2022, 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. Teacher’s training on spatial skills, unbiased teaching method and learning through play and tutored in-class activities with LEGO bricks to improve mathematic skills.

matabì

imparare un mattoncino alla volta

Following the pilot programme, the national launch of the initiative took place in May 2023 in Naples. The event was launched in the 38° Circolo Didattico Quarati school with a press conference and a live demonstration of the Matabì techniques and material carried out with a class. The event was well received by Italian media.

After the first edition in the 2022/2023 school year, that involved 84 teachers and 1,770 pupils in four Italian regions, in October 2023 the Matabì second edition started. This time around, 115 teachers and 2,350 children from 27 schools in six Italian regions (Piedmont, Tuscany, Marche, Basilicata, Campania and Sicily) were involved. This second edition used teaching materials and engagement methods that had been improved based on feedback from the first edition. For example, the exercises designed to enhance teachers' visuospatial skills were better tailored, the training included an additional ice-breaking and welcome session, the explanations of the Matabì techniques were made more accessible, and the structured communication with the teacher community became more effective. An easily navigable online repository for accessing educational materials has also been made available.

As in the previous edition, Matabì is using 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 1,500 students will be tested on both their spatial and mathematical skills and their maths anxiety.

Exor is continuing to provide financial support to Fondazione Agnelli which covers the costs related to the brick sets, teaching materials, teacher training and classroom coaching.

2.3.3 DIVERSITY AND INCLUSION PASSION

Exor commitment at holding level: Maintain the existing 40/60 gender balance within Exor 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 it can lead to more innovation, increased productivity and better talent attraction.

Exor already has a good gender balance within its structure and is committed to maintaining this. However, it is conscious that gender diversity is only one element of diversity, with others including ethnic diversity, sexual orientation and schooling experiences. It is therefore committed to considering at least one diverse candidate for all new appointments. This means including at least one candidate on all shortlists who is the member of a group that is not currently well represented within Exor.

Alongside diversity, Exor is also committed to promoting inclusivity. This is done in multiple ways, one of which is the annual Exor Day, to which all Exor colleagues are invited. In 2023, the event included the opportunity to visit one of the Exor companies, presentations by each team on their work, presentations by the CEOs of two of its companies and a series of team building activities. These activities help to strengthen the purpose and values of Exor and to build connectivity and inclusion across its employees.

NUMBER OF EMPLOYEES

Employees	31 December 2023	31 December 2022
Total	**23**	**22**
of which women	**39.1%**	**50.0%**

2.4 COMMUNICATING EXOR'S SUSTAINABILITY ACTIVITIES

Exor will continue to communicate openly and transparently about its sustainability activities. Exor's Sustainability Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and in accordance with the requirements of the Sustainability Accounting Standards Board (SASB).

Exor periodically engages with sustainability ratings agencies to ensure that it is held accountable for the work that it undertakes on sustainability.

3. EXOR'S SUSTAINABILITY APPROACH ACROSS ITS COMPANIES

The previous section considered Exor's approach to sustainability at holding company level. This section focuses on how Exor champions sustainability 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), commercial and specialty vehicles (Iveco Group), media (The Economist Group) 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 sustainability topics, it always does so while respecting the autonomy of its companies. A summary of the sustainability activities of Exor's largest public companies can be found towards the end of this section. The companies also have their own sustainability disclosures and reports.

3.1 SUSTAINABILITY FOUNDATIONS

Exor supports its companies in developing and adopting a set of sustainability foundational policies and strategies that are relevant to their respective sectors. In doing so, it is important that each of the companies addresses shareholder priorities while creating long-term value.

All of Exor's public companies have established board committees that focus on sustainability, have put in place relevant sustainability policies that adhere to widely-recognised guidelines, have effective risk evaluation and mitigation systems and have implemented a whistle-blower mechanism.

3.2 SUSTAINABILITY PASSIONS

Exor is encouraging all its companies to make progress on its passions:

– **Emissions reduction:** Setting reduction targets for Scope 1 and 2 emissions and measure Scope 3 emissions;
– **Education:** Pursuing company-relevant educational initiatives accompanied by clear metrics and targets;
– **Diversity and inclusion:** Setting 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 networks across its companies to share best practices, experiences and knowledge on sustainability, HR, Corporate Governance and education topics. At each of these meetings there is a clear agenda of topics, each introduced by an expert speaker either from outside the Exor network or from within one of the companies, with opportunities for questions and discussion.

Some of the work carried done by Exor's companies on each of Exor's three passions is summarised below.

3.2.1 EMISSIONS REDUCTION PASSION

The Freedom of Mobility Forum, initiated by Stellantis and facilitated by a neutral third-party, is an international gathering of passionate problem-solvers committed to fact-based discussions that challenge the status quo, expand perspectives and identify how best to enable safe, affordable and sustainable freedom of mobility for a society facing the implications of global warming. The inaugural live digital debate took place in 2023 on the topic: "in a decarbonised world, will freedom of mobility be affordable to a happy few?"

In its first year of participation in the EcoVadis sustainability assessment, Iveco Group achieved the Gold Medal certification, ranking among the top 5% of participating companies.EcoVadis is a globally recognised providers of business sustainability ratings and it applies its evidence-based assessment methodology to evaluate more than 100,000 companies from over 200 industry categories and determine how well they integrate the principles of sustainability into their businesses and management. The ratings focus on four main themes: environment, labour and human rights, ethics and sustainable procurement.

3.2.2 EDUCATION PASSION

Topical Talk is the flagship programme within The Economist Educational Foundation (TEEF). This programme provides free classroom resources, global conversations, teacher training and events with the aim of amplifying young voices and inspiring open-minded discussions about the news. Topical Talk provides classrooms with 1 hour of teaching material each week to support deep dives into current affairs. In the last school year, Topical Talk reached 133,000 children worldwide and over 5,000 teachers. The programme has set ambitious targets for 2026: 50% of teachers working with a high number of underserved children, 100,000 children having regular news discussions, 9,000 students accessing online events and 1 million children reached by Topical Talk resources.

The Specchio d'Italia Foundation and the GEDI Editorial Group have launched NonniSmart, an innovative project to promote digital literacy among the over-60 population in Italy. NonniSmart has the ambitious goal of making the digital world more accessible to the elderly, enabling them to fully benefit from the advantages of modern technologies and internet facilities, helping to reduce social isolation and exclusion. The project consists of a completely free online course of 22 video lessons, each lasting about 40 minutes, conducted by a qualified teacher. NonniSmart has already achieved considerable success, with over 10,000 participants registered to date including the oldest participant, a 98-year-old grandfather.

3.2.3 DIVERSITY AND INCLUSION PASSION

In 2023, Ferrari obtained the Equal-Salary Certification for equal pay between genders at a global level. The recognition, awarded by the Swiss foundation of the same name, is proof of the Company's ongoing commitment to ensuring a fair and inclusive workplace that values diversity. The certification process involved an analysis of pay levels, with the results showing that Ferrari is the first luxury group to have eliminated the pay gap between men and women at a global level. Equal opportunities for professional development are another key aspect of the certification, which is based on a study of the policies for managing personnel and the perception of inclusivity within Ferrari.

In October 2017, Juventus launched a unique project: creating a team to participate in FIGC's Paralympic and Experimental Football Division championship. Fast forward to 2023, on the International Day of Persons with Disabilities in December, Juventus organised a friendly match between two teams, called 'Juventus White' and 'Juventus Black', in which the Paralympic and Experimental Division team took part, together with players from the women's under-19, men's under-19 and Next Gen teams. The main message this initiative wants to convey is that disability is not a limitation, but just one of the many characteristics of human beings.

3.3 FERRARI

Ferrari acts as a catalyst for change, aiming to awaken both awareness and actions towards a sustainable future. Ferrari strives to have a positive impact, in progressive circles of influence: its company --> its local community --> its global community.

In all its choices and actions, Ferrari will adopt a science-based approach, constantly developing and deploying tangible actions to have a measurable and positive impact towards the changing world everyone shares, focusing on the areas of People, Education and Environment.

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 confident humility that make innovation possible. Ferrari believes in programs specifically designed to encourage its employees' ideas and proposals, which allow it 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, Ferrari 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 Ferrari's industrial processes. Ferrari's push for innovation is reflected in its effort and investments, as evidenced by Ferrari's Expensed R&D and Capex of more than €1.45 billion in 2023.

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*

Ferrari's 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. In 2022, Ferrari started a due diligence process, which was strengthened by joining Drive Sustainability in 2023. With this partnership, Ferrari was able to engage a selected base of its suppliers and to collect comprehensive information on their ESG performance through a structured questionnaire. Moreover, in 2023, Ferrari published its Diversity and Inclusion Practice and its Environmental Practice.

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 its people, Ferrari makes substantial investments in employee education. A total of over 135,000 hours (up 71% vs. 2022) of training have been provided to Ferrari employees in 2023, covering many areas, such as digitalisation, globalisation, sustainability and continuous improvement. This result was achieved mostly thanks to the high-quality voluntary training Ferrari provides to its employees, such as the "Agile learning for an Agile Company" project, the Harvard Manage Mentor e-learning platform and the two MBA programs.

What makes Ferrari's craftsmanship unique is the direct transfer of knowledge and expertise from senior to junior workers, which in its manufacturing process takes place directly on the job because Ferrari believes in constantly maintaining excellence through "learning by doing". Ferrari 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 healthy lifestyle among its employees, Ferrari keeps investing in the "Formula Benessere" program, that in 2023 entailed medical and specialist check-ups for more than 1,900 employees and 820 children. In line with its commitment to an inclusive working environment, Ferrari is focused on providing opportunities of career development on a meritocratic basis. In 2023, Ferrari has received the renewal of the Equal Salary Certificate for providing equal pay to men and women with the same qualifications and positions in the company. For the first year, the Equal Salary Certificate covers all of Ferrari's global reach. It testifies to Ferrari's commitment to creating an inclusive and diverse working environment while fostering career development for all.

3.3.4 **Reducing environmental footprint -** *increase environmental awareness to continuously set and implement related programs and actions*

Ferrari is committed to achieving carbon neutrality by 2030, addressing both direct and indirect emissions with a focus on energy and materials, in addition to its electrification journey. Its 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 CO_2eq 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
- The final version of the Science Based Targets initiative (SBTi) pathway for automakers has not been released as of the date of publication of the 2023 Ferrari Annual Report.

Since 2021, Ferrari has calculated 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. In 2023, the trigeneration plant and the solid oxide fuel cell plant produced 67% of the electricity needed for the Maranello plant, while the renewable sources (thanks to its photovoltaic system and the purchase of Guarantee of Origin certificates) cover the remaining 33%. In 2023, Ferrari's Scope 1 and 2 GHG emissions decreased by 7% compared to 2022, mainly due to the electrification process of our Maranello plant, including the installation of high-efficiency heat pumps to replace gas boilers. To sustain its goal of reaching carbon neutrality by 2030, involving its dealers is a key part of Ferrari's strategy. For this reason, Ferrari launched in 2023 the first edition of the Green Dealer Award, which has the objective of engaging dealers in their sustainability efforts with a focus on decarbonisation.

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 its cars are manufactured. Ferrari's efforts are directed to support its community development, mainly through collaborations with local universities and schools, and thanks to the industry network in the Emilia-Romagna region.

Starting from 2022, Ferrari has been the pioneer of an exclusive 3-year program dedicated to junior high school students of Maranello, that allows them to play and participate in aptitude tests, in order to evaluate their individual potential and to address their future careers. This experiment has been promoted in collaboration with Fondazione Agnelli. Ferrari also continues its work with the e.DO Learning Center, an innovative educational project born in 2022 from the synergy between Ferrari and the local area.

Ferrari has supported for the fourth 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, since 2022, Ferrari has planted a total of 14 hectares of “Bosco Ferrari” in the province of Modena, to benefit the territory’s biodiversity and to value the importance of natural ecosystems for the wellbeing of the community. In 2023, Ferrari launched the “Ferrari Energy Community”, a decarbonisation project for the towns of Fiorano and Maranello. The project envisages the installation of a photovoltaic system of approximately 1 MWp, on 10 thousand square meters of disused land owned by Ferrari adjacent to the Fiorano Circuit, whose energy will be entirely made available to the local community.

For more information, refer to the Ferrari 2023 Annual 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, it leads the way the world moves.

Corporate Social Responsibility is fully embedded in the Dare Forward 2030 strategic plan. The 22 CSR topics monitored by Stellantis cover environmental, social and governance matters in line with the UN Sustainable Development Goals.

Stellantis developed many initiatives in 2023 to contribute to the global effort to transition to a more sustainable future.

3.4.1 Environment

Stellantis' strategic plan implements a pathway to support decarbonisation, consistent with science-based recommendations. To slash its greenhouse gas (GHG) emissions in half by 2030 (in intensity: tons of CO_2-equivalent per vehicle), vs 2021, and achieve carbon net zero by 2038 with single digit percentage compensation of remaining emissions, Stellantis is addressing all GHG sources: Vehicles, Supply Chain, Industrial and Sites.

2023 highlights:

- structured vehicle electrification roadmap involving all brands. In 2023, 18.5% of Passenger Cars sold in Europe (EU27-Malta+Norway, Iceland, UK, Switzerland) and 11.2% of Passenger Cars and Light Duty Trucks sold in the U.S. were electric or plug-in hybrid vehicles thanks to growing portfolios. Stellantis announced the creation in 2024 of a joint venture with Leapmotor, a Chinese new energy OEM.
- integrated battery ecosystem to secure capacity needs for 2030, via partnerships and joint ventures. Stellantis' roadmap includes three gigafactories in Europe with ACC, two in the US with StarPlus Energy and one in Canada with NextStar Energy.
- responsible supply of critical raw materials (e.g. lithium, nickel, manganese, copper), through equity investments and offtake agreements.
- circular Economy: in 2023, Stellantis inaugurated its first SUSTAINera Circular Economy Hub in Italy, which starts up with engine, gearbox, and EV battery remanufacturing, vehicle reconditioning and dismantling.
- use of decarbonized electricity in company's processes, with 100% target by 2030. In 2023, it reached 58%, contributing to a 20% reduction in absolute tCO_2 of the industrial carbon footprint (scope 1 and 2) vs. 2021.

3.4.2 Social

People are the first asset in an increasingly challenging context to enable the Stellantis' transformation 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 co-constructive social dialogue (> 600 collective bargaining agreements). In 2023, an employee shareholding project was initiated.
- Attract, develop, and retain talent, based on meritocracy seeking to diversify profiles and experiences.
- Empower diversity by creating an inclusive work environment. Women held 30% of leadership positions (L1-L2-L3) targeting 35% by 2030.
- Leverage the employee experiences by promoting safety (LTIR < 1), health, and wellbeing in the workplace, monitoring and improving the employee journey via a global employee survey and applying a flexible approach, including remote working, and expansion of digital tools.

3.4.3 Governance

In 2023, Stellantis held the first edition 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 have challenged their approaches during the live debate on the topic of the year: "In a decarbonised world, will freedom of mobility be affordable to a happy few only?" The second edition will happen on 3 April 2024.

For more information, refer to the Stellantis 2023 CSR Report and corporate website.

3.5 CNH

Sustainability is core to CNH 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; and SDG 13: Climate action.

3.5.1 Progress on CNH's Global Operations Targets

- Included in top 5% of over 9,400 companies assessed in the S&P Global Corporate Sustainability Assessment for the S&P Global Yearbook. Second highest score in the S&P Global's DJSI World and North America Indices in the Machinery and Electrical Equipment Industry category
- 8.3% reduction in CO_2 emissions per total manufacturing hours vs. 2022
- 2030 target of 50% reduction vs. 2018 in employee injury frequency achieved in 2023
- 95% of waste recovered at Company plants worldwide (target of 98% by 2030)
- 18% of women in leadership roles (target of 20% by 2024)
- Continued implementation of CNH Business System (CBS) at major plants and depots to train employees in Lean Toolsets and Root Cause Problem Solving

3.5.2 Sustainability Throughout CNH's Value Chain

CNH continued to advance products and solutions that support sustainability for its customers while also supporting its suppliers, people and communities and its efforts to manage its impact on the planet. Here are examples of some of its progress throughout the year.

Customers:

- Digital solutions to increase efficiency and reduce waste
    - Full integration of Raven
    - Acquisitions of Augmenta, which uses AI and machine vision for selective spraying, and Hemisphere, for global satellite navigation technology
- Unveiling of the New Holland Agriculture CR 11 combine, which brings cutting-edge capacity and increased automation to boost productivity and sustainability
- Majority stake in Bennamann and its circular farming model
- New alternative fuel-powered tractors, such as the New Holland Agriculture T7 Methane Power LNG (Liquefied Natural Gas) (which achieved a Special Mention in TIME's Best Invention List)
- Increased electric-powered offerings for construction and agriculture sectors, including the New Holland Construction E15X Electric Power Mini Excavator and the Case IH Farmall 75C electric tractor
- New near-to-production hybrid tractor, the STEYR Hybrid CVT

Suppliers:

- 165 key suppliers engaged in the CDP questionnaire on climate change actions and initiatives to reduce CO_2 emissions.

People:

- $68.2 million in safety upgrades, over 330,000 hours of safety training
- Approx. 650 Culture Champions involved in CNH's journey to drive results through culture change
- Fostering diversity and inclusion through expansion of Employee Resource Groups such as iGLOW (Inclusivity, Growth, Leadership, and Opportunity for Women). Started in North America, iGLOW is now also in APAC.

Communities:

- Disaster Response Program launched in 2023 to provide equipment and expertise in times of emergency, in collaboration with the dealer network
- $12.8 million invested globally in local communities (31% of this went towards education and young people).

CNH Industrial also continued to pursue its goal of developing a sustainable design criterion for all new products. As CNH announces its new strategic plan in 2024, it will continue to focus on operationalising its carbon footprint reduction strategy as related to its products and processes; pursuing innovative technologies to facilitate circularity and eco-efficiency; and engaging 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 2023 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 CO_2 emissions from its manufacturing processes, from its product range, and along its entire value chain (supply and logistics), aiming for 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 company products have the highest safety standards
- Life Cycle Thinking: to implement solutions that efficiently minimise the impact of its products and processes through a circular product life cycle approach
- Inclusion and Engagement: to build ever-stronger relationships with its 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 2023 in action

In 2023, Iveco Group was accepted as a member of the UN Global Compact, the world's largest corporate sustainability initiative, alongside other companies worldwide that are committed to taking responsible business action to create a sustainable future. The initiative calls on companies to align their operations and strategies with universally accepted principles regarding human and labour rights, environmental protection, and anti-corruption practices.

As part of its efforts to foster a culture of inclusion, Iveco Group announced its Diversity, Equity, and Inclusion (DEI) Manifesto, published the new DEI Playbook, and launched multiple initiatives that celebrate diversity and raise awareness of disabilities. The Company also held the first-ever Sustainability and DEI Week and hosted our first global Volunteering Day in support of communities where it operates.

Iveco Group joined the Responsible Trucking project, a collaborative platform launched by CSR Europe (the European Business Network for Corporate Sustainability and Responsibility) that enables companies to work together on evaluating the impact of their operations on logistics and to seek ideas for improving drivers' working conditions.

In 2023, Iveco Group was included in the Dow Jones Sustainability Indices (DJSI) World and Europe, achieving a score of 78/100 in the Machinery and Electrical Equipment Industry category of the annual S&P Global Corporate Sustainability Assessment (CSA). The company was also included in the S&P Global Sustainability Yearbook 2024 in the Top 5% S&P Global CSA Score category, based on its S&P Global ESG Scores calculated from the CSA. Still in 2023, Iveco Group received an A- score in the CDP Climate Change programme and a B score in the CDP Water Security programme.

For more information, refer to the Iveco Group 2023 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, with a dedicated team. Since then, Juventus has published its sustainability report (which has since become "Non-financial Statement") on a voluntary basis.

In the 2021/2022 Season, the Club's Board of Directors established an ESG Committee consisting of a minimum of three non-executive directors. In conducting its business, Juventus has always been committed to support the change in the professional football sector on ESG issues, pursuing and strengthening initiatives and activities with the aim to produce a positive impact in the fields of education, inclusion and climate change and to create long-term value for all its stakeholders.

The company has furthermore decided to align its ESG strategy with the “Strength through Unity”' and “United for Sustainability” strategies of UEFA and FIGC, respectively, associating each material topic with the UEFA and FIGC strategic guidelines. Within this context, Juventus is committed to respecting human rights and eliminating all forms of discrimination. 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.

Social engagement

Juventus recognises the central role that sport plays in social equity, promotion of mutual respect and in having a positive impact on local communities. Respect for these principles is achieved through continuous awareness-raising and training initiatives for employees and third parties, internal control and risk assessment tools. The social projects of 22/23 reflect the commitment about three main pillars: **education, community citizenship and equity.**

Education:

- "Juventus for Special@School": the educational project which involves students of all ages - primary, middle and high schools - in active lessons to implement cultural awareness about stereotypes linked to disability;
- "Fair People", the educational programme developed for primary schools and dedicated to five values as respect, commitment, loyalty, equality, teamwork and emotional learning;
- "Un calcio al Razzismo", the scholastic path that promotes a culture of inclusion and respect through practical actions aimed at excluding all forms of discrimination.

Community Citizenship:

- "Juventus for Special”: the sport project dedicated to athletes with cognitive, relational disabilities. Disability is not a limit but is one of the many possible human conditions and should not preclude the achievement of one's dreams and goals. Thus, since 2017, Juventus has been playing in the Paralympic division with the Special Teams to encourage the inclusion of people above all with cognitive relational disabilities through sports.

- "Gioca con Me" the recreational and educational project which aims to guarantee football activities for girls and boys who live in contexts at risk of discrimination, marginalization or social exclusion.
- The partnership with Save the Children: since 2018, Juventus has been collaborating with Save the Children. In the city of Turin, Juventus improved and doubled the spaces in the Punto Luce of Save the Children, thus transforming the centre into an Educational Hub aimed at the 6-18 age group.

Equity campaigns:

- “More Colourful Together”: a campaign that supports the rights of the LGBTQIA+ community and emphasizes the importance of respect. The journey began in 2022 (with a previous campaign), aims to become an allied voice – especially - in sport of those who are most exposed to social risks and confirm the desire to break down stereotypes, prejudices and discrimination, celebrating diversity. In July 2023, the campaign won for the second time in a row the Arcigay "Italy on the field against homophobia" award in "Sport Clubs" category.
- “Blow the Whistle against Violence on Women”: a campaign to raise awareness among fans in support of a greater cause: to break the silence on gender-based violence that can manifest itself everywhere and in a thousand forms.

Environmental commitment

Juventus was the first Italian football club and the 150th signatory of the Sports for Climate Action Framework, a United Nations project that brings together the sports community at a global level in the fight against climate change, supporting it in achieving climate change targets in line with the 2015 Paris Agreement.

Juventus is also committed to reporting and publishing its carbon footprint. The measurement and management of greenhouse gas emissions by the Company are conducted on the basis of the standards of the Greenhouse Gas Protocol and the data collected is subject to limited review by third parties. Juventus aims at increasing precision in quantifying the sources of emissions and in planning a reduction of the impact where possible. With regards to Scope 1 emissions and Scope 2 emissions these have been completely zeroed out through Gold Standard VERs (Verified Emission Reductions).

Furthermore, Juventus has also developed a sustainable mobility programme for its employees, to promote solutions that encourage environmental sustainability and social well-being. With regard to energy, in September 2019, the Allianz Stadium was the first stadium in Italy to obtain the ISO 14001 environmental certification. In 2022, the certification was also extended to Juventus Training Center Continassa. In order to minimize the impact of its electricity consumption, Juventus uses only electricity from renewable sources. Finally, the Club achieved ISO 20121 Environmental Certification in 2021, the international standard for sustainable event management.

For more information, refer to the Juventus Non Financial Disclosure 2022/2023 and corporate website.

II. ADDITIONAL DISCLOSURES

1. IDENTIFIED MATERIAL SUSTAINABILITY TOPICS

Exor focuses on a number of sustainability 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 above 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 10 April 2024, the Board of Directors approved and adopted the amended Code of Conduct (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 commitments as laid down in the Code. Its rigorous observance is required of all people in the Company.

The Code is the primary set of values in the Exor governance framework. Its principles are reflected in the Company's commitments, policies and procedures.

Exor's values, together with its purpose to build great companies, form the foundation of the culture at Exor and are presented in pairs. There is tension between the words in each and it is the duty of all employees and Directors to find the right balance between them.

- **Ambition & Humility**: we sets high aspirations but remain grounded

- **Curiosity & Focus**: we seek new ideas while prioritizing what matters
- **Courage & Responsibility**: we take bold actions while being mindful of their consequences
- **Patience & Drive**: we take a long-term perspective but are relentless in getting things done

The Code is shared with all (new) employees and is published online (available on Exor's corporate website at www.exor.com). 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.

2.1 WHISTLEBLOWING MECHANISM

The Code outlines how violations of the Code concerning Exor may be reported – anonymously – using The Exor Whistleblowing Service (accessible at the Company's website) or by contacting the General Counsel. All concerns raised are treated with the utmost confidentiality, protecting the information and data contained therein, as well as the identity of the party that raised the concern and the other parties involved. Any form of retaliation, threats, penalties or discrimination is expressly prohibited, both against these parties and against anyone who participated in the investigations.

3. ANTI-BRIBERY AND CORRUPTION

The Code includes, among others, rules related to anti-bribery, anti-corruption and conflicts of interest. Bribery and corruption are obstacles to free competition and economic development and are not tolerated under any circumstances. Giving and receiving any inducement, including gifts and entertainment, that could risk creating an unhealthy loyalty or be perceived to do so should be refrained from.

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 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. R&D

As a diversified investment holding company Exor does not carry out any research and development activities.

6. 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, Exor aims at certainty on the adopted tax positions and where no certainty can be obtained in advance, Exor ensures that the position is settled in line with its tax approach and the legislation in force.

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.

7. HR POLICY

Safeguarding and ensuring the well-being of the people who 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 expects its employees 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 working-from-home possibilities, working part-time, parental and other leave.

8. 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.

9. EXOR EMPLOYEE STATISTICS

Exor has a lean organization structure at holding company level, employing 23 people at 31 December 2023. Exor puts considerable effort into its recruitment processes, training and competency development, and into building a strong company culture, because it believes in the importance of its people being attributable for its future success. As a result, the Exor workforce is characterized 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 benefit of the 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 2023, a unconscious bias workshop was organised to create awareness on how similarity bias commonly influences decisions regarding people and to help overcome such similarity bias by finding common ground with people who appear different. Employees from all Exor offices participated in the course.

Exor promotes diversity and believes that no individual should be subject to discrimination based on, for example their age, gender, sexual orientation, race, nationality, political opinion or religious faith. The Company also ensures 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, 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 2023			31 December 2022		
	Male	Female	Total	Male	Female	Total
Permanent	11	9	**20**	10	9	**19**
Temporary	3	0	**3**	1	2	**3**
Total	**14**	**9**	**23**	**11**	**11**	**22**

BY GEOGRAPHICAL AREA

Geographical Area	31 December 2023			31 December 2022		
	Male	Female	Total	Male	Female	Total
The Netherlands	7	5	**12**	5	6	**11**
Luxembourg	0	1	**1**	0	1	**1**
United Kingdom	7	3	**10**	6	4	**10**
Total	**14**	**9**	**23**	**11**	**11**	**22**

PER EMPLOYEE CATEGORY BY GENDER

Employment category	31 December 2023			31 December 2022		
	Male	Female	Total	Male	Female	Total
Top Managers	1	2	**3**	2	2	**4**
Middle-managers	3	2	**5**	3	4	**7**
Professionals	10	5	**15**	6	5	**11**
Total	**14**	**9**	**23**	**11**	**11**	**22**

PER EMPLOYEE CATEGORY BY AGE GROUP

Employment category	31 December 2023				31 December 2022			
	<30	30-50	>50	**Total**	<30	30-50	>50	**Total**
Top Managers	0	0	3	**3**	0	0	4	**4**
Middle-managers	0	5	0	**5**	0	5	2	**7**
Professionals	7	5	3	**15**	6	4	1	**11**
Total	**7**	**10**	**6**	**23**	**6**	**9**	**7**	**22**

EMPLOYEE TURNOVER

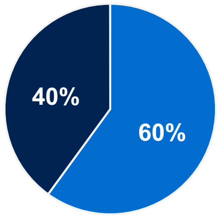
New hires		
	2023	**2022**
Number of employees	8	5
Turnover %	33 %	23 %
Leavers		
	2023	**2022**
Number of employees	7	2
Turnover %	30 %	9 %

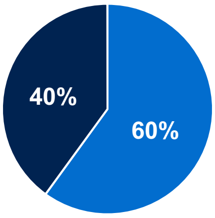
In 2023, among the new hires, two were female and six were male. Of the leaving employees, four were female and three were male.

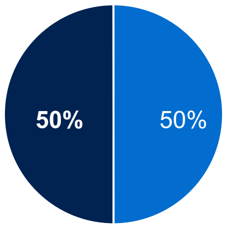
10. BOARD DIVERSITY

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.







6 nationalities

MARC BOLLAND

Senior Advisor at Blackstone

AXEL DUMAS

Chief Executive Officer at Hermès International

SANDRA DEMBECK

Chief Financial Officer of Zalando SE

NITIN NOHRIA

George F. Baker Jr. and Distinguished Service University Professor at Harvard Business School

MELISSA BETHELL

Non-executive Director of Diageo plc and Tesco plc and Senior Advisor at Atairos

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 2023, 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	2	4	**6**
Female	3	1	**4**
Total	**5**	**5**	**10**

III. 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 direct their flows to more sustainable economic activities avoiding cases of greenwashing.

EU TAXONOMY OBJECTIVES	
1)	Climate change mitigation (CCM)
2)	Climate change adaptation (CCA)
3)	Sustainable use and protection of water and marine resources (WTR)
4)	Transition to a circular economy (CE)
5)	Pollution prevention and control (PPC)
6)	Protection and restoration of biodiversity and ecosystems (BIO)

The environmentally sustainable economic activities are related to six environmental objectives.

In 2021, the European Commission published the “Climate Delegated Act”[1] which regulates the first two objectives – *Climate Change Mitigation and Climate Change Adaptation* – establishing technical screening criteria for economic activities that can contribute substantially to them causing no significant harm to any of the other environmental objective.

During 2023, the European Commission published:

- the Delegated Act 2023/2485 (on June 2023) which amended the Climate Delegated Act by introducing new activities and establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify to contribute substantially to the first two existing objectives – *Climate Change Mitigation and Climate Change Adaptation*.
- the “Environmental Delegated Act”[2] (on November 2023), which defines in Annexes I, II, III and IV, the economic activities with respect to the four non-climate objectives, namely: i) sustainable use and protection of water and marine resources ii) transition to a circular economy iii) pollution prevention and control, iv) protection and restoration of biodiversity and ecosystems, and the related technical screening criteria. In addition, Annex V defines amendments to the Delegated Regulation (EU) 2021/2178, also known as the "Disclosures Delegated Act," including changes to the templates to be used for KPIs reporting.

According to the Regulation an economic activity can be considered eligible with the Taxonomy if It is listed within one (or more) of the Delegated Regulations (Climate Delegated Act, Complementary Climate Delegated Act[3], Environmental Delegated Act and Delegated Act 2023/2485) of the EU Taxonomy Regulation, i.e. it contributes to at least one of the six environmental objectives.

Moreover, 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);
- the company complies with the minimum safeguards (MS), acknowledging the importance of human rights and international norms.

[1] 2021/2139 Delegated Regulation.
[2] 2023/2486 Delegated Regulation.
[3] 2022/1214 Delegated Regulation, which introduced economic activities in the energy sector, including nuclear and gas.

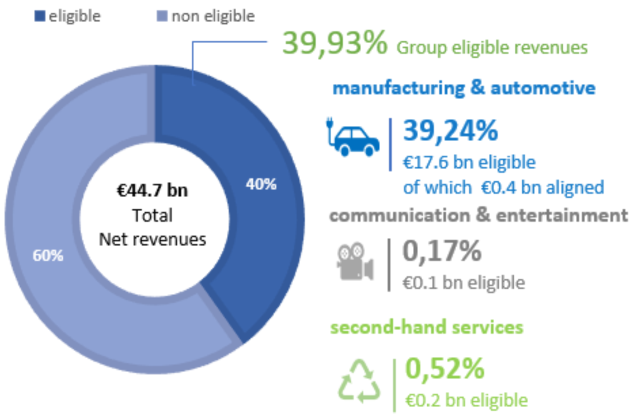
In 2023 (fiscal year 2022), the companies falling within the scope of the Regulation were required to disclose the portion of turnover, capital expenditures (CapEx), and operating expenditures (OpEx) of their "*Taxonomy-eligible*", "*Taxonomy-non eligible*" and "*Taxonomy-aligned*" economic activities for the two climate objectives.

In 2024 (fiscal year 2023) companies in scope have to disclose, in addition to the KPIs related to eligible and aligned activities to the two climate objectives, also the portion of turnover, CapEx and OpEx of their "*Taxonomy-eligible*" and "*Taxonomy-non eligible*" activities for the four non-climate objectives. From 2025 (fiscal year 2024) on, instead, companies will be required to report also on the alignment of the activities that contribute substantially to the four non-climate objectives.

Results

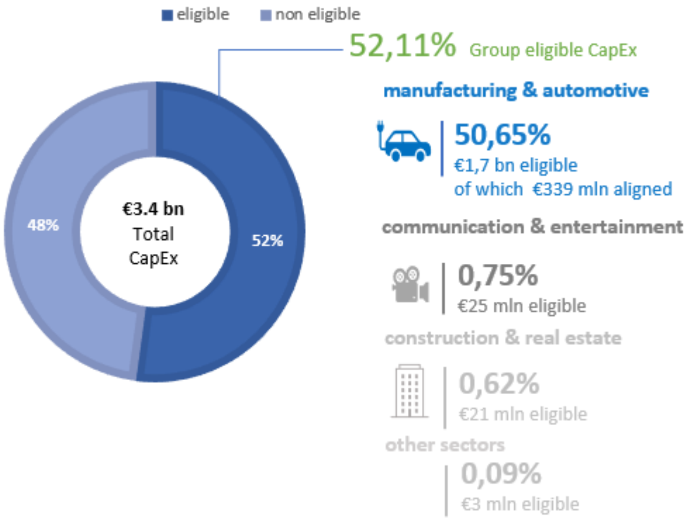
At conclusion of EU-Taxonomy assessment Exor reports the KPI required by the European law as a consolidated result of its operating subsidiaries (CNH Industrial, Iveco Group, Ferrari, GEDI, Juventus) that have identified eligible and aligned activities in consistency with the criteria reported in the Regulation (EU) 2020/852.

Turnover 2023 KPI[4]

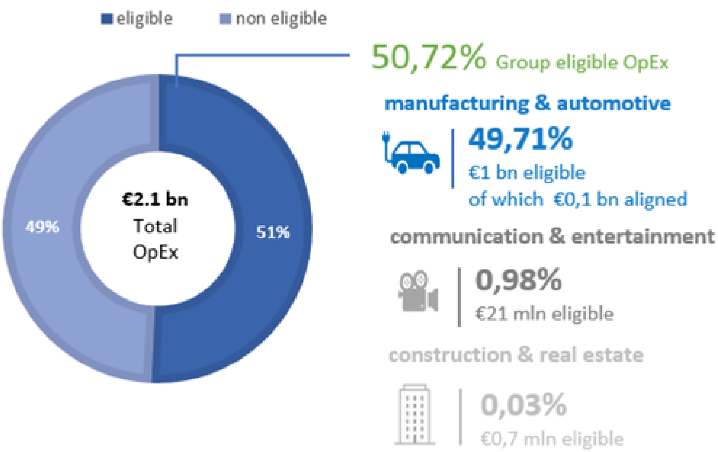


[4]Manufacturing and automotive sector refers to activities 3.3, 3.6, and 6.5. Communication and entertainment sector refer to activities 8.3, 13.2 and 13.3. Second-hand services sector refers to activities 5.3, 5,4 and 5.6.

CapEx 2023 KPI[5]



OpEx 2023 KPI[6]



Eligibility assessment

Starting from the analysis carried out in relation to FY2022, 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 Delegated Regulations (Climate Delegated Act, Complementary Climate Delegated Act, Environmental Delegated Act and Delegated Act 2023/2485) of the EU Taxonomy Regulation. The Group identified the following eligible activities:

- 3.3 – Manufacture of low carbon technologies for transport (CCM)
- 3.6 – Manufacture of other low carbon technologies (CCM)
- 5.3 – Preparation for re-use of end-of-life products and product components (CE)

[5] Manufacturing and automotive sector refers to activities 1.2, 3.3, 3.5, 3.6, 3.8, 6.5 and 6.14. Communication and entertainment sector refers to activities 4.1 (CE), 8.1, 8.2 (CCM/CCA), 8.3, 11.1, 13.2 and 13.3. Construction and real estate sector refers to 3.3, 3.4, 3.5, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6 and other sectors refers to 2.1, 2.3, 2.4, 4.1 (CCM), 4.16, 4.9, 5.1, 5.2, 5.5, 9.2 (CCA/CCM) and 14.1.
[6] Manufacturing and automotive sector refers to activities 3.3 and 3.6. Communication and entertainment sector refers to activities 8.1, 8.3, 13.2 and 13.3. Construction & real estate sector refers to activities 7.2, 7.3 and 7.5.

- 5.4 – Sale of second-hand goods (CE)
- 5.6 – Marketplace for the trade of second-hand goods for reuse (CE)
- 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles (CCM)[7]
- 8.3 – Programming and broadcasting activities (CCA)
- 13.2 – Libraries, archives, museums and cultural activities (CCA)
- 13.3 – Motion picture, video and television program production, sound recording and music publishing activities (CCA)

With reference to Delegated Regulation 2022/1214, which introduced economic activities in the energy sector, including nuclear and gas, and to the Delegated Regulation 2023/2485 the Group has not identified eligible activities.

Furthermore, CNH Industrial has identified a list of additional eligible activities with reference to CapEx (Annex 1 of Delegated Regulation (EU) 2021/2178, par. 1.1.2.2 point (c)) and OpEx (Annex 1 of Delegated Regulation (EU) 2021/2178, par. 1.1.3.2 point (c)) related to the purchase of output from eligible and aligned activities with the Taxonomy and individual measures that can be considered Taxonomy-eligible investments, as contributing to the reduction of Group's greenhouse emissions[8]. As a result of the assessment, the Group identified the following eligible activities:

- 1.2 – Manufacture of electrical and electronic equipment (CE)
- 2.1 – Water supply (WTR)
- 2.3 – Sustainable urban drainage systems (SUDS) (WTR)
- 2.4 – Remediation of contaminated sites and areas (PPC)
- 3.3 – Demolition and wrecking of buildings and other structures (CE)
- 3.4 – Maintenance of roads and motorways (CE)
- 3.5 – Manufacture of energy efficiency equipment for buildings (CCM)
- 3.5 – Use of concrete in civil engineering (CE)
- 3.8 – Manufacture of aluminium (CCM)
- 4.1 – Electricity generation using solar photovoltaic (CCM)
- 4.1 – Provision of IT/OT data-driven solutions (CE)
- 4.9 – Transmission and distribution of electricity (CCM)
- 4.16 – Installation and operation of electric pumps (CCM)
- 5.1 – Construction, extension and operation of water collection, treatment and supply systems (CCM)
- 5.2 – Renewal of water collection, treatment and supply systems (CCM)
- 5.5 – Collection and transport of non-hazardous waste in source segregated fractions (CCM)
- 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles (CCM)
- 6.14 – Infrastructure for rail transport (CCM)
- 7.1 – Construction of new buildings (CCM) and 3.1 – Construction of new buildings (CE))
- 7.2 – Renovation of existing buildings (CCM, CE)
- 7.3 – Installation, maintenance and repair of energy efficiency equipment (CCM)
- 7.4 – Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings (CCM)
- 7.5 – Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (CCM)
- 7.6 – Installation, maintenance and repair of renewable energy technologies (CCM)
- 8.1 – Data processing, hosting and related activities (CCM)
- 8.2 – Computer programming, consultancy and related activities (CCA)
- 8.2 – Data-driven solutions for GHG emissions reductions (CCM)
- 9.2 – Close to market research, development and innovation (CCA)
- 9.2 – Research, development and innovation for direct air capture of CO_2 (CCM)
- 11.1 – Education (CCA)
- 14.1 – Emergency services (CCA)

[7] This activity is also eligible in relation to climate change adaptation objective, but it is not enabling so the Group did not evaluate the turnover and the Group had not identified any CapEx and OpEx associated to this activity.
[8] *Delegated Regulation 2021/2178 ("Disclosure Delegated Act") - Annex I, § 1.1.2.2, point c.*

Below, we reported the sectors of the main activities eligible for Exor Group:

SECTOR	ACTIVITY	OBJECTIVE	DESCRIPTION	OPERATING COMPANY[9]
MANUFACTURING	3.3 – Manufacture of low carbon technologies for transport	Mitigation	Manufacture of vehicles	Ferrari
MANUFACTURING	3.3 – Manufacture of low carbon technologies for transport	Mitigation	Manufacturing of Commercial Vehicles segment (CV), vehicle maintenance and repair	Iveco Group
MANUFACTURING	3.6 – Manufacture of other low carbon technologies	Mitigation	Production of electric traction technologies	CNH Industrial
TRANSPORT	6.5 – Transport by motorbikes, passenger cars and light commercial vehicles	Mitigation	Financial services activities, Leasing for CV vehicles	Ferrari
TRANSPORT	6.5 – Transport by motorbikes, passenger cars and light commercial vehicles	Mitigation	Leasing for CV vehicles	Iveco Group
SERVICES	5.3 - Preparation for re-use of end-of-life products and product components	Circular Economy	Sale of used paper	GEDI
SERVICES	5.4 - Sale of second-hand goods	Circular Economy	Sales of second-hand vehicles	Iveco Group
SERVICES	5.6 - Marketplace for the trade of second-hand goods for reuse	Circular Economy	Sale of second-hand cars	GEDI
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
ARTS, ENTERTAINMENT AND RECREATION	13.3 – Motion picture, video and television program production, sound recording and music publishing activities	Adaptation	TV Production	Juventus

[9] 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.

Alignment assessment

For each eligible activity related to the two climate objectives, the companies went through an analysis of compliance with the requirements laid down in Annexes I and II of the Climate Delegate Act, in order to assess their degree of alignment to the Taxonomy Regulation. For the activities related to non-climate objectives the Group, for the reporting year 2023, conducted only the eligibility assessment according to the Taxonomy 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[10].

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 FY2023, no leased vehicles by Iveco met the substantial contribution criteria, since the criteria set the limit to specific emissions (CO_2[11] to 50gCO_2/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 capital expenditures (activities 3.5, 3.8, 4.1, 4.9, 4.16, 5.1, 5.2, 5.5, 6.5, 6.14, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 8.1, 8.2, 9.2 for climate change mitigation objective; activities 8.2, 9.2, 11.1, 14.1 for climate change adaptation objective; activities 1.2, 3.1, 3.3, 3.4, 3.5, 4.1, 7.2 for transition to a circular economy objective; activity 2.4 for pollution prevention and control objective and activities 2.1 and 2.3 for sustainable use and protection of water and marine resources objective) and to direct non-capitalized costs of CNH Industrial (activities 7.2, 7.3, 7.5, 8.1 for climate change mitigation objective; activity 7.2 for transition to a circular economy objective and activity 9.2 for climate change adaptation objective), 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

The economic activity 3.3 met the DNSH criteria, with regard to the other five environmental objectives, only for Iveco Group. More in detail:

- Climate change adaptation: for Iveco Group's plant where the eligible activity is performed, a climate risk and vulnerability assessment was conducted to identify the physical climate risks material to the activities themselves, as well as the adaptation solutions to reduce such risks accordingly;

[10] Reference is made to criterion f) vehicles of category M1 and N1 classified as light-duty vehicles with specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, lower than 50 g CO_2/km (low-and zero-emission light-duty vehicles).
[11] 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 Iveco Group's 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: Iveco Group met the circular economy criteria, 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: Iveco Group met the requirements set out in Appendix C. In particular, Iveco assessed and verified the compliance with regulations such as REACH and RoHS, collected information from suppliers (IMDS - International Material Data System) in order to verify the absence of dangerous substances and made the relevant communications required. Iveco Group is fully aligned with points (a), (b), (c), (d), and (e) of Appendix C. As regards the amendment of point (f) included in Delegated Regulation 2023/2485 of June 27th, 2023, Iveco Group has undertaken to perform and document an assessment in order to collect and evaluate supply chain data over the required 18-month period to prove that no other suitable alternatives are available on the market for certain substances.
- Protection and restoration of biodiversity and ecosystems: Iveco Group assessed the environmental impact as required by 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 Group met the DNSH criteria with regard to the other five environmental objective as follows:

- Climate Change Adaptation: for Iveco Group's plant where economic activities take place, a climate risk and vulnerability assessment was conducted to identify the physical climate risks material to the activities themselves, as well as adaptation solutions to reduce such risks accordingly;
- 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 M1 and N1 vehicles 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.

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 capital expenditure and to direct non-capitalized costs of CNH Industrial 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 those activities are considered 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[12], assessing the safeguards in place on human rights, consumer interests, corruption, competition and taxation. In relation to these four areas, for the reporting year 2023 there were no instances of non-compliance. In addition, the Group demonstrates that it observes the principle of "do not significant harm" of the SFRD[13] under Article 2(17)[14], by addressing the gender pay gap and gender diversity in governance bodies and reporting the respective indicators within the Annual Report.

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 interests 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 its 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 its business partners both upstream and downstream. This approach, integrated into the 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 out in Article 18, in particular in relation to the supply chain.

On top of this, Exor is committed to ensuring absolute compliance with the principles included in the Article 18 of the Regulation based on the provisions and rules laid down in its Code of Conduct.

As a result, Iveco considered its set of procedures to be in line with Article 18 of the Regulation and the activity 3.3 is aligned. In contrast, based on a precautionary approach, the other companies considered that the safeguards in place were not fully aligned with the requirements referred to Article 18.

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[12] *Final Report on Minimum Safeguards, October 2022.*
[13] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).
[14] 2023/C 211/01 Communication, FAQ 2.

TURNOVER KPI[15]

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic activities	Code (a)	Absolute Turnover (€/ million)	Proportion of Turnover, Year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum Safeguards	Taxonomy-aligned or eligible proportion of Turnover, FY 2022	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	3.3 CCM	397	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**397**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
of which Enabling		397	1%	1%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
of which Transitional		0	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of low carbon technologies for transport	3.3 CCM	16,949	38%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								37%	E	
Manufacture of other low carbon technologies	3.6 CCM	26	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	186	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		T
Preparation for re-use of end-of-life products and product components	5.3 CE	1	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Sale of second-hand goods	5.4 CE	233	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Marketplace for the trade of second-hand goods for reuse	5.6 CE	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%	E	
Programming and broadcasting activities	8.3 CCA	61	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Libraries, archives, museums and cultural activities	13.2 CCA	3	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Motion picture, video and television program production, sound recording and music publishing activities	13.3 CCA	11	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**17,470**	**39%**	**38%**	**0%**	**0%**	**0%**	**1%**	**0%**								**37%**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**17,867**	**40%**	**39%**	**0%**	**0%**	**0%**	**1%**	**0%**								**37%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**26,875**	**60%**																
Total (A+B)		**44,742**	**100%**																

[15] The Group does not disclose the templates of Annex XII to the Disclosures Delegated Act (amended by the Complementary Climate Delegated Regulations) since nuclear and gas activities have not been identified as eligible.

	Proportion of Turnover/Total Turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	1%	39%
CCA	0%	0%
WTR	0%	0%
CE	0%	1%
PPC	0%	0%
BIO	0%	0%

CAPEX KPI

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic activities	Code (a)	Absolute Capex (€million)	Proportion of Capex, Year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum Safeguards	Taxonomy-aligned or eligible proportion of Capex, FY 2022	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	3.3 CCM	339	10%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	8%	E	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**339**	**10%**	**10%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**8%**		
of which Enabling		339	10%	10%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	**8%**	E	
of which Transitional		0	0%														**0%**		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of electrical and electronic equipment	1.2 CE	13	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Water Supply	2.1 WTR	0	0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0%		
Sustainable urban drainage systems (SUDS)	2.3 WTR	0	0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0%		
Remediation of contaminated sites and areas	2.4 PPC	0	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
Manufacture of low carbon technologies for transport	3.3 CCM	1,300	38%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								31%	E	
Maintenance of roads and motorways	3.4 CE	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Use of concrete in civil engineering	3.5 CE	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Manufacture of energy efficiency equipment for buildings	3.5 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Manufacture of other low carbon technologies	3.6 CCM	62	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Manufacture of aluminium	3.8 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		T
Electricity generation using solar photovoltaic	4.1 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Provision of IT/OT data-driven solutions	4.1 CE	3	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%	E	
Transmission and distribution of electricity	4.9 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%	E	

Installation and operation of electric heat pumps	4.16 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%		
Renewal of water collection, treatment and supply systems	5.2 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%		
Collection and transport of non-hazardous waste in source segregated fractions	5.5 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%		T
Infrastructure for rail transport	6.14 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Construction of new buildings	**7.1 CCM**/3.1 CE	2	0%	EL	N/EL	N/EL	N/EL	EL	N/EL	[redacted]	0%		
Renovation of existing buildings	**7.2 CCM**/CE	12	0%	EL	N/EL	N/EL	N/EL	EL	N/EL	[redacted]	0%		T
Installation, maintenance & repair of energy efficient equipment	7.3 CCM	5	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 CCM	1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Data processing, hosting and related activities	8.1 CCM	19	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%		T
Computer programming, consultancy and related activities	8.2 CCA	1	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%		
Data-driven solutions for GHG emissions reductions	8.2 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Programming and broadcasting activities	8.3 CCA	2	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Research, development and innovation for direct air capture of CO2	9.2 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Close to market research, development and innovation	9.2 CCA	1	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Education	11.1 CCA	0	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Libraries, archives, museums and cultural activities	13.2 CCA	0	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Motion picture, video and television programme production, sound recording and music publishing activities	13.3 CCA	0	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Emergency services	14.1 CCA	0	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	[redacted]	0%	E	
Capex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,426**	**42%**	**41%**	**0%**	**0%**	**0%**	**1%**	**0%**	[redacted]	**31%**		

A. Capex of Taxonomy eligible activities (A.1+A.2)	**1,765**	**52%**	**51%**	**0%**	**0%**	**0%**	**1%**	**0%**	[redacted]	**39%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES												
Capex of Taxonomy-non-eligible activities	**1,622**	**48%**										
Total (A+B)	**3,387**	**100%**										

	Proportion of Capex/Total Capex	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	10%	51%
CCA	0%	0%
WTR	0%	0%
CE	0%	1%
PPC	0%	0%
BIO	0%	0%

OPEX KPI

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic activities	Code (a)	Absolute Opex (€million)	Proportion of Opex, Year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum Safeguards	Taxonomy-aligned or eligible proportion of Opex, FY 2022	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	3.3 CCM	105	5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5%	E	
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**105**	**5%**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**5%**		
of which Enabling		105	5%	5%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	5%	E	
of which Transitional		0	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of low carbon technologies for transport	3.3 CCM	684	33%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								32%	E	
Manufacture of other low carbon technologies	3.6 CCM	257	12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%	E	
Renovation of existing buildings	**7.2 CCM/** CE	1	0%	EL	N/EL	N/EL	N/EL	EL	N/EL								0%		T
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Data processing, hosting and related activities	8.1 CCM	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		T
Programming and broadcasting activities	8.3 CCA	20	1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								1%	E	
Close to market research, development and innovation	9.2 CCA	0	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Libraries, archives, museums and cultural activities	13.2 CCA	0	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Motion picture, video and television programme production, sound recording and music publishing activities	13.3 CCA	0	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**962**	**46%**	**45%**	**1%**	**0%**	**0%**	**0%**	**0%**								**36%**		
A. Opex of Taxonomy eligible activities (A.1+A.2)		**1,067**	**51%**	**50%**	**1%**	**0%**	**0%**	**0%**	**0%**								**41%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
Opex of Taxonomy-non-eligible activities	1,035	49%
Total (A+B)	2,102	100%

	Proportion of Opex/Total Opex	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	5%	50%
CCA	0%	1%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

KPI Calculation Methodology (Accounting Policy)

The Annexes of the Disclosure Delegated Act require calculation of 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 €44,742 million.

Numerator

The Turnover numerator has been derived at entity-level, from the managerial profit and loss of each legal entity. Due to this analysis, a share of the total Group turnover has been attributed to the following eligible activities:

- 3.3 – Manufacture of low carbon technologies for transport (CCM)
- 3.6 – Manufacture of other low carbon technologies (CCM)
- 5.3 – Preparation for re-use of end-of-life products and product components (CE)
- 5.4 – Sale of second-hand goods (CE)
- 5.6 – Marketplace for the trade of second-hand goods for reuse (CE)
- 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles (CCM)
- 8.3 – Programming and broadcasting activities (CCA)
- 13.2 – Libraries, archives, museums and cultural activities (CCA)
- 13.3 – Motion picture, video and television program production, sound recording and music publishing activities (CCA)

Among these activities, a share of the activity 3.3 (1%) has been identified as aligned to the Regulation.

Following the EU Commission provisions[16], 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[17], 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 €3.387 million.

Numerator

The CapEx numerator has been derived from managerial reports describing additions of assets occurred during the fiscal year 2023. In particular, the Group, in accordance with § 1.1.2.2 of the Disclosure Delegated Act, identified capital expenditures related to:

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[16] *Commission Notice, 2022/C 385/01, October 2022.*

[17] *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.*

- 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.

Based on this analysis, a share of the total CapEx of the Group has been attributed to the following eligible activities:

- 1.2 – Manufacture of electrical and electronic equipment (CE)
- 2.1 – Water supply (WTR)
- 2.3 – Sustainable urban drainage systems (SUDS) (WTR)
- 2.4 – Remediation of contaminated sites and areas (PPC)
- 3.3 – Manufacture of low carbon technologies for transport (CCM)
- 3.4 – Maintenance of roads and motorways (CE)
- 3.5 – Manufacture of energy efficiency equipment for buildings (CCM)
- 3.5 – Use of concrete in civil engineering (CE)
- 3.6 – Manufacture of other low carbon technologies (CCM)
- 3.8 – Manufacture of aluminium (CCM)
- 4.1 – Electricity generation using solar photovoltaic (CCM)
- 4.1 – Provision of IT/OT data-driven solutions (CE)
- 4.9 – Transmission and distribution of electricity (CCM)
- 4.16 – Installation and operation of electric pumps (CCM)
- 5.1 – Construction, extension and operation of water collection, treatment and supply systems (CCM)
- 5.2 – Renewal of water collection, treatment and supply systems (CCM)
- 5.5 – Collection and transport of non-hazardous waste in source segregated fractions (CCM)
- 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles (CCM)
- 6.14 – Infrastructure for rail transport (CCM)
- 7.1 – Construction of new buildings (CCM) and 3.1 – Construction of new buildings (CE))
- 7.2 – Renovation of existing buildings (CCM, CE)
- 7.3 – Installation, maintenance and repair of energy efficiency equipment (CCM)
- 7.4 – Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings (CCM)
- 7.5 – Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (CCM)
- 7.6 – Installation, maintenance and repair of renewable energy technologies (CCM)
- 8.1 – Data processing, hosting and related activities (CCM)
- 8.2 – Computer programming, consultancy and related activities (CCA)
- 8.2 – Data-driven solutions for GHG emissions reductions (CCM)
- 8.3 – Programming and broadcasting activities (CCA)
- 9.2 – Close to market research, development and innovation (CCA)
- 9.2 – Research, development and innovation for direct air capture of CO_2 (CCM)

- 11.1 – Education (CCA)
- 13.2 – Libraries, archives, museums and cultural activities (CCA)
- 13.3 – Motion picture, video and television program production, sound recording and music publishing activities (CCA)
- 14.1 – Emergency services (CCA)

Among these activities, a share of the activity 3.3 (10%) has been identified as aligned to the Regulation.

OPEX

Denominator
For the calculation of the OpEx KPI[18] 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[19]: 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 (labour, materials and tools costs).

The consolidated value resulting from the analysis conducted on the Group's operating expenditures is equal to €2.102 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 attributed to the following eligible activities:

- 3.3 – Manufacture of low carbon technologies for transport (CCM)
- 3.6 – Manufacture of other low carbon technologies (CCM)
- 7.2 – Renovation of existing buildings (CCM, CE)
- 7.3 – Installation, maintenance & repair of energy efficiency equipment (CCM)
- 7.5 – Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (CCM)
- 8.1 – Data processing, hosting and related activities (CCM)
- 8.3 – Programming and broadcasting activities (CCA)
- 9.2 – Close to market research, development and innovation (CCA)
- 13.2 – Libraries, archives, museums and cultural activities (CCA)
- 13.3 – Motion picture, video and television program production, sound recording and music publishing activities (CCA)

Among these activities, a share of the activity 3.3 (4.52%) has been identified as aligned to the Regulation.

[18] 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.
[19] Commission Notice, 2022/C 385/01, October 2022.

IV. GRI CONTENT INDEX

Disclosures	Page	Comment
GRI 2: General Disclosures 2021		
2-1 Organizational details	324	
2-2 Entities included in the organization's sustainability reporting	114	
2-3 Reporting period, frequency and contact point	1	
2-4 Restatements of information		No changes compared to FY2023.
2-5 External assurance		Not verified by an external third party.
2-6 Activities, value chain and other business relationships	9-15	
2-7 Employees	139-140	
2-8 Workers who are not employees		Not applicable.
2-9 Governance structure and composition	93-113	
2-10 Nomination and selection of the highest governance body	93-104	
2-11 Chair of the highest governance body	94-95	
2-12 Role of the highest governance body in overseeing the management of impacts	103-104	
2-13 Delegation of responsibility for managing impacts	103-104	
2-14 Role of the highest governance body in sustainability reporting	103-104, 119	
2-15 Conflicts of interest	100	
2-16 Communication of critical concerns	137	
2-17 Collective knowledge of the highest governance body	93-102	
2-18 Evaluation of the performance of the highest governance body	99-100	
2-19 Remuneration policies	164-174	
2-20 Process to determine remuneration	165-167	
2-21 Annual total compensation ratio	166	
2-23 Policy commitments	136-137	
2-24 Embedding policy commitments	118	
2-25 Processes to remediate negative impacts	75-92	Exor is engaged in continuous dialogue with the companies through presence in the Board and provides input on subsidiary strategy including sustainability topics.
2-26 Mechanisms for seeking advice and raising concerns	137	
2-27 Compliance with laws and regulations	75-92	No significant fines or non-monetary sanctions were incurred during FY2023.
2-28 Membership associations		Exor does not have a significant role in any association.
2-29 Approach to stakeholder engagement	118	
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 Exor's website), in which Exor recognises the freedom of association and the right to collective bargaining.
GRI 3: Material Topics 2021		

3-1 Process to determine material topics	136	
3-2 List of material topics	136	
3-3 Management of material topics	114-163	
GRI 201: Economic Performance 2016		
201-1 Direct economic value generated and distributed	4	
201-2 Financial implications and other risks and opportunities due to climate change		Details can be found in Exor's TCFD report.
GRI 203: Indirect Economic Impacts 2016		
203-2 Significant indirect economic impacts	118-135	
GRI 205: Anti-corruption 2016		
205-2 Communication and training about anti-corruption policies and procedures	137	
GRI 207: Tax 2019		
207-1 Approach to tax	137-138	
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	119-120	
305-2 Energy indirect (Scope 2) GHG emissions	119-120	
305-3 Other indirect (Scope 3) GHG emissions	119-120	
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	139-140	
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	139-141	

V. 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.	139-141
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 sustainability standards and frameworks, they identify key material themes and put in place targets with metrics as they continue to raise the bar in their aspiration of industry sustainability leadership.	
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Exor engages with its investee companies through active representation and participation on their respective boards.	118-119

Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-AC-410b.1	Not applicable: Exor N.V. does not engage in financing activities.	
	Total amount of assets under management (AUM) included in the financed emissions disclosure	FN-AC-410b.2	Not applicable: Exor N.V. does not engage in financing activities.	
	Percentage of total assets under management (AUM) included in the financed emissions calculation	FN-AC-410b.3	Not applicable: Exor N.V. does not engage in financing activities.	
	Description of the methodology used to calculate financed emissions	FN-AC-410b.4	Not applicable: Exor N.V. does not engage in financing activities.	
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	Not applicable: Exor N.V. is not involved in any of such legal proceedings.	
	Description of whistleblower policies and procedures	FN-AC-510a.2	Description of whistleblowing mechanism is presented in the Sustainability Report.	137

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.	

REMUNERATION REPORT

REMUNERATION REPORT

Foreword

For an overview of the general performance of the Company during the past financial year, please refer to page 18 of this Annual Report.

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 31 May 2023 - 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 2023 until the end of the financial year (i.e. 31 December 2023). 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 Committee of the Company (the “CC”).

A proposal for a new remuneration policy will be presented to Exor's shareholders for approval at the Annual General Meeting of Shareholders (“AGM”) in May 2024.

This Remuneration Report contains disclosures as required under the Dutch Corporate Governance Code, 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 2024 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 to 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 was last amended by the AGM in May 2023 and was well received by the shareholders and approved by 97.66% of the votes.

It is proposed that the Remuneration Policy will be amended in order to further balance the incentive programs in line with the Company's strategy and focus on sustainable long-term value creation and to introduce share ownership requirements to align the interests of the Executive Director with sustainable long-term value creation.

The proposed Remuneration Policy will be placed on the Company's website (https://www.exor.com) upon convening the 2024 AGM.

The 2022 Remuneration Report was presented to the shareholders for an advisory vote at the AGM held on 31 May 2023 and received support of 97.06% of the votes cast. Therefore, this year's Remuneration Report did not require amendments.

There have been no deviations from the Remuneration Policy nor from the procedure for its implementation in the financial year 2023.

Scenario analysis

In the Compensation Committee, 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 these affect the remuneration of Exor's Executive Directors (scenario analysis).

The Non-Executive Directors have 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 CC believes that linking remuneration primarily to financial performance criteria is in line with Exor's role as holding company and its purpose to build great companies and deliver superior returns to its shareholders. The CC will continue to assess the adequacy of the performance measures used in light of long-term sustainable value creation.

2023 Internal pay ratios

In line with the Dutch Corporate Governance Code and in order to ensure 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 supported the CC 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 9.9:1 for the 2023 financial year and up compared to the financial year 2022 (5.9:1). For an overview of pay ratios for the last five financial years, please refer to the table that is included on page 169 of this Annual Report.

The development of this ratio will be monitored and disclosed going forward. The CC 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 CC 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 CC believes 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 CC 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 CC 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 CC 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 interests of Exor's shareholders and other stakeholders; (ii) motivate the attainment of the Company's financial and other performance goals and reward sustainable 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 CC may grant other benefits to the Executive Directors in particular circumstances. In 2023 no such particular circumstances occurred.

SECTION II

2023 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 2023.

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	2023 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

LTV, FCF and Cash holding cost are considered short-term performance measures addressing operational hygiene and performance, which are measurable and for which 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 targets have been achieved in full, and the short-term incentive pay for the Executive Director for 2023 amounted to the maximum opportunity of Euro 500,000 and is 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. The grant date of the 2023 award is 1 July 2023 and vesting (to the extent the applicable conditions are met) as per 30 June 2026. 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 2023, being Euro 79.72.
- End TSR value: the average closing price of the Exor shares during the 30-day period ending on 30 June 2026.
- In the aforementioned calculations the Exor share price will be adjusted (i) for any dividend paid by the Company and (ii) for any variation of the Company's share capital; 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 2023, being Euro 150.2 per share.
- End 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 2026.
- 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 2023, being Euro 277.7 per share.
- End MSCI World Index value: calculated using the closing price of the MSCI World Index at 30 June 2026.
- 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%	10%

* 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	—%
Threshold (TSR only)	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. Recipients who do not exercise their options by 31 December 2026 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 2023, the options outstanding are 2,013,950 granted to the Executive Director of the Company (of which 1,611,160 exercisable) and 757,772 to other beneficiaries (of which 572,742 exercisable) at the exercise price of Euro 32.38.

No awards were made under the 2016 Long Term Stock Option Plan during 2023.

Framework for Non-Executive Directors Remuneration

Based on the Remuneration Policy, the remuneration of Non-Executive Directors may be periodically reviewed by the CC and is as follows:

- up to Euro 500,000 annual base fee for the Chair of the Board;
- Euro 50,000 for each Non-Executive Director, other than the Chair of the Board;
- an additional Euro 15,000 for each member of the Audit Committee and Euro 20,000 for the Chair of the Audit Committee;
- an additional Euro 7,500 for each member of the Compensation Committee and Euro 10,000 for the Chair of the Compensation Committee; and
- an additional Euro 7,500 for each member of the ESG Committee and Euro 10,000 for the Chair of the ESG Committee.

The fees may be fixed at or paid in other currencies, as deemed appropriate.

Additionally, the Chair of the Board may be granted exceptional awards to attract, retain or otherwise reward a Chair with exceptional competence and experience and as such, the grant of such exceptional award contributes to Exor's growth strategy and long-term interests.

In compliance with the Dutch Corporate Governance Code, Non-Executive Directors are not eligible to compensation that is dependent on the results of the company nor compensation in the form of shares and/or rights to shares.

2023 Application of the Non-Executive Directors Remuneration Framework

In accordance with the Remuneration Policy Mr. Nohria received a pro-rated annual base fee of $250,000.

Furthermore, the Remuneration Policy contains the possibility to grant the Chair of the Board exceptional awards to attract, retain and/or otherwise reward a Chair of the Board with exceptional competence and experience. Such award can be made with retroactive effect (to a current or former Chair of the Board) to the relevant date of appointment as Chair of the Board. In line herewith, the Company has awarded Mr. Nohria such an award in cash in the amount of $3,750,000 for his excellent tenure and experience. The Company has retroactively awarded Mr. Banga with such an award in cash in the amount of $1,000,000 for his exceptional contribution during his term as Chair of Board.

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 2023.

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 2023

Loans to Directors

The Company does not provide loans, advance payments or guarantees to its Directors and has not done so in 2023.

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 2023. 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 2023.

Directors' Compensation

The following table summarizes the remuneration paid or awarded to the members of the Board for the year ended 31 December 2023.

Amount in €			EXOR NV								OTHER[(1)]	
Directors of Exor N.V.	Office held	Year	Fixed Remuneration			Variable Remuneration		Exceptional Awards[10]	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					
IAS 24 category			short term benefits				share based payments	short term benefit	post employ-ment benefit			
NOHRIA Nitin (2)	Chairman	2023	134,596	19,144	—	—	—	3,427,500	—	3,581,240	—	3,581,240
		2022	—	—	—	—	—	—	—	—	—	—
ELKANN John[(3)]	CEO	2023	500,000	—	2,880	500,000	7,399,001	—	—	8,401,881	2,390,679	10,792,560
	Chairman and CEO	2022	500,000	—	2,880	500,000	3,119,240	—	—	4,122,120	1,977,195	6,099,315
BRANDOLINI D'ADDA Tiberto Ruy (4)	Director	2023	—	—	—	—	—	—	—	—	—	—
		2022	—	—	—	—	—	—	—	—	—	—
NASI Alessandro[(5)]	Director	2023	—	—	—	—	—	—	—	—	466,221	466,221
		2022	—	—	—	—	—	—	—	—	464,757	464,757
ELKANN Ginevra[(6)]	Director	2023	—	—	—	—	—	—	—	—	—	—
		2022	—	—	—	—	—	—	—	—	—	—
BOLLAND Marc	Director	2023	50,000	25,000	—	—	—	—	—	75,000	—	75,000
		2022	50,000	22,062	—	—	—	—	—	72,062		72,062
BETHELL Melissa	Director	2023	50,000	10,603	—	—	—	—	—	60,603	—	60,603
		2022	50,000	17,938	—	—	—	—	—	67,938		67,938
DEBROUX Laurence	Director	2023	50,000	27,500	—	—	—	—	—	77,500	2,959	80,459
		2022	50,000	27,500	—	—	—	—	—	77,500	60,000	137,500
DEMBECK Sandra [(6)]	Director	2023	29,452	8,836	—	—	—	—	—	38,288	—	38,288
		2022	—	—	—	—	—	—	—	—	—	—
DUMAS Axel[(7)]	Director	2023	—	—	—	—	—	—	—	—	—	—
		2022	—	—	—	—	—	—	—	—		—
BANGA Ajay (8)	Chairman	2023			—	—	—	941,593	—	941,593	—	941,593
		2022	50,000	19,123	—	—	—	—	—	69,123		69,123
AGNELLI Andrea [(9)]	Director	2023	—	—	—	—	—	—	—	—	3,958	3,958
		2022	—	—	—	—	—	—	—	—	547,568	547,568
Total 2023			**814,048**	**91,083**	**2,880**	**500,000**	**7,399,001**	**4,369,093**	**—**	**13,176,105**	**2,863,817**	**16,039,922**
Total 2022			700,000	86,623	2,880	500,000	3,119,240	—	—	4,408,743	3,049,520	7,458,263

(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.
(2) Chairman from 31 May 2023. Extraordinary awards amount to $37,750 thousand.
(3) The proportion of fixed remuneration on total remuneration awarded by Exor N.V. is 6% (13% in 2022), while the proportion of variable remuneration is 94% (87% in 2022). Chairman until 24 May 2022.
(4) Director from 31 May 2023. Director has waived the right to the annual fee of €29,452 as determined by the Exor Shareholders' Meeting.
(5) Director has waived the right to the annual fee of €50,000 as determined by the Exor Shareholders' Meeting.
(6) Directors from 31 May 2023.

(7) Director from 31 May 2023. Director has waived the right to the annual fee of €50,000 as determined by the Exor Shareholders' Meeting and of €7,500 for committee fees.
(8) Chairman until 31 May 2023.
(9) Director until 31 May 2023. Director has waived the right to the emolument of €20,548 as determined by the Exor Shareholders' Meeting.
(10) The exceptional awards reflected in this table are described in more detail in the section "Remuneration Report – 2023 Application of the Non-Executive Directors Remuneration Framework".

The following table summarizes the remuneration paid or awarded to the members of the Board for the year ended 31 December 2023 from the operating subsidiaries:

Amount in €			**Other Company**							
			Fixed Remuneration			**Variable Remuneration**				
Directors of Exor N.V.	**Office held in the subsidiary**	**Year**	**Base salary or annual fee**	**Committee fee**	**Fringe benefits**	**One-year variable**	**Multi-year variable**	**Exceptional Awards**	**Pension & Similar**	**Total Remuneration**
IAS 24 category				short term benefits			share based payment	short term benefit	post employ-ment benefit	
ELKANN John										
Ferrari	Executive Chairman	2023	513,833	—	13,279	984,900	878,667	—	—	2,390,679
Ferrari	Executive Chairman	2022	514,355	—	11,842	680,000	770,998	—	—	1,977,195
NASI Alessandro		2023	417,223	40,000	—	—	—	—	8,998	466,221
CNH Industrial	Director	*2023*	*157,223*	—	—	—	—	—	—	*157,223*
Iveco Group	Director	*2023*	*260,000*	*40,000*	—	—	—	—	*8,998*	*308,998*
		2022	421,436	40,000	—	—	—	—	3,321	464,757
CNH Industrial	Director	*2022*	*161,436*	—	—	—	—	—	—	*161,436*
Iveco Group	Director	*2022*	*260,000*	*40,000*	—	—	—	—	*3,321*	*303,321*
DEBROUX Laurence										
Juventus	Director	2023	2,959	—	—	—	—	—	—	2,959
Juventus	Director	2022	40,000	20,000	—	—	—	—	—	60,000
AGNELLI Andrea										
Juventus	Executive Chairman	2023	3,958	—	—	—	—	—	—	3,958
Juventus	Executive Chairman	2022	515,109	—	32,459	—	—	—	—	547,568
Total 2023			**937,973**	**40,000**	**13,279**	**984,900**	**878,667**	**—**	**8,998**	**2,863,817**
Total 2022			1,490,900	60,000	44,301	680,000	770,998	—	3,321	3,049,520

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 2018 to 2023 financial years is disclosed in the following table.

Amount in €	2023 (Change to 2022)	2022 (Change to 2021)	2021 (Change to 2020)	2020 (Change to 2019)	2019 (Change to 2018)
Company performance					
Net profit attributable to owner of the parent	4,194,000,000 (-0.8%)	4,227,000,000 (+146.2%)	1,717,000,000 (+5,823.3%)	(30,000,000) (-101%)	3,053,000,000 (+126.7%)
Net Asset Value per share	162.36 (+32.7%)	122.34 (-7.6%)	132.42 (+29.7%)	102.08 (+ 3.5%)	98.6 (+37.2%)
Earnings per share - diluted	18.38 (+1.5%)	18.10 (+132.4%)	7.79 (+6,092%)	(0.13) (-101%)	13.12 (+131.4%)
Executive Director					
ELKANN John	8,401,881(+103.8%)	4,122,120 (+28.43%)	3,209,523 (-30.8%)	4,640,779 (-13.67%)	5,375,390 (-0.85%)
Non-Executive Directors					
BRANDOLINI D'ADDA Tiberto Ruy (1)	0 (0%)	n/a	n/a	n/a	n/a
ELKANN Ginevra	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
NASI Alessandro	0 (-100%)	0 (-100%)	3,000 (-60%)	7,500 (0%)	7,500 (0%)
NITIN Nohria (1)	3,581,240 (+100%)	n/a	n/a	n/a	n/a
BETHELL Melissa	60,603 (-10.8%)	67,938 (-4.98%)	71,500 (+120.0%)	32,500 (-53.57%)	70,000 (+13.51%)
BOLLAND Marc	75,000 (+4.08%)	72,062 (+19.1%)	60,500 (+384%)	12,500 (-75%)	50,000 (-14,29%)
DEBROUX Laurence	77,500 (0%)	77,500 (+6.9%)	72,500 (+163.6%)	27,500 (-57.69%)	65,000 (+10.64%)
DEMBECK Sandra (1)	38,288 (+100%)	n/a	n/a	n/a	n/a
DUMAS Axel Olivier(3)	0 (0%)	0 (0%)	n/a	n/a	n/a
AGNELLI Andrea (2)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
BANGA Ajay(2)	941,593 (+1,262%)	69,123 (+92.0%)	36,000 (+100%)	n/a	n/a
Employees					
Average employee remuneration(4)	845,621 (+20.4%)	702,620 (+88.3%)	373,126 (+5.3%)	354,494 (+5.3%)	336,589 (-11.1%)
Pay ratios	9.94 (+ 69.4%)	5.87 (-31.7%)	8.59 (-33.7%)	12.96 (-18.8%)	15.97 (+11.5%)

(1) From 31 May 2023.
(2) Until 31 May 2023.
(3) From 27 May 2021.
(4) 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 2023:

						Opening balance	Movements during the 2023			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 2023	Shares Granted	Shares Vested	Shares Forfeited	Number of shares under award at 31 December 2023	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	278,281	—	—	—	278,281	278,281	278,281	18,663,782	—	6,221,436
ELKANN JOHN	Exor LTI 2023	2023-2026	01/07/2023	30/06/2026	30/06/2028	—	75,262	—	—	75,262	75,262	75,262	—	7,046,087	1,177,565

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 2023:

						Opening balance	Movements during the 2023			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 2023	Shares Granted	Shares Vested	Shares Forfeited	Number of shares under award at 31 Decemb-er 2023	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 2020-2022 PSUs and RSUs	2020-2022	April 2020	March 2023		4,829	—	4,652	177	—	—	—	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	—
ELKANN JOHN	Ferrari Equity incentive Plan 2021-2023 PSUs and RSUs	2023-2025	April 2023	March 2026		—	4,170	—	—	4,170	4,170	—	—	221.76

Consolidated Financial Statements at 31 December 2023

CONSOLIDATED INCOME STATEMENT

		Years ended 31 December	
(€ million)	**Note**	**2023**	**2022**
Net revenues	5	44,742	41,844
Cost of sales	6	(33,434)	(32,339)
Selling, general and administrative expenses		(3,515)	(3,310)
Research and development costs	7	(2,473)	(2,088)
Other income (expenses), net	8	(442)	(156)
Result from investments	9	3,034	2,564
Net financial expenses	10	(40)	(620)
Profit (loss) before taxes		**7,872**	**5,896**
Tax expense	11	(1,095)	(1,060)
Profit (loss) from continuing operations		**6,777**	**4,836**
Profit (loss) from discontinued operations, net of tax	3	—	1,367
Profit (loss) for the period		**6,777**	**6,203**
Profit (loss) attributable to:			
Owners of the parent		*4,194*	*4,227*
Non-controlling interests		*2,583*	*1,976*
Profit (loss) from continuing operations attributable to:			
Owners of the parent		*4,194*	*2,856*
Non-controlling interests		*2,583*	*1,980*
Earnings per share (in €)	13		
Basic earnings per share		18.719	18.376
Diluted earnings per share		18.383	18.103
Earnings per share from continuing operations (in €)	13		
Basic earnings per share		18.719	12.416
Diluted earnings per share		18.383	12.225

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Years ended 31 December	
(€ million)	**Note**	**2023**	**2022**
Profit (loss) for the period from continuing operations		6,777	4,836
Profit (loss) for the period from discontinued operations		—	1,367
Profit (loss) for the period (A)	23	**6,777**	**6,203**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		(68)	200
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees		(28)	214
Gains (losses) on financial assets at fair value through other comprehensive income		228	(414)
Gains (losses) on financial assets at fair value through other comprehensive income for equity method investees		5	(2)
Related tax effect		33	(26)
Items relating to discontinued operations, net of tax		—	—
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B1)		**170**	**(28)**
Items that may be reclassified to the Consolidated Income Statement in subsequent periods:			
Gains (losses) on cash flow hedging instruments		(134)	174
Foreign exchange translation gains (losses)		(598)	1,042
Share of other comprehensive income (loss) of equity method investees		(380)	159
Related tax effect		41	(35)
Items relating to discontinued operations, net of tax		—	135
Total items that may be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B2)		**(1,071)**	**1,475**
Total Other Comprehensive Income (Loss), net of tax (B)=(B1)+(B2)		**(901)**	**1,447**
Total Comprehensive Income (A)+(B)		**5,876**	**7,650**
Total Comprehensive Income (Loss) attributable to:			
Owners of the parent		3,751	5,312
Non-controlling interests		2,125	2,338
Total Comprehensive Income (Loss) attributable to owners of the parent:			
Continuing operations		3,751	3,821
Discontinued operations		—	1,491

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 December	
(€ million)	**Note**	**2023**	**2022**
Non current assets			
Intangible assets	14	9,887	9,293
Property, plant and equipment	15	7,061	6,539
Investments accounted for using the equity method	16	14,968	12,841
Investments and other financial assets	17	9,369	3,052
Leased assets	18	1,358	1,478
Deferred tax assets	11	1,671	1,258
Other non current assets		603	660
Total non current assets		**44,917**	**35,121**
Current assets			
Inventories	19	8,805	8,031
Trade receivables	20	864	749
Receivables from financing activities	21	28,848	23,606
Current tax receivables		200	170
Investments and other financial assets	17	1,109	3,234
Other current assets		1,299	1,209
Cash and cash equivalents	22	8,678	11,577
Total current assets		**49,803**	**48,576**
Assets held for sale	3	59	2
Total Assets		**94,779**	**83,699**
Equity and Liabilities			
Equity attributable to owners of the parent	23	23,268	20,627
Non-controlling interests	23	9,864	9,043
Total Equity		**33,132**	**29,670**
Liabilities			
Provisions for employee benefits	25	1,321	1,305
Other provisions	26	5,035	4,045
Deferred tax liabilities	11	271	361
Financial debt and derivative liabilities	27	40,218	33,970
Trade payables	29	7,930	7,888
Tax payables		871	587
Other liabilities	30	5,943	5,872
Liabilities held for sale		58	1
Total Liabilities		61,647	54,029
Total Equity and Liabilities		**94,779**	**83,699**

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF CASH FLOWS

		Years ended 31 December	
(€ million)	**Note**	**2023**	**2022**
Cash and cash equivalents at beginning of the period		11,577	7,905
Cash and cash equivalents at the beginning of the period included in Assets held for sale		—	584
Total Cash and cash equivalents at the beginning of the period		**11,577**	**8,489**
Cash flows from operating activities:			
Profit (loss) from continuing operations		6,777	4,836
Amortisation and depreciation		2,050	1,853
Gains on disposal of non-current assets		(35)	(162)
Other non-cash items[1]		(2,984)	(1,985)
Dividends received		690	525
Change in provisions		1,039	506
Change in deferred taxes		(478)	(106)
Change in inventories, trade and other receivables and payables		(813)	(1,127)
Cash flows from operating activities – from continuing operations		**6,246**	**4,340**
Cash flows from operating activities – discontinued operations		**—**	**578**
Total		**6,246**	**4,918**
Cash flows used in investing activities:			
Investments in property, plant and equipment and intangible assets	14-15	(2,810)	(2,448)
Investments in joint ventures, associates, unconsolidated subsidiaries and financial assets	16	(4,027)	(869)
Proceeds from disposal of investments, tangible, intangible and financial assets	16	202	(289)
Net change in financial assets	16	(4,360)	(7,361)
Net change in financial receivables		*(5,951)*	*(5,514)*
Net change in other financial assets		*1,591*	*(1,847)*
Other changes		2	178
Cash flows used in investing activities from continuing operations		**(10,993)**	**(10,789)**
Net cash proceeds from disposal of PartnerRe Group	3	—	6,972
Other cash flows used in investing activities	3	47	(282)
Cash flows used in investing activities- discontinued operations		**47**	**6,690**
Total		**(10,946)**	**(4,099)**
Cash flows used in financing activities:			
Issuance of notes	26	1,641	1,197
Repayment of notes	26	(2,178)	(1,276)
Proceeds of other long-term debt	26	2,479	1,706
Repayment of other long-term debt	26	(1,516)	(1,118)
Net change in short-term debt and other financial assets/liabilities	26	4,512	3,231
Exercise of stock options	23	4	1
Buyback of Exor shares	23	(996)	(255)
Buyback of consolidated subsidiaries shares		(1,119)	(542)
Dividends paid		(716)	(601)
Other changes		38	(29)
Cash flows used in financing activities from continuing operations		**2,149**	**2,312**
Cash flows used in financing activities – discontinued operations		**(42)**	**(180)**
Total		**2,107**	**2,132**
Translation exchange differences		**(306)**	**137**
Total Change in Cash and cash Equivalents		**(2,899)**	**3,088**
Cash and cash equivalents at the end of the period		**8,678**	**11,577**
Less Cash and cash equivalents at the end of the period included in Assets held for sale	3	—	—
Cash and cash equivalents at the end of the period		**8,678**	**11,577**

1. In 2023 and 2022 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 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 Exor 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**

(€ 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 2023	**7**	**(553)**	**20,171**	**59**	**449**	**(259)**	**(42)**	**795**	**20,627**	**9,043**	**29,670**
Share-based compensation	—	—	100	—	—	—	—	—	**100**	103	**203**
Buyback of Exor shares	—	(996)	—	—	—	—	—	—	**(996)**	—	**(996)**
Cancellation of treasury shares	—	398	(398)	—	—	—	—	—	**—**	—	**—**
Capital increase	—	—	—	—	—	—	—	—	**—**	5	**5**
Dividends	—	—	(99)	—	—	—	—	—	**(99)**	(633)	**(732)**
Total comprehensive income	—	—	4,194	(24)	(237)	252	(9)	(425)	**3,751**	2,125	**5,876**
Effect of the change in the percentage ownership of companies	—	—	(112)	1	(21)	(1)	(1)	(38)	**(172)**	(918)	(1,090)
Other changes	—	—	57	—	—	—	—	—	**57**	139	**196**
At 31 December 2023	**7**	**(1,151)**	**23,913**	**36**	**191**	**(8)**	**(52)**	**332**	**23,268**	**9,864**	**33,132**

(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 investment holding companies and is controlled by Giovanni Agnelli B.V. (Giovanni Agnelli) which holds approximately 56.93% of Exor's outstanding ordinary shares and 86.86% of the voting rights on outstanding 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 the "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 2023 (the "Consolidated Financial Statements") were authorised for issuance on 10 April 2024 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 the 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. Despite operating in a continuously difficult economic and financial environment, negatively impacted by the effects of current macroeconomic and geopolitical instability, supply chain issues and global logistic constraints, energy and material availability and relevant price variability, 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 Consolidated Financial Statements are prepared using the Euro as the presentation currency, 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

Exor presents the consolidated 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.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1 – Presentation of Financial Statements. The Consolidated Financial Statements include both industrial activities companies and financial services companies. Receivables from financing activities of the financial services companies of CNH Industrial, Iveco Group and Ferrari are included in current assets, as the investments will be realised in their normal operating cycle.

However, financial services companies obtain only a portion of their funding from the market; the remainder is obtained from the respective parent company (included in the respective industrial activities) through its treasury activity, which lends funds both to industrial activities companies and to financial services companies as the need arises. This financial services structure within the Group does not allow the separation of financial liabilities funding the financial services operations (whose assets are reported within current assets) and those funding the industrial activities operations. Presentation of financial liabilities as current or non-current based on their date of maturity would not facilitate a meaningful comparison with financial assets, which are categorized on the basis of their normal operating cycle. Disclosure of the due dates of financial liabilities is however provided in the notes.

The statement of cash flows is presented using the indirect method.

New standards and amendments effective from 1 January 2023

The following amendments and interpretations, which were effective from 1 January 2023, were adopted by the Group. The adoption of these amendments had no material impact on the Consolidated Financial Statements.

Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2

On 12 February 2021 the IASB issued "Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies", requiring companies to disclose the material accounting policy information rather than the significant accounting policies. Furthermore, the amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective retrospectively from 1 January 2023. These amendments had no impact on these Consolidated Financial Statements.

Amendments to IAS 8 – Accounting policies, Changes in Accounting Estimates and Errors

On 12 February 2021 the IASB issued "Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The amendments clarify how to distinguish changes in accounting policies (generally also applied retrospectively to past transactions and other past events) from changes in accounting estimates (applied prospectively only to future transactions and other future events). The amendments are effective retrospectively from 1 January 2023. These amendments had no impact on these Consolidated Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

On 7 May 2021 the IASB issued "Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)", which specifies how companies should 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. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. These amendments had no impact on these Consolidated Financial Statements.

On 23 May 2023, the IASB issued "International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 – Income Taxes", introducing a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements. The mandatory exception, the use of which is required to be disclosed, applies immediately. The remaining disclosure requirements apply for annual reporting periods on or after 1 January 2023. These amendments had no impact on these Consolidated Financial Statements.

Amendments to IFRS 17 – Insurance Contracts

In December 2021, the IASB issued amendments to IFRS 17 – Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information, which provides a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendment is effective on or after 1 January 2023. There was no effect from the adoption of these amendments.

IFRS 4 – Insurance Contracts

In June 2020, the IASB issued amendments to IFRS 4 — Insurance Contracts which defer the expiry date of the temporary exemption from applying IFRS 9 to annual periods beginning on or after 1 January 2023. There was no effect from the adoption of these amendments.

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. The Group is currently evaluating the impact of the adoption of these amendments.

- In January 2020, the IASB issued the amendments to IAS 1, to clarify its requirements for classifying a liability as non-current in the statement of financial position. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.
- On 22 September 2022, the IASB issued "Lease Liabilities 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 reporting periods beginning on or after 1 January 2024.
- On 31 October 2022 the IASB published "Non-current Liabilities with Covenants (Amendments to IAS 1 – Presentation of Financial Statements)", to clarify how conditions with which an entity must comply within twelve months after the reporting periods, affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

Furthermore, at the date of these Consolidated Financial Statements, the European Union has not yet completed its endorsement process for these amendments and new sustainability standards:

- On 25 May 2023, the IASB issued "Amendment to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosure of Supplier Finance Arrangements", requiring an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024.
- On 26 June 2023, the IASB issued "IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information" and "IFRS S2 – Climate-related Disclosures". These sustainability standards provide respectively, a set of sustainability-related financial information that is useful to investors regarding the sustainability-related risks and opportunities over the short, medium and long term and specific climate-related disclosures objectives and requirements. These standards will be effective for annual reporting periods beginning on or after 1 January 2024. On 25 July 2023, the International Organization of Securities Commissions (IOSCO) announced its endorsement of these Standards.
- On 15 August 2023, the IASB issued "Lack of Exchangeability (Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability)", specifying when a currency is exchangeable into another currency and when it is not and how to determine the exchange rate to apply when a currency is not exchangeable, also requiring entities to disclose additional information when a currency is not exchangeable. The amendments will be effective for annual periods beginning on or after 1 January 2025.

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:

	2023		2022	
	Average	**At 31 December**	**Average**	**At 31 December**
U.S. dollar	1.081	1.105	1.053	1.067
Brazilian real	5.401	5.350	5.439	5.568
Chinese renminbi	7.657	7.851	7.079	7.358
Polish zloty	4.543	4.348	4.687	4.690
Czech Koruna	24.004	24.724	24.566	24.116
Argentinian peso(1)	892.924	892.924	188.906	188.906
British pound	0.870	0.869	0.853	0.887
Swiss franc	0.972	0.926	1.005	0.985
Canadian dollar	1.460	1.464	1.370	1.444
Hong Kong dollar	8.466	8.631	8.245	8.316
Singapore dollar	1.452	1.459	1.451	1.430
Australian dollar	1.628	1.626	1.517	1.569
Japanese Yen	151.854	156.330	138.027	140.660
Turkish lira(2)	32.603	32.603	19.953	19.953

(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 2023). At 31 December 2023 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 17, Note 32 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 the 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 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 account 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.

There are no key sources of estimation uncertainty and no critical judgements. The following are the main judgments and assumptions concerning the future that Exor and its consolidated subsidiaries have made in the process of applying accounting policies to prepare the Consolidated Financial Statements.

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.

Consolidated 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 around the evolution of certain macro-economic dynamics (i.e. Russia-Ukraine conflict, supply chain issues, energy prices), it is reasonably possible that the Group's recognition of deferred tax assets could change during 2024, with those changes potentially having an impact on 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 is 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 and have contributed to an inflationary environment which has affected, and may continue to affect, the price and availability of certain products and services necessary for the operations of Exor's subsidiaries. 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.

Exor and its investee companies continue to monitor global economic conditions and the impact of macroeconomic pressures, including repercussions from rising interest rates, fluctuating currency exchange rates, inflation and recession fears, on the respective business, customers and suppliers.

Investment entity status

As of 1 January 2024, Exor considers that it now meets the criteria of an investment company as defined by IFRS 10 - Consolidated Financial Statements, as it satisfies, at that date, the following three cumulative criteria:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both;
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the past years, Exor has evolved from a holding to an investment entity, driven by a significant change in its portfolio activity and composition, and changes in its portfolio review process to drive capital allocation decisions based on fair value. The new classification follows these gradual changes, also marked notably by the change in investment type from controlling to minority stakes and by the allocation of a significant amount of resources into fund and venture investments.

Exor will apply this change in classification prospectively from 1 January 2024, with a material impact on the presentation of the consolidated financial statements:

- in line with IFRS requirements, Exor will deconsolidate portfolio companies and account for them at fair value, while only continuing to consolidate subsidiaries that provide support services to the Parent Company;
- investments in which Exor invests and that are controlled will no longer be fully consolidated;
- investments over which Exor exercises significant influence on financial and business decisions but does not have majority control, or in which it exercises joint control, will no longer be equity accounted;
- current equity investments accounted for at FVTOCI remain unchanged, while all new investments, other than subsidiaries providing services that relate to the investment company's activities, will be measured at fair value through profit or loss from 1 January 2024, in accordance with IFRS 9.

Furthermore, as this change is applied prospectively, Exor will recognize, as of 1 January 2024, a non-recurring net gain resulting from the difference between the net carrying amount of investments previously consolidated or accounted for using the equity method and their fair value at the date of the change. Based on a preliminary assessment, this net gain would be approximately €12 billion. It will be clarified in the publication of 2024 first half results.

This change in classification has no impact on the 2023 consolidated financial statements.

Exor believes that this change will better align Exor's reporting and financial disclosures to its business and activities, with NAV and other key metrics audited.

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 2023 are the following:

Company/Group	Country	% Ownership	
		Group	Non-controlling interest
Operating subsidiaries / Segment entities			
CNH Industrial	the Netherlands	28.42	71.58
Ferrari	the Netherlands	24.63	75.37
Iveco Group	the Netherlands	27.67	72.33
Juventus Football Club	Italy	63.77	36.23
GEDI Gruppo Editoriale	Italy	89.62	10.38
Exor Seeds	USA	87.80	12.20
Exor Ventures	USA	98.50	1.50
Shang Xia[a]	People's Rep.of China	82.30	17.70
Lingotto Investment Management LLP[b]	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).
(b) Owned through the holding company Lingotto Investments Management (UK) Limited.

At 31 December 2023 the Exor Group includes 249 subsidiaries consolidated line-by-line by CNH Industrial, Ferrari, Iveco Group, GEDI, Lingotto Investments Management and Juventus.

Changes in the Scope of Consolidation

2023 Change in scope of consolidation

Acquisition of Augmenta Holding SAS

In March 2023, CNH Industrial acquired the remaining 89.5% of Augmenta it did not own, for cash consideration of approximately $80 million and a deferred payment of $10 million. CNH Industrial recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including $76 million and $35 million in preliminary goodwill and intangible assets, respectively. Measurement period adjustments were recorded during the year, reducing goodwill by $14 million and increasing intangible assets. The valuation of assets acquired and liabilities assumed was not finalized as of 31 December 2023

Acquisition of Bennamann LTD

In March 2023, CNH Industrial acquired a controlling interest in Bennamann by purchasing an additional 34.4% interest through cash consideration of approximately $51 million. CNH industrial recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including $118 million and $46 million in preliminary goodwill and intangible assets, respectively. Measurement period adjustments were recorded during the year, reducing goodwill by $3 million and increasing intangible assets. The valuation of assets acquired and liabilities assumed was not finalized as of 31 December 2023.

Acquisition of Hemisphere

Effective 12 October 2023, CNH Industrial closed on its purchase of Hemisphere, a global satellite navigation technology leader, for a total consideration of $181 million. At 31 December 2023, CNH Industrial recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including $111 million and $51 million in preliminary goodwill and intangible assets, respectively. The valuation of assets acquired and liabilities assumed has not been finalized as of 31 December 2023.

Acquisition of IDV ROBOTICS Limited

In the first quarter of 2023, IDV, the brand of Iveco Group specialised in defence and civil protection equipment, acquired a controlling stake in MIRA UGV, now renamed IDV ROBOTICS Limited, the Uncrewed Ground Vehicle division of HORIBA MIRA, a global provider of automotive engineering, research and test services, headquartered in the U.K., for a total consideration of £36.3 million (€41 million), initially estimated to be of £41.5 million (€47 million), of which £26.6 million already paid. During the measurement period the provisional amounts initially recognized were adjusted with a recognition of a final goodwill of €23 million. The accounting for this business combination was finalized in December 2023.

Consolidation of the funds managed by Lingotto

In 2023, following the implementation of the asset management activities, certain funds managed by Lingotto have been consolidated on a line-by-line basis beginning 1 January 2023, with an increase in financial assets and financial liabilities of €829 million related to the investments made by third parties, with no effects on net equity.

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.

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 is 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. 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. These cash flows represent those arising from transactions with third parties.

The following table set out the results of the discontinued operations.

(€ million)	2022
PartnerRe[(a)]	
Net revenues	1,870
Expenses	(2,860)
Other income (expenses) and Result of investments	(53)
Net financial expenses	(14)
Profit (loss) before taxes from discontinued operations	(1,057)
Tax expense	(2)
Adjustments	2
Total	**(1,057)**
Gain on disposal of PartnerRe shares	**2,424**
Profit (loss) from discontinued operation, net of tax	**1,367**

(a) For the period 1 January - 12 July 2022.

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 expenses 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.

The following tables summarize selected financial information by reporting segment for the years 31 December 2023 and 2022. 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 2023					
Stellantis[1]	—	—	—	*2,790*	*2,790*
CNH Industrial	22,095	567	22,662	2,149	608
Iveco Group	14,777	1,436	16,213	234	60
Ferrari	5,918	52	5,970	1,257	308
Juventus	378	44	422	(189)	(121)
GEDI	477	3	480	(91)	(77)
Other and adjustments[3]	105	(1,110)	(1,005)	627	626
Consolidated data	**43,751**	**991**	**44,742**	**6,777**	**4,194**
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**

(€ 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 2023					
Stellantis[1]	—	12,765	—	12,765	12,765
CNH Industrial	4,566	42,450	25,766	7,926	2,187
Iveco Group	2,698	18,384	6,141	2,390	657
Ferrari	1,122	8,051	2,490	3,071	754
Juventus	13	711	340	74	93
GEDI	31	636	268	81	68
Other and adjustments[3]	248	11,782	5,213	6,825	6,744
Consolidated data	**8,678**	**94,779**	**40,218**	**33,132**	**23,268**
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**

(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 2023 and 2022:

	Years ended 31 December	
(€ million)	2023	2022
United States of America	10,090	9,243
Italy	5,024	4,704
Brazil	3,935	4,834
France	3,535	3,296
Germany	2,667	2,512
United Kingdom	1,873	1,693
Canada	1,796	1,654
Australia	1,456	1,217
China	916	936
Argentina	913	1,133
Turkey	863	602
India	483	484
Other countries	11,191	9,536
Total net revenues	**44,742**	**41,844**

Other countries includes net revenues generated in the Netherlands for the year ended 31 December 2023 amounting to €400 million (€333 million for the year ended 31 December 2022).

The following table presents an analysis of non-current assets, excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts of the Group at 31 December 2023 and 2022 by country:

	At 31 December	
(€ million)	2023	2022
Netherland	15,725	10,916
Italy	7,919	7,634
United States of America	6,477	6,396
France	2,540	2,375
United Kingdom	1,261	630
Spain	754	672
Canada	670	509
Germany	653	631
Brazil	435	363
Belgium	312	286
Turkey	177	80
India	104	96
Japan	86	82
Other countries	1,390	1,149
Total non-current assets	**38,502**	**31,817**

Total non-current assets of CNH Industrial Group located in U.K., excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts, were €300 million and €134 million at 31 December 2023 and 2022, respectively, and the total of such assets located in the rest of the world totalled €8,628 million and €8,165 million at 31 December 2023 and 2022, respectively.

5. Net revenues

Net revenues for the years ended 31 December 2023 and 2022 are as follows:

	Years ended 31 December	
(€ million)	2023	2022
Sales of goods	39,842	37,320
Services provided and other revenues	1,047	975
Rents and other income on assets sold with a buy-back commitment	283	280
Revenues from sales of goods and services	**41,172**	**38,575**
Interest income of financial services activities	1,300	909
Rents and other income on operating leases	671	799
Revenues from sponsorships and advertising	643	595
Other	956	967
Total net revenues	**44,742**	**41,844**

6. Cost of sales

Cost of sales for the years ended 31 December 2023 and 2022 are as follows:

	Years ended 31 December	
(€ million)	2023	2022
Cost of goods	32,271	31,715
Interest cost and other financial expenses from financial services companies	1,163	624
Total cost of sales	**33,434**	**32,339**

7. Research and development costs

Research and development costs for the years ended 31 December 2023 and 2022 are as follows:

	Years ended 31 December	
(€ million)	2023	2022
Research and development costs expensed	1,972	1,428
Amortisation of capitalised development costs	501	645
Impairment and write-off of costs previously capitalised	—	15
Total research and development costs	**2,473**	**2,088**

No impairment and write-offs of capitalized development costs were recorded in 2023 (€15 million in 2022 related to the Iveco Group). The costs in both periods are primarily attributable to spending on engine development associated with emission requirements and continued investment in new products.

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 2023 Other net expenses amount to €442 million, compared to a net expenses of €156 million for the year ended 31 December 2022.

In 2023 the items related to CNH Industrial Group amount to €157 million and mainly include €60 million of restructuring costs ,a gain of €12 million in relation to the fair value remeasurement of previously held investments in Augmenta and Bennamann and €19 million from losses on disposal of investments. In 2022 the items related to CNH Industrial Group amounted to €40 million and mainly included €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 2023 the items related to Iveco Group amount to €225 million and include the negative impact of €43 million from the acquisition of full ownership of Nikola Iveco Europe Gmbh, now renamed EVCO Gmbh and restructuring costs for €35 million. In 2022 the items related to Iveco Group amounted 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.

The restructuring costs of €106 million (€55 million in 2022) are related to CNH Industrial, Iveco Group and GEDI for €60 million, €35 million and €11 million, respectively (in 2022 €32 million, €15 million and €8 million, respectively).

9. Results from investments

Result from investments for the years ended 31 December 2023 and 2022 are as follows:

	Years ended 31 December	
(€ million)	**2023**	**2022**
Share of the profit of equity method investees	3,050	2,564
Impairment losses	(28)	—
Other income from investments	12	—
Total result from investments	**3,034**	**2,564**

Impairment is mainly related to the investment in Casavo, as detailed in Note 16.

The following table summarises the share of profits of equity method investees for the years ended 31 December 2023 and 2022:

	Years ended 31 December	
(€ million)	**2023**	**2022**
Joint ventures	145	92
Associates[1]	2,905	2,472
Share of the profit of equity method investees	**3,050**	**2,564**

1) Mainly related to Stellantis (€2,790 million in 2023 and €2,392 million in 2022).

10. Net financial expenses

Net financial expenses for the years ended 31 December 2023 and 2022 are as follows:

(€ million)	Years ended 31 December 2023	2022
Financial Income:		
Interest and other financial income	339	156
Financial services income	1,300	909
Gains on disposal of securities	36	10
Total financial income	**1,675**	**1,075**
Related to:		
Industrial companies (A)	*376*	*166*
Financial services companies (reported within net revenues)	*1,300*	*909*
Financial Expenses:		
Interest expenses and other financial expenses	(1,694)	(982)
Write-downs and losses on financial assets and securities	(77)	(123)
Net interest expenses on employee benefits provisions	(32)	(10)
Total interest and other financial expenses	**(1,803)**	**(1,115)**
Net expenses from derivative financial instruments and exchange rate differences	**224**	**(296)**
Total financial expenses	**(1,579)**	**(1,411)**
Related to:		
Industrial companies (B)	*(416)*	*(786)*
Financial services companies (reported within cost of revenues)	*(1,163)*	*(624)*
Net financial expenses relating to industrial companies (A+B)	**(40)**	**(620)**

Interest expenses and other financial expenses may be analysed as follows:

(€ million)	Years ended 31 December 2023	2022
Interest expenses on bonds	207	239
Interest expenses from banks	53	15
Interest on lease liabilities	23	15
Other interest and financial expenses	1,411	713
Total Interest expense and other financial expenses	**1,694**	**982**

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 2023 and 2022 is as follows:

(€ million)	Years ended 31 December 2023	2022
Current tax	1,578	1,189
Deferred tax	(479)	(101)
Tax (benefit) expense relating to prior periods	(4)	(28)
Total tax expense	**1,095**	**1,060**

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)	2023	2022
Theoretical tax expense	**2,031**	**1,474**
Tax effect on:		
Recognition and utilisation of previously unrecognized deferred tax assets	(2)	(36)
Permanent differences	(1,048)	(665)
Deferred tax assets not recognized and write-downs	35	119
Differences between foreign tax rates and the theoretical tax rate and tax holidays	(18)	34
Taxes relating to prior years	(4)	(28)
Other differences	101	161
Total tax expense	**1,095**	**1,060**
Effective tax rate	**13.91 %**	**17.98 %**

The applicable tax rate used to determine the theoretical income expense are 25.8% in 2023 and 2022 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).

CNH Industrial's effective tax rates for 2023 and 2022 were 20.5% and 28.8%, respectively. The lower tax expense in 2023, as compared to 2022, was largely attributable to items that reduced the tax rate in 2023, including recognition of $80 million of previously unrecognized deferred tax assets in the United Kingdom, lower profitability in high-tax jurisdictions as a percent of total profit, higher credits and incentives, and the tax benefit related to the sale of CNH Industrial Russia, offset by increases in the tax rate due to discrete tax expense associated with prior periods.

Iveco's effective tax rates for 2023 and 2022 were 39.5% and 38.8%, respectively. The effective tax rate is substantially in line with 2022. The negative effect arising from Argentine deferred tax assets not recognized in 2023 was mostly offset by certain other discrete items and by a more favourable mix of tax rates.

Ferrari's effective tax rates for 2023 and 2022 were 21.5% and 20.2%, respectively.

Deferred tax assets and deferred tax liabilities recognized at 31 December 2023 and 2022 are as follows:

	At 31 December	
(€ million)	2023	2022
Deferred tax assets	1,671	1,258
Deferred tax liabilities	(271)	(361)
Total, net	**1,400**	**897**

The increase of €503 million in net deferred tax assets is mainly due to temporary addbacks increasing taxable income in the current year and the recognition of €74 million of previously unrecognized assets in the U.K. by CNH Industrial Group.

Deferred tax assets and liabilities at 31 December 2023 and 2022 and the changes during the years then ended are as follows:

(€ million)	At 31 December 2022	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 2023
Deferred tax assets arising from:							
Provisions	1,327	61	—	—	—	(736)	652
Provision for employee benefits	83	(6)	1	—	—	(41)	37
Inventories	248	95	—	—	—	13	356
Allowances for doubtful accounts	144	15	—	—	—	1	160
Write-downs of financial assets	2	—	—	—	—	(1)	1
Measurement of derivative financial instruments	23	19	—	—	—	(2)	40
Other	796	290	—	39	—	647	1,772
Total deferred tax assets	**2,623**	**474**	**1**	**39**		**(119)**	**3,018**
Deferred tax assets arising on tax loss carry-forwards	**943**	**18**	**—**	**—**	**—**	**(21)**	**940**
Unrecognized deferred tax assets	**(1,041)**	**(10)**	**—**	**—**	**—**	**31**	**(1,020)**
Deferred tax assets, net (A)	**2,525**	**482**	**1**	**39**	**—**	**(109)**	**2,938**
off which offset	***1,267***						***1,267***
Deferred tax liabilities arising from:							
Accelerated depreciation	(450)	23	—	—	—	20	(407)
Capitalisation of development costs	(572)	(37)	—	—	—	23	(586)
Inventories	(108)	12	—	—	—	12	(84)
Intangible assets	(90)	4	—	—	—	7	(79)
Provision for employee benefits	(31)	1	32	—	—	3	5
Other	(377)	(17)	43	(71)		35	(387)
Total deferred tax liabilities (B)	**(1,628)**	**(14)**	**75**	**(71)**	**—**	**100**	**(1,538)**
Off which offset with tax assets	***(1,267)***						***(1,267)***
Of which not offset	***(361)***						***(271)***
Total Net deferred tax assets (C)= A-B	**897**	**468**	**76**	**(32)**	**—**	**(9)**	**1,400**

(€ 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	—	—	—	—	—	2
Measurement of derivative financial instruments	32	(23)	7	—	—	7	23
Other	723	(17)	—			90	796
Total deferred tax assets	**2,266**	**226**	**(5)**	**—**	**—**	**136**	**2,623**
Deferred tax assets arising on tax loss carry-forwards	**881**	**10**	**—**	**—**	**—**	**52**	**943**
Unrecognized deferred tax assets	**(871)**	**(149)**	**—**	**—**	**—**	**(21)**	**(1,041)**
Deferred tax assets, net (A)	**2,276**	**87**	**(5)**	**—**	**—**	**167**	**2,525**
off which offset	**1,096**						**1,267**
Deferred tax liabilities arising from:							
Accelerated depreciation	(493)	54	—	—	—	(11)	(450)
Capitalisation of development costs	(530)	(39)	—	—	—	(3)	(572)
Inventories	(95)	(4)	—	—	—	(9)	(108)
Intangible assets	(101)	17	—	—	—	(6)	(90)
Provision for employee benefits	(13)	(4)	(14)	—	—	—	(31)
Other	(237)	30	(57)	—		(113)	(377)
Total deferred tax liabilities (B)	**(1,469)**	**54**	**(71)**	**—**	**—**	**(142)**	**(1,628)**
Off which offset with tax assets	**(1,096)**	**—**	**—**	**—**	**—**	**—**	**(1,267)**
Of which not offset	**(373)**						**(361)**
Total Net deferred tax assets (C)= A-B	**807**	**141**	**(76)**	**—**	**—**	**25**	**897**

At 31 December 2023 and 2022 the Group had the following recognized and unrecognized deferred tax assets:

(€ million)	Deferred tax assets relating to			
	Deductible temporary differences	of which not recognized	Tax loss carry forward	of which not recognized
At 31 December 2023	**3,018**	**114**	**940**	**906**
At 31 December 2022	2,623	285	943	756

At 31 December 2023 net deferred tax assets include the amount of €35 million (€187 million at 31 December 2022) in respect of benefits on unused tax loss carryforwards.

Total deductible and taxable temporary differences and accumulated tax losses at 31 December 2023, together with the amounts for which deferred tax assets have not been recognized, analysed by year of expiration, are as follows:

(€ million)	At 31 December 2023	Year of expiration					
		2024	2025	2026	2027	Beyond 2027	Unlimited / Indeterminable
Deductible temporary differences	**13,344**	**4,194**	**2,719**	**2,214**	**1,842**	**2,047**	**328**
Taxable temporary differences	**(6,846)**	**(1,190)**	**(1,386)**	**(1,428)**	**(1,375)**	**(1,423)**	**(44)**
Tax losses and tax credits	**4,341**	**171**	**50**	**37**	**38**	**740**	**3,305**
Temporary differences and tax losses for which deferred tax assets have not been recognized	**(3,258)**	**(339)**	**(308)**	**(252)**	**(148)**	**(429)**	**(1,782)**
Net temporary differences and tax losses	**7,581**	**2,836**	**1,075**	**571**	**357**	**935**	**1,807**

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 2023, undistributed earnings in certain CNH Industrial subsidiaries outside the U.K. totalled approximately €2 billion (€8 billion at 31 December 2022) 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 €2 billion undistributed earnings was approximately €203 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 2023. 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 2023, undistributed earnings in certain Iveco Group subsidiaries totalled approximately €3.7 billion (€2.6 billion at 31 December 2022) 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 2023 personnel costs for the Group's continuing operations amounted to €6,308 million (€5,838 million in 2022). These amounts include costs that were capitalised mainly in connection with product development activities.

In 2023 the Group's continuing operations had an average number of employees of 83,773 (80,932 in 2022).

Depreciation and amortization amounted to €2,302 million in 2023 (€2,198 million in 2022), detailed as follows:

	Years ended 31 December	
(€ million)	2023	2022
Intangible assets	1,125	1,038
Property, plant and equipment	973	936
Leased assets	204	224
Depreciation and amortization	**2,302**	2,198

13. Earnings per share

The following table is a reconciliation of basic and diluted earnings per share:

		Years ended 31 December	
		2023	2022
Net profit/(loss) attributable to owners of the parent	€ million	**4,194**	**4,227**
Net profit/(loss) attributable to owners of the parent from Continuing Operations	€ million	4,194	2,856
Net profit/(loss) attributable to owners of the parent from Discontinued Operations	€ million	—	1,371
Basic earnings/(loss) per share attributable to common shareholders:			
Weighted average common shares outstanding – basic	thousand	224,047	230,033
Continuing Operations	€	**18.719**	**12.416**
Discontinued Operations	€	—	5.960
Basic earnings/(loss) per share attributable to owners of the parent	€	**18.719**	**18.376**
Diluted earnings/(loss) per share attributable to common shareholders:			
Weighted average common shares outstanding – basic	thousand	224,047	230,033
Effect of dilutive potential shares (when dilutive):			
Dilutive effect due to share based compensation plans granted by Exor	thousand	3,607	3,222
Weighted average common shares outstanding – diluted	thousand	227,654	233,255
Continuing Operations - diluted from Exor share based compensation plans	€	18.423	12.416
Dilutive effect due to share based compensation plans granted by Exor subsidiaries	€	(0.040)	(0.191)
Continuing Operation - diluted	€	**18.383**	**12.225**
Discontinued Operations - diluted from Exor share based compensation plans	€	—	5.960
Dilutive effect due to share based compensation plans granted by Exor subsidiaries	€	—	(0.082)
Discontinued Operations - diluted	€	**—**	**5.878**
Diluted earnings/(loss) per share attributable to common shareholders		**18.383**	**18.103**

Diluted earning per share reflects the potential dilution that could occur on the conversion of all dilutive potential common shares into common shares. Stock options, restricted stock units, and performance stock units deriving from the Exor share based payment awards are considered dilutive potential common shares. In addition, 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 share based compensation plans granted by the subsidiaries using their own equity instruments.

14. Intangible assets

Changes in 2023 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 2022								
Original cost	5,160	593	4,410	5,132	1,316	1,928	793	19,332
Accumulated amortisation and impairment	(1,116)	(63)	(3,294)	(2,985)	(1,169)	(1,023)	(389)	(10,039)
Net carrying amount	**4,044**	**530**	**1,116**	**2,147**	**147**	**905**	**404**	**9,293**
Changes during the year (original cost)								
Additions	—	—	573	556	76	208	52	1,465
Disposals	(2)	(45)	(13)	(231)	(3)	(10)	(168)	(472)
Transfer to assets held for sale	—	—	—	—	—	(39)	—	(39)
Change in scope of consolidation	324	2	—	—	28	134	—	488
Translation differences	(147)	(10)	(2)	(27)	(13)	(43)	—	(242)
Other changes	(24)	3	(14)	(22)	36	(3)	—	(24)
Total	**151**	**(50)**	**544**	**276**	**124**	**247**	**(116)**	**1,176**
Changes during the year (accumulated amortisation and impairment)								
Amortisation	—	—	(426)	(302)	(78)	(152)	(132)	(1,090)
Impairment losses	(2)	(24)	4	—	—	—	(13)	(35)
Disposals	—	—	8	227	4	4	145	388
Change in scope of consolidation	—	—	—	—	(1)	(1)	—	(2)
Transfer to assets held for sale	—	—	—	—	—	—	—	—
Translation differences	37	2	1	17	13	22	—	92
Other changes	18	—	16	26	5	—	—	65
Total	**53**	**(22)**	**(397)**	**(32)**	**(57)**	**(127)**	**—**	**(582)**
Balance at 31 December 2023								
Original cost	5,311	543	4,954	5,408	1,440	2,175	677	20,508
Accumulated amortisation and impairment	(1,063)	(85)	(3,691)	(3,017)	(1,226)	(1,150)	(389)	(10,621)
Net carrying amount	**4,248**	**458**	**1,263**	**2,391**	**214**	**1,025**	**288**	**9,887**

Impairment losses mainly refer to GEDI's publications. Considering its recent performance and the enduring uncertainties around macroeconomic conditions which has resulted in an increase in the price of raw materials and energy, with significant and adverse impacts on the advertising market, GEDI performed a detailed impairment test, that determined impairment charges on the company's publications.

Changes in 2022 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 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	3	—	(6)	(5)	31	(26)	1	(4)
Total	**343**	**16**	**472**	**247**	**102**	**115**	**(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	—	—	(3)	3	—	30	—	30
Transfer to assets held for sale	—	—	—	—	—	—	—	—
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	5,160	593	4,410	5,132	1,316	1,928	793	19,332
Accumulated amortisation and impairment	(1,116)	(63)	(3,294)	(2,985)	(1,169)	(1,024)	(389)	(10,039)
Net carrying amount	**4,044**	**530**	**1,116**	**2,147**	**147**	**905**	**404**	**9,293**

Goodwill

The analysis of goodwill by segment is as follows:

	At 31 December	
(€ million)	2023	2022
Goodwill		
Agricultural	*3,140*	*2,980*
Construction	*43*	*43*
Financial Services	*104*	*108*
CNH Industrial	3,287	3,131
Commercial and Specialty Vehicles	*74*	*53*
Powertrain	—	*4*
Financial Services	*12*	*12*
Iveco Group	86	69
Ferrari	785	785
Shang Xia	28	29
Juventus	2	2
GEDI	41	9
Other	19	19
Total goodwill	**4,248**	**4,044**

During 2023, the acquisitions of Augmenta, Bennamann and Hemisphere by CNH Industrial Group led to an increase in goodwill for Agriculture of €70 million, €109 million and €103 million, respectively, and to an increase in other intangible assets of €32 million, €43 million and €47 million, respectively. The recorded intangibles comprised developed technology, in-process R&D and customer relationships. 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. During the fiscal year 2023, measurement period adjustments were recorded reducing goodwill by €13 million and €3 million for Augmenta and Bennamann, respectively and increasing other intangible assets by €11 million and €5 million for Augmenta and Bennamann, respectively. The valuations of assets acquired and liabilities assumed have not yet been finalized as of 31 December 2023. Thus, goodwill and other intangible assets associated with the acquisitions are subject to adjustment during the measurement period.

The acquisition of Specialty Enterprises LLC (Specialty) by CNH Industrial Group during 2022 led to the increase in goodwill for Agriculture of €70 million.

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 2023 and 2022, 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 2023 and 31 December 2022 were selected:

	2023	2022
Agricultural	13.9 %	14.7 %
Construction	n.a.	n.a.
Financial Services	20.7 %	20.3 %

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 2023 and 2022 for the Agriculture cash-generating unit, and 1.5% in 2023 and 2022 for Financial Services.

At 31 December 2023, the estimated recoverable amounts, (excluding the balance of the 2022 acquisitions) calculated using the above method, of the Agriculture and Financial Services cash-generating units exceeded the carrying values by approximately 118.1% and 46.1%, respectively. Thus, CNH Industrial did not recognize an impairment for these cash-generating units.

The CNH Industrial Group has conducted an analysis of the sensitivity of the impairment test to changes in key assumptions used to determine the recoverable amount of each of the Group cash-generating units to which goodwill is allocated. CNH believes that any reasonably possible change in key assumptions on which the estimated recoverable amount of Agriculture and Financial Services is based, would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related cash-generating units.

At the beginning of the financial year the estimated recoverable amount of the Agriculture and Financial Services cash-generating units exceeded the carrying value by approximately 294% and 75%, respectively.

A 16% underperformance against forecast sales growth rates for both Agriculture and Financial Services cash-generating units is considered reasonably possible based on recent experience and would not result in an impairment charge.

Trademarks and Other intangible assets with indefinite useful lives are mainly attributable to 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, these assets were attributed to the respective cash-generating units. No impairment loss was recognized.

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 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 2023 and 2022 confirmed the absence of an impairment loss.

The vast majority of goodwill, representing approximately 86% 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 18.9% 31 December 2023 and 15.6% at 31 December 2022.

Expected cash flows used under the income approach are developed in conjunction with budgeting and forecasting processes. Iveco Group used 5 years in both 2023 and 2022 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.

The results of the impairment test indicate that a reasonably possible change in key assumptions would not cause the carrying amount of any cash-generating unit to exceed its recoverable amount, however, 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 2024 through 2027 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 2023 and in 2022.

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 9.21% in 2023 (8.10% in 2022). 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 2023 compared to 2022 is primarily the result of a higher risk free rate drive by central banks raising interest rates in several regions where the Ferrari Group operates, as well as a higher equity risk premium drive by market factors and conditions.

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.

Trademark and Other intangible assets with indefinite useful lives
Other intangible assets with indefinite useful lives amounting to €458 million at 31 December 2023 (€530 million at 31 December 2022) 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 2023 and 2022.

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 referred 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 2023**	**At 31 December 2022**
Other tangible assets	6,468	6,009
Right-of-use assets	593	530
Total Property, plant and equipment	**7,061**	**6,539**

Details of Property, plant and equipment at 31 December 2023 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 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**
Changes during the year (original cost)							
Additions	5	99	468	409	70	593	**1,644**
Disposals	(6)	(50)	(123)	(258)	(39)	(6)	**(482)**
Transfer to assets held for sale	6	(4)	—	(26)	—	—	**(24)**
Business combination	—	—	—	—	—	—	**—**
Change in scope of consolidation	—	(30)	3	—	7	3	**(17)**
Translation differences	(3)	(39)	(66)	(1)	(29)	(5)	**(143)**
Other changes	16	89	306	(166)	35	(334)	**(54)**
Total	**18**	**65**	**588**	**(42)**	**44**	**251**	**924**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	—	(95)	(591)	(228)	(52)	—	**(966)**
Impairment losses	—	(3)	(1)	(3)	—	—	**(7)**
Disposals	—	39	119	99	32	—	**289**
Transfer to assets held for sale	(3)	2	—	10	—	—	**9**
Business combination	—	—	—	—	—	—	**—**
Change in scope of consolidation	—	24	6	—	(3)	—	**27**
Translation differences	(1)	25	54	1	12	—	**91**
Other changes	—	(5)	(11)	106	1	—	**91**
Total	**(4)**	**(13)**	**(424)**	**(15)**	**(10)**	**—**	**(466)**
Balance at 31 December 2023							
Original cost	407	3,558	12,157	1,984	1,063	780	19,949
Accumulated depreciation and impairment	(8)	(2,152)	(9,788)	(686)	(846)	(1)	(13,481)
Net carrying amount	**399**	**1,406**	**2,369**	**1,298**	**217**	**779**	**6,468**

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**

In 2023 additions total €1,644 million and mainly refer to the CNH Industrial Group for €438 million, the Iveco Group for €813 million, the Ferrari Group for €382 million and Juventus for €2 million. In 2022 additions were 1,460 million and mainly refer to the CNH Industrial Group for €313 million, the Iveco Group for €731 million and the Ferrari Group for €348 million.

In 2023, translation differences, a net negative of €53 million (a net positive of €47 million in 2022), primarily reflect the foreign currency translation impacts of the US dollar in relation to the Euro.

In 2023 impairment losses of €7 million mainly include €4 million related to the Iveco Group. In 2022 Impairment losses of €20 million mainly included €16 million related to the CNH Industrial Group and €4 million of the Iveco 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 2022	**21**	**355**	**70**	**84**	**530**
Depreciation	(1)	(81)	(52)	(50)	**(184)**
Additions	—	115	72	90	**277**
Disposals	—	4	(2)	2	**4**
Change in scope of consolidation	—	(1)	1	—	**—**
Translation differences	—	(4)	—	(4)	**(8)**
Other changes	—	(12)	(2)	(12)	**(26)**
Balance at 31 December 2023	**20**	**376**	**87**	**110**	**593**

(€ 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**

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 2023 the Group has contractual commitments for the acquisition of property, plant and equipment amounting to €473 million (€421 million at 31 December 2022).

16. Investments accounted for using the equity method

Changes in equity investments in 2023 are set out below:

€ million	At 31 December 2022	Share of the profit (loss)	Impariment loss	Acquisition and capita-lizations	Fair value re-measurements	Translation differences	Change in scope of conso-lidation	Disposals and other changes	At 31 December 2023
Investments in joint ventures	248	145	—	3	—	28	5	(49)	380
Investments in associates	12,593	2,905	(28)	—	5	(327)	82	(641)	14,588
Equity method investments	**12,841**	**3,050**	**(28)**	**3**	**5**	**(299)**	**87**	**(690)**	**14,968**

The increase is mainly due to the share in the profit of Stellantis Group for €2,790 million.

Impairment loss relates mainly to Casavo. In 2023, this company accelerated its strategy to transition towards an asset-light model and executed on multiple operational efficiencies initiatives including headcount right-sizing in order to reduce cash outflow and increase profitability. Casavo secured €20 million in additional funding in the form of a convertible note, strengthening its liquidity position to face the difficult market conditions. In this context, Exor performed an evaluation using public company trading analysis based on a panel of selected listed companies in the PropTech industry that led to an impairment charge of €27 million, driven by the low profitability outlook despite improvement in the cash conversion rate.

Investments in joint ventures

Investments in joint ventures at 31 December 2023 and 31 December 2022 are as follows:

(€ million, except percentages)		At 31 December 2023	At 31 December 2022
Investments in joint ventures			
Turk Traktor Ve Ziraat Makineleri A.S. (Turk Traktor”)	37.50 %	171	74
New Holland HFT Japan Inc.	50.00 %	84	79
Nuo S.p.A.	50.00 %	39	38
CNH de Mexico SA de CV	50.00 %	52	33
Other		34	24
Total Investments in joint ventures		**380**	**248**

Summarized financial information relating to the material joint ventures is as follows:

(€ million)	At 31 December 2023 Turk Traktor Ve Ziraat Makineleri	At 31 December 2022 Turk Traktor Ve Ziraat Makineleri
Cash and cash equivalents	378	293
Non-current assets	228	134
Current assets	416	271
Total assets	**1,022**	**698**
Debt	185	202
Other liabilities	366	300
Total liabilities	**551**	**502**
Total equity	**471**	**196**

(€ million)	2023 Turk Traktor Ve Ziraat Makineleri	2022 Turk Traktor Ve Ziraat Makineleri
Net revenues	1,832	1,206
Depreciation and amortisation	13	12
Net financial income (expenses)	212	(30)
Profit (loss) before taxes	380	157
Income tax (expenses)	(87)	9
Profit (loss)	**293**	**165**
Total Other Comprehensive income, net of tax	**—**	**—**
Total Comprehensive income	**293**	**165**

This summarized financial information may be reconciled to the carrying amount of the % interest held in the associate as follows:

(€ million)	2023 Turk Traktor Ve Ziraat Makineleri	2022 Turk Traktor Ve Ziraat Makineleri
Total equity	472	196
CNH Group's interest (%)	37.5	37.5
Pro-quota equity	179	74
Adjustments made by using the equity method	(8)	—
Carrying amount	171	74

Investments in associates

Investments in associates at 31 December 2023 and 31 December 2022 are as follows:

		At 31 December	
(€ million, except percentages)		2023	2022
Investments in associates			
Stellantis	14.29 %	12,765	10,885
Christian Louboutin	24.00 %	594	581
The Economist	43.40 %	313	300
Institut Merieux	3.57 %	277	278
CNH Capital Europe	49.90 %	219	208
Welltec	47.61 %	147	104
Tag Holding	34.85 %	98	—
Lifenet	44.67 %	63	68
Casavo	18.68 %	20	56
Other		92	113
Total Investments in associates		**14,588**	**12,593**

Summarized financial information relating to Stellantis, a material associate of the Group, is as follows:

(€ million)	At 31 December 2023	At 31 December 2022
Non-current assets	110,608	101,380
Current assets	91,520	84,776
Total assets	**202,128**	**186,156**
Non-current liabilities	46,068	46,949
Current liabilities	73,940	66,825
Total liabilities	**120,008**	**113,774**
Total Equity	**82,120**	**72,382**

(€ million)	FY 2023	FY 2022
Net revenues	189,544	179,592
Profit (loss) before taxes	22,418	19,508
Profit (loss) from continuing operations	18,625	16,779
Profit (loss) from discontinued operations	—	—
Profit (loss)	**18,625**	**16,779**
Total Other comprehensive income, net of tax	**(2,941)**	**2,985**
Total Comprehensive income	**15,684**	**19,764**

Exor's interest in the Stellantis Group at 31 December 2023 is as follows:

€ million	At 31 December 2023	At 31 December 2022
Exor's Interest (%)	14.87	14.29
Share of the profit (loss) for the period	2,790	2,392
Dividend received[1]	602	467
Carrying amount	12,765	10,885
Market value	9,505	5,961

1) Eliminated from the income statement following the application of the equity method.

The market capitalization of Stellantis at 31 December 2023, despite a significant improvement compared to last year (+57%), was lower than the carrying amount. Exor management noted that no impairment indicators emerged in Stellantis financial statements at 31 December 2023; Stellantis recorded adjusted operating income, profit after tax and industrial free cash flow for 2023 of €24.3 billion, €18.6 billion and €12.9 billion, respectively, showing further improvements compared to 2022.

In addition Exor management, using an income approach based on the present value of estimated future cash flows, developed with information publicly available, determined that the recoverable amount at 31 December 2023 of the investment in Stellantis was significantly higher than the carrying amount.

The aggregate amounts recognized for the Company's share in all individually immaterial associates accounted for using the equity method were as follows:

(€ million)	FY 2023	FY 2022
Profit (loss) from continuing operations	384	343
Profit (loss) from discontinued operations	—	—
Profit (loss)	**384**	**343**
Total Other comprehensive income, net of tax	(161)	(139)
Total Comprehensive income	**223**	**204**

17. Investments and other financial assets

	At 31 December 2023		At 31 December 2022	
(€ million)	Non current	Current	Non Current	Current
Investments at FVTOCI	4,495	—	1,032	—
Investment funds managed by Lingotto Management	3,623	—	1,185	—
Reinsurance vehicles	802	—	622	—
Ventures	—	655	—	550
Debt securities, investment funds and equity investments at FVTPL	330	218	112	2,329
Derivative assets	—	205	—	308
Financial receivables	31	31	20	48
Other financial assets	88	—	81	—
Total other financial assets	**9,369**	**1,109**	**3,052**	**3,234**

Investments at FVTOCI

€ million	Balance at 31/12/2022	Acquisition and capitalizations	Fair value Adjustments	Reclass.	Translation difference, disposals and other changes	Balance at 31/12/2023
Listed						
Philips[1]	—	2,771	166	—	—	**2,937**
Clarivate	**130**	386	35	—	—	**551**
Forvia	**141**	—	63	—	—	**204**
Neumora	—	—	4	61	—	**65**
Zegna	**25**	—	2	—	—	**27**
FL Entertainment	**24**	—	(3)	—	—	**21**
EVCO Gmbh[2]	**52**	—	(33)	—	(15)	**4**
Unlisted						
Via Transportation Inc	**477**	46	(9)	—	—	**514**
Neumora	**14**	47	—	(61)	—	**—**
Other	**169**	15	(10)	—	(2)	**172**
Investments at FVTOCI	**1,032**	**3,265**	**215**	**—**	**(17)**	**4,495**

1) The increase of €2,771 million includes a dividend in kind of €10 million received during the year.
2) Previously Nikola Iveco Europe Gmbh.

The carrying amount of listed companies is aligned to the market price at the reporting date.

During the first half of 2023 Exor acquired a stake of 2.96% in Philips, with a further increase in August 2023, when Philips and Exor announced that they had entered into a relationship agreement that includes Exor's commitment to be a long-term minority investor and the right to propose one member to the Supervisory Board, as well as several customary conditions. While Exor does not plan to acquire further Philips shares in the short term, over time Exor can, at its discretion, increase its participation to a maximum limit of 20% of Philips' outstanding ordinary share capital. At 31 December 2023 Exor owns 15.2% of Philips for a total amount of €2,937 million. During the 2023, Exor received €10 million as dividend from Philips.

In line with its strategy, in 2023 Exor increased its investment in Clarivate Plc by $416.9 million (€386 million), with additional $11,4 million invested in 2024, reaching at 10.1% shareholding in the company.

In February 2023 Exor increased its investment in Via Transportation by $50 million (€46 million) through its participation in the $110 million financing round involving new and existing investors. The fair value at 31 December 2023 is aligned with the price of this financing round ($45,51 per share).

Other financial investments at FVTOCI mainly refer to small equity investments in unlisted companies (also early stage); the carrying amounts at 31 December 2023 are aligned with the most recent transactions and capital increases.

Investment funds managed by Lingotto Management

(€ million)	At 31 December 2023	At 31 December 2022
Non current investment funds at FVTPL		
Public markets	2,802	1,069
Private markets	821	116
Total	**3,623**	**1,185**

In 2023, following the implementation of the asset management activities, certain funds managed by Lingotto have been consolidated on a line-by-line basis beginning 1 January 2023, with an increase of the financial assets and the financial liabilities of €829 million related to the investments made by third parties, with no effects on net equity. The amount at 31 December 2023 includes the investments held by Exor (€2,099 million) and by third parties (€1,524 million).

In 2023, the subscriptions by investors and the net positive fair value adjustments amounted to €1,051 million (Exor quota €563 million) and €563 million (Exor quota €351 million), respectively.

Reinsurance vehicles

In 2022, as part of the sale of PartnerRe, the Company received $695.4 million (€622 million) as interest in LorenzRe Ltd, a Bermuda-domiciled special purpose reinsurer who has entered into various reinsurance arrangements with PartnerRe, providing outside investors in LorenzRe with exposure to PartnerRe's reinsurance business. The increase in 2023 is due to the positive fair value adjustments recorded in the income statement.

Ventures

The item is related to the investments in early-stage to late-stage companies carried out by Exor Seeds and Exor Ventures.The increase in 2023 is due to new investment (€85 million) and positive fair value adjustments recorded in the income statement.

Debt securities and investment 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 investment funds at 31 December 2023 and 2022 are as follows:

	At 31 December 2023		At 31 December 2022	
(€ million)	Non current	Current	Non Current	Current
Investment funds at FVTPL	219	58	47	2,011
Debt securities at amortised cost	86	43	41	308
Investments at FVTPL	—	107	—	—
Debt securities at FVTPL	—	10	—	10
Debt securities at FVTOCI	25	—	24	—
Total Debt securities, investment funds and equity investments	**330**	**218**	**112**	**2,329**

The cash received from the disposal of the investment 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 28 Derivative assets and derivative financial liabilities.

18. Leased assets

Changes in leased assets in 2023 and 2022 are as follows:

(€ million)	At 31 December 2022	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	At 31 December 2023
Gross carrying amount	1,902	573	—	(50)	(672)	1,753
Less: Depreciation and impairment	(424)	—	(204)	11	221	(395)
Net carrying amount of Leased assets	**1,478**	**573**	**(204)**	**(39)**	**(451)**	**1,358**

(€ 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**

Leased assets include equipment leased to retail customers by the Group's leasing companies.

At 31 December 2023, minimum lease payments receivable for assets under non-cancelable operating leases amount to €507 million (€497 million at 31 December 2022) and fall due as follows:

(€ million)	At 31 December 2023	At 31 December 2022
Less than one year	216	216
One to two years	154	151
Two to three years	87	84
Three to four years	35	32
Four to five years	13	12
More than five years	2	2
Total Undiscounted lease payments	**507**	**497**

No leased assets have been pledged as security at 31 December 2023 and 31 December 2022.

19. Inventories

Inventories at 31 December 2023 and 31 December 2022 are as follows:

(€ million)	At 31 December 2023	At 31 December 2022
Raw materials	2,519	2,668
Work-in progress	971	920
Finished goods	5,315	4,443
Total inventories	**8,805**	**8,031**

At 31 December 2023 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 €40 million (€22 million at 31 December 2022).

At 31 December 2023, 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 €2,028 million and €1,176 million, respectively (at 31 December 2022 €1,288 million and €750 million, respectively).

There were no inventories pledged as security at 31 December 2023 and 31 December 2022.

In 2023 the amount of inventory write-downs recognized as an expense was €21 million (€42 million in 2022), while amounts recognized as income from the reversal of write-downs on items sold during the year were not significant.

20. Trade receivables

The analysis of trade receivables by due date, at 31 December 2023 and 31 December 2022 is as follows:

(€ million)	At 31 December 2023	At 31 December 2022
Due within one year	851	671
Due between one and five years	13	11
Due beyond five years	—	67
Total trade receivables	**864**	**749**

The following table shows the expected credit loss (ECL) allowance for trade receivables measured at amortised cost at 31 December 2023 and 2022:

(€ million)	At 31 December 2023			At 31 December 2022		
	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	863	91	**954**	725	91	**816**
ECL allowance	(43)	(47)	**(90)**	(14)	(53)	**(67)**
Carrying amount	**820**	**44**	**864**	**711**	**38**	**749**

The movement in the allowance for expected credit losses for trade receivables is as follows:

(€ million)	2023	2022
At 1 January	**67**	**86**
Provision for expected credit losses	9	5
Change in scope of consolidation	(2)	(16)
Use and other changes	16	(8)
At 31 December	**90**	**67**

21. Receivables from financing activities

Receivables from financing activities at 31 December 2023 and 2022 are as follows:

	At 31 December	
(€ million)	2023	2022
Retail		
Retail financing	13,528	11,678
Finance leases	581	562
Total Retail	**14,109**	**12,240**
Wholesale		
Dealer financing	14,633	11,324
Total Wholesale	**14,633**	**11,324**
Other	**106**	**42**
Total receivables from financing activities	**28,848**	**23,606**

The analysis of receivables from financing activities by due date, for the years ended 31 December 2023 and 2022 is as follows:

	At 31 December	
(€ million)	2023	2022
Due within one year	19,129	14,701
Due between one and five years	9,294	8,308
Due beyond five years	425	597
Total receivables from financing activities	**28,848**	**23,606**

The detail of the receivables from financing activities is as follows:

	At 31 December	
(€ million)	2023	2022
CNH Industrial	21,995	18,108
Iveco Group	5,397	4,092
Ferrari	1,456	1,406
Total receivables from financing activities	**28,848**	**23,606**

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 2023 and 2022 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 2023 and 31 December 2022. 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 2023 and 31 December 2022 is as follows:

	At 31 December 2023					
€ million	Total current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total
Retail						
North America	7,474	40	3	**7,517**	6	**7,523**
South America	3,647	20	—	**3,667**	49	**3,716**
Asia Pacific	1,321	5	5	**1,331**	4	**1,335**
Europe, Middle East, Africa	5	—	—	**5**	10	**15**
Total Retail	**12,448**	**64**	**8**	**12,520**	**69**	**12,589**
Wholesale						
North America	4,664	—	—	**4,664**	—	**4,664**
South America	1,270	—	—	**1,270**	2	**1,272**
Asia Pacific	787	4	2	**793**	—	**793**
Europe, Middle East, Africa	2,617	5	—	**2,622**	—	**2,622**
Total Wholesale	**9,339**	**8**	**2**	**9,349**	**2**	**9,351**
Other	—	—	—	**—**	—	55
CNH Industrial						**21,995**

€ million	At 31 December 2022					
	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**
CNH Industrial						**18,108**

Iveco Group

The ageing of Receivables from financing activities of Iveco Group at 31 December 2022 and 31 December 2022 is as follows:

(€ million)	At 31 December 2023							
	Total current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total	Allowance	Total net allowance
Total Retail	**82**	**—**	**—**	**82**	**23**	**105**	**(36)**	**69**
Total Wholesale	**5,266**	**13**	**1**	**5,280**	**157**	**5,437**	**(119)**	**5,318**
Other	**—**	**—**	**—**	**—**	**—**	**10**	**—**	**10**
Iveco Group						**5,552**	**(155)**	**5,397**

(€ 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**
Iveco Group						**4,274**	**(182)**	**4,092**

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 2023 is as follows:

	31 December 2023							
	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	88	14	101	**203**	27	—	33	**60**
Provision (benefit)	38	6	44	**88**	1	—	(6)	**(5)**
Charge-off net of recoveries	(17)	—	(18)	**(35)**	—	—	(5)	**(5)**
Transfers	6	(6)	—	**—**	—	—	—	**—**
Foreign currency translation and other	(15)	—	1	**(14)**	(1)	—	(1)	**(2)**
Ending balance	**100**	**14**	**128**	**242**	**27**	**—**	**21**	**48**
Receivables	—	—	—	—	—	—	—	—
Ending balance	**12,343**	**132**	**114**	**12,589**	**9,112**	**135**	**104**	**9,351**

At 31 December 2023, the allowance for credit losses included an increase in reserves due to reserve needs primarily in South America, partially offset by a decrease in reserves of €14 million due to the sale of CNH Capital Russia. 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 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.

Iveco Group

Allowance for credit losses activity for the year ended 31 December 2023 is as follows:

	Year ended 31 December 2023							
	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	2	—	60	**62**	25	—	95	**120**
Provision (benefit)	—	14	(35)	**(21)**	13	1	(9)	**5**
Charge-off net of recoveries	—	—	(5)	**(5)**	—	—	(6)	**(6)**
Transfers	—	—	—	**—**	—	—	—	**—**
Foreign currency translation and other	—	—	—	**—**	—	—	—	**—**
Ending balance	**2**	**14**	**20**	**36**	**38**	**1**	**80**	**119**
Receivables	—	—	—	**—**	—	—	—	**—**
Ending balance	**51**	**15**	**3**	**69**	**5,279**	**145**	**117**	**5,541**

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**

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 €50 million at 31 December 2023 (€91 million at 31 December 2022):

(€ million)	At 31 December 2023	2022
Less than one year	122	132
One to two years	85	81
Two to three years	68	73
Three to four years	50	56
Four to five years	27	33
More than five years	8	8
Total undiscounted receivables for future minimum lease payments	**360**	**383**
Unearned finance income	**(46)**	**(45)**
Present value of future minimum lease payments	**314**	**338**

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 2023, and 31 December 2022, 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 2023 and 31 December 2022, the carrying amount of CNH Industrial transferred financial assets not derecognized and the related liability and the respective fair values were as follows:

(€ million)	At 31 December 2023			At 31 December 2022		
	Receivables from financing activities transferred	Other financial assets transferred	Total	Receivables from financing activities transferred	Other financial assets transferred	Total
Carrying amount of assets	12,749	941	13,690	10,639	632	11,271
Carrying amount of the related liabilities	(9,689)	(919)	(10,608)	(8,494)	(650)	(9,144)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:						
Fair value of the assets	12,521	941	13,462	10,344	632	10,976
Fair value of the liabilities	(9,645)	(918)	(10,563)	(8,299)	(649)	(8,948)
Net position	**2,876**	**23**	**2,899**	**2,045**	**(17)**	**2,028**

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 2023 amounting to €27 million which refer to trade receivables and other receivables. At 31 December 2022, the amount of discounted receivables and bills without recourse with due dates beyond that date, was €16 million, of which, €167 million referred to trade receivables and other receivables and €13 million referred to receivables from financing activities.

At 31 December 2023, 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 2023	2022
Carrying amount of assets	3,649	3,353
Carrying amount of the related liabilities	(3,649)	(3,145)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:		
Fair value of the assets	3,649	3,353
Fair value of the liabilities	(3,649)	(3,145)
Total restricted receivables	—	**208**

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 2023 amounting to €274 million (€183 million at 31 December 2022, with due dates beyond that date), which refer to trade receivables.

22. Cash and cash equivalents

Cash and cash equivalents at 31 December 2023 and at 31 December 2022 are as follows:

	At 31 December	
(€ million)	**2023**	**2022**
Cash at banks	7,200	8,885
Money market securities at FVTPL	338	459
Money market securities at amortized cost	186	173
Liquidity funds	66	1,114
Restricted cash	888	946
Total cash and cash equivalents	**8,678**	**11,577**

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 2023 amounted to €81 million (€97 million at 31 December 2022).

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 €32 million at 31 December 2023 (€44 million at 31 December 2022).

23. Equity

Share capital

In March 2023, Exor completed the cancellation of 7,007,464 ordinary shares held as treasury stock, which had been acquired as part of the 2018-2020 share buyback program and the first tranche of the 2022-2024 share buyback program. 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.
At 31 December 2023 the total issued capital of Exor N.V. was equal to Euro 7,328,612, divided into no. 233,992,536 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 2023 Giovanni Agnelli B.V. owns 86.86% 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 31 May 2023 adopted the 2022 Annual Report, expressed a positive advice with respect to the 2022 remuneration report and approved the dividend distribution of €0.44 per outstanding share, for a distribution of €99 million. The AGM also authorized the Board of Directors to repurchase the Company's shares on the market up to a maximum number of shares equal to 10% of the Company's issued common shares and for 18 months from authorization, all in accordance with Dutch law and with the Company's Articles of Association. The AGM further authorized the Board of Directors to cancel any ordinary shares held, or to be held, as treasury stock, in order to optimise the capital structure of the Company and to create more flexibility to manage its capital.

Treasury stock

At 31 December 2023 Exor holds the following treasury stock:

	Amount			% of class
	No. of shares	Per share (€)	Total (€ thousand)	
Balance at 31 December 2021	**9,291,244**	**32.03**	**297,572**	**3.860**
Buyback of Exor shares	3,862,624	65.94	254,707	
Exercise of stock options	(27,249)	0.00	0	
Balance at 31 December 2022	**13,126,619**	**42.07**	**552,279**	**5.450**
Buyback of Exor shares	3,174,389	77.41	245,723	
Buyback of Exor shares - tender offer	8,873,452	84.52	749,999	
Cancellation of treasury shares	(7,007,464)	56.76	(397,719)	
Exercise of stock options	(144,149)	0.00	(2)	
Balance at 31 December 2023	**18,022,847**	**63.82**	**1,150,280**	**7.700**

1. Considering only the treasury shares bought back in the context of the different programs, the average carrying value per share is €79.99.

At 31 December 2023, the company held in total 18,022,847 ordinary shares in treasury (7.7% of ordinary issued share capital).

In February 2024, Exor completed the cancellation of 13,008,289 ordinary shares held in treasury, which had been acquired as part of the Tender Offer announced in September 2023 (for a total of 8,873,452 ordinary shares) and the 2022-2024 share buyback program (for a total of 4,131,837 ordinary shares), bringing the total number of ordinary shares in the share capital of Exor to 220,984,247.

Other comprehensive income

Other comprehensive income for the years ended 31 December 2023 and 2022 is as follows:

(€ million)	At 31 December	
	2023	2022
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:		
Gains (losses) on remeasurement of defined benefit plans	(68)	200
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees	(28)	214
Gains (losses) on financial assets at FVTOCI	228	(414)
Gains (losses) on financial assets at FVTOCI for equity method investees	5	(2)
Items relating to discontinued operations	—	—
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B1)	**137**	**(2)**
Items that may be reclassified to the Consolidated Income Statements in subsequent periods:		
Gains (losses) on cash flow hedging instruments arising during the period	(111)	(81)
Gains (losses) on cash flow hedging instruments reclassified to the income Statement	(23)	255
Gains (losses) on cash flow hedging instruments	**(134)**	**174**
Foreign exchange translation gains (losses) arising during the period	(609)	1,042
Foreign exchange translation gains (losses) reclassified to the income Statement	11	—
Foreign exchange translation gains (losses)	**(598)**	**1,042**
Share of other comprehensive income of equity method investees arising during the period	(380)	159
Share of other comprehensive income (loss) of equity method investees reclassified to the income statement	—	—
Share of other comprehensive income (loss) of equity method investees	**(380)**	**159**
Items relating to discontinued operations	—	135
Total Items that may be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B2)	**(1,112)**	**1,510**
Total Other Comprehensive Income, before tax effect (B1)+(B2)=(B)	**(975)**	**1,508**
Tax effect	74	(61)
Tax effect - discontinued operations	—	—
Total Other Comprehensive Income (Loss), net of tax	**(901)**	**1,447**

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 2023 and 2022 is as follows:

	At 31 December					
	2023			2022		
(€ million)	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	(68)	33	(35)	200	(26)	174
Gains (losses) on financial assets at FVTOCI	228	—	228	(414)	—	(414)
Gains (losses) on cash flow hedging instruments	(134)	41	(93)	174	(33)	141
Foreign exchange translation gains (losses)	(598)	—	(598)	1,042	—	1,042
Share of other comprehensive income (loss) of equity method investees	(403)		(403)	371	(2)	369
Items relating to discontinued operations		—	—	135		135
Total Other Comprehensive Income (Loss)	**(975)**	**74**	**(901)**	**1,508**	**(61)**	**1,447**

Non-controlling interests

Non-controlling interests at 31 December 2023 and 2022 is as follows:

	Attributable to non-controlling interests		
(€ million)	%	Net Result	Equity
At 31 December 2023			
CNH Industrial	71.58 %	1,541	5,752
Ferrari	75.37 %	949	2,317
Iveco Group	72.33 %	174	1,739
GEDI Gruppo Editoriale	10.38 %	(10)	13
Shang Xia Trading	17.70 %	(6)	(8)
Juventus	36.23 %	(69)	(19)
Exor Seeds	12.20 %	3	70
Total		**2,583**	**9,864**
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**	**9,044**

(1) Related to preferred shares.

24. 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 2023, of which 2,183,903 exercisable, is 2,771,722 (average exercise price of €32.38 per share).

Changes during 2023 and 2022 were as follows:

	2023		2022	
	Number of options	Weighted average exercise price (€)	Number of options	Weighted average exercise price (€)
Outstanding at the beginning of the year	**2,909,886**	**32.38**	2,937,135	32.38
Granted during the year	—	—	—	—
Forfeited during the year	—	—	—	—
Exercised	(138,164)	32.38	(27,249)	32.38
Expired	—	—	—	—
Outstanding at the end of the year	**2,771,722**	**32.38**	2,909,886	32.38
Exercisable at the end of the year	**2,183,903**	**—**	1,734,248	—

No costs have been recognized in 2023 and 2022 on Stock Option Plan Exor 2016.

Exor LTI PLAN

In 2022 a long-term incentive plan ("Plan") was 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 and 2026, while the RSUs vest upon a time-based service requirement in 3 tranches from 30 June 2023 to 30 June 2026. 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 awards were 1 July 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%	10%

* 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.

The weighted average fair value of the awards that were issued in 2023 was €96.3 for the PSUs and €80.8 for the RSUs.

Exor LTI 2022

Changes during 2023 and 2022 were as follows:

	2023		2022	
	Outstanding PSU Awards	**Outstanding RSU Awards**	**Outstanding PSU Awards**	**Outstanding RSU Awards**
Balance at the beginning of the year	**581,597**	**25,401**	**—**	**—**
Granted	398	399	581,597	25,401
Forfeited	(632)	(632)	—	—
Vested	—	(8,387)	—	—
Balance at the end of the year	**581,363**	**16,781**	**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)	**2023**	**2022**
Total expense	43	43
Expense recognized in the year	14	7
Unrecognized expense	21	36

Exor LTI 2023

Changes during 2023 were as follows:

	Outstanding PSU Awards	Outstanding RSU Awards
Balance at 31 December 2022	**—**	**—**
Granted	167,648	10,846
Forfeited	—	—
Vested	—	—
Balance at 31 December 2023	**167,648**	**10,846**

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)	**2023**
Total expense	17
Expense recognized in the year	3
Unrecognized expense	14

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 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 and 2023, the CNH Industrial board of directors approved the 2022-2024 Long-Term Incentive Plan and the 2023-2025 Long Term Incentive Plan, respectively, under the EIP. Just as the previous 2021-2023 EIP, both the 2022 and 2023 Long Term Incentive Plans feature the same three year vesting period. Additionally the two internal financial metrics and financial multipliers are calculated as specified in the 2021 Long Term Incentive plan. However, differences between all plans exist in regards to the performance achievement threshold for both ROIC and EPS. Furthermore, the 2022 and 2023 plans feature a smaller list of comparator groups for its TSR percentile ranking when compared to the 2021 plan. In 2024 the CNH Industrial board of directors approved the 2024-2026 Long-Term Incentive Plan under the EIP.

In 2022 and 2023 CNH Industrial issued 2.5 million and 2.8 million PSUs, respectively. 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 and 2023 was $14.04 and $12.29 per share, respectively.

The following table reflects the activity of PSUs under the CNH Long-Term Incentive Plan for the years ended 31 December 2023 and 31 December 2022.

	2023		2022	
	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	**10,847,408**	**8.81**	**9,421,225**	**11.55**
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	**10,847,408**	**8.81**	8,564,080	7.31
Granted	2,789,887	12.29	2,456,659	14.04
Forfeited/cancelled	(257,808)	9.67	(173,331)	8.89
Vested	—	—	—	—
Outstanding shares unvested at the end of the year	**13,379,487**	**9.52**	**10,847,408**	**8.81**

Restricted Share Units

In 2021, 2022 and 2023 CNH Industrial issued approximately 1 million, 2 million and 2 million restricted share units ("RSUs") to key executive officers and select employees with a weighted average fair value of $14.39, $13.90 and $11.87 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, 1.1 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, 3.3 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 1.1 million RSUs is 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 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 30 April 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 Long-Term Incentive Plan for the years ended 31 December 2023 and 31 December 2022.

	2023		2022	
	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	**5,423,895**	**9.66**	**4,370,079**	**11.72**
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	5,423,895	9.66	3,816,500	6.76
Granted	2,091,819	11.87	2,275,329	13.90
Forfeited	(199,208)	11.58	(143,410)	10.96
Vested	(1,893,449)	7.44	(524,524)	6.62
Outstanding shares unvested at the end of the year	**5,423,057**	**11.21**	**5,423,895**	**9.66**

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)	2023	2022
Total expense	92	83
Unrecognized expense	93	135
Weighted average remaining period over which expense will be recognized (years)	1.6	1.6

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 vested 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 was accrued based on whether it is considered probable that the performance conditions would have been 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 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) CO_2 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 CO_2 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.

The fair values of the awards are calculated using the Monte Carlo Simulation model. As almost all the awards issued during 2022 were issued on 5 May 2022, the key assumptions utilized to calculate the grant-date fair values for awards issued on this grant date are listed below:

	Key Assumptions for awards issued on 5 May 2022
Grant date stock price (in €)	5.4
Expected Volatility	42
Dividend yield	3
Risk-free rate	0.47

The expected volatility is backed up by the comparator group average due to a limited historic volatility data prior to the grant date. Dividend yield was based on comparison between the management assumption and the external expected dividend yield. The risk-free interest rate was based on the ECB risk-free rate yield curve.

In October 2022, Iveco Group issued 19 thousand PSUs to select employees, set to vest on 28 February 2025.

2023-2025 LTIP Awards

In May 2023, following the same framework of the 2022-2024 LTIP Awards, the Company issued approximately 1.3 million 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 2026 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) CO_2% 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 CO_2 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.

The fair values of the awards are calculated using the Monte Carlo Simulation model. As almost all the awards issued during 2023 were issued on 15 May 2023, the key assumptions utilized to calculate the grant-date fair values for awards issued on this grant date are listed below:

	Key Assumptions for awards issued on 15 May 2023
Grant date stock price (in €)	7.33
Expected Volatility	38
Dividend yield	3
Risk-free rate	2.39

The expected volatility is backed up by the comparator group average due to a limited historic volatility data prior to the grant date. Dividend yield was based on comparison between the management assumption and the external expected dividend yield. The risk-free interest rate was based on the ECB risk-free rate yield curve.

In September and December 2023, Iveco Group issued total 38 thousand PSUs to select employees, set to vest on 28 February 2026.

The following table reflects the activity of PSUs under the 2021-2023 LTIP Awards from the Demerger, the 2022-2024 LTIP Awards and the 2023-2025 LTIP Awards during the year ended 31 December 2023 and 2022:

	2023		2022	
	Performance shares	**Weighted average grant date fair value (in €)**	**Performance shares**	**Weighted average grant date fair value (in €)**
Outstanding shares unvested at the beginning of the year	**4,493,472**	**4.17**	**3,037,764**	**4.29**
Granted	1,376,028	7.61	1,907,289	3.99
Forfeited/Cancelled	(287,978)	4.79	(451,581)	4.12
Vested	—	—	—	—
Outstanding shares unvested at the end of the year	**5,581,522**	**4.98**	**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 first tranche of RSUs (0.8 million) vested on 30 April 2023 and the second tranche will vest 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 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 in total 80 thousands RSUs to select employees, set to vest on 28 February 2025.

2023-2025 LTIP Awards

In May 2023, following the same framework of the 2022-2024 LTIP Awards, the Company issued 0.7 million RSUs to its key executive officers and select employees.

The RSUs will vest on 28 February 2026, 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 September and December 2023, Iveco Group issued total 87 thousand RSUs to select employees, set to vest on 28 February 2026.

The following table reflects the activity of RSUs under the 2021-2023 LTIP Awards from the Demerger, the 2022-2024 LTIP Awards and the 2023-2025 LTIP Awards during the years ended 31 December 2023 and 2022:

	2023		2022	
	Restricted shares	**Weighted average grant date fair value (in €)**	**Restricted shares**	**Weighted average grant date fair value (in €)**
Outstanding shares unvested at the beginning of the year	**2,589,523**	**4.45**	**1,618,878**	**4.06**
Granted	862,126	6.79	1,142,039	4.99
Forfeited/Cancelled	(162,232)	4.96	(171,394)	4.27
Vested	(788,276)	4.18	—	—
Outstanding shares unvested at the end of the year	**2,501,141**	**5.30**	**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)	**2023**	**2022**
Total expense	19	17
Unrecognized expense	22	25
Weighted average remaining period over which expense will be recognized (years)	1.7	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 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.

In the first quarter of 2023, 36,090 2020-2022 PSUs awards vested (representing 95 percent of the target PSU awards) as a result of the achievement of the related performance conditions and 32,339 2020-2022 RSUs awards vested upon achievement of the related service conditions. As a result, 68,429 common shares, which were previously held in treasury, were assigned to participants of the plan in the first quarter of 2023. There are no further awards outstanding for the Equity Incentive Plan 2020-2022.

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.

In March 2024, 41,338 2021-2023 PSUs awards are expected to vest (representing approximately 122 percent of the target PSUs awards) as a result of the achievement of the related performance conditions (described above) and an equal number of common shares held in treasury will be assigned to participants of the plan, following which there will be no further 2021-2023 PSUs awards outstanding.

2021-2023 RSU awards

In March 2024, 29,550 2021-2023 RSUs awards are expected to vest as a result of the achievement of the related service condition, which is the recipient's continued employment with the Company at the time of vesting, and an equal number of common shares held in treasury will be assigned to participants of the plan, following which there will be no further 2021-2023 RSUs awards outstanding.

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 CO_2 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.

Equity Incentive Plan 2023-2025

Under the Equity Incentive Plan 2023-2025 approved in 2023, Ferrari awarded approximately 58 thousand 2023-2025 PSUs to the Executive Chairman, the CEO, the remaining members of the FLT and other employees of the Group, and approximately 22 thousand 2023-2025 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 2023 to 2025.

2023-2025 PSU awards

The vesting of the awards is based on the achievement of defined key performance indicators as follows:

i. TSR Target - 40 percent of the awards 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 of the awards 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 of the awards 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 CO_2 carbon emissions and 50 percent is based on the maintenance of the equal salary certification.

Each target is settled independently of the other targets. The awards vest in 2026 and the total number of shares assigned upon vesting depends on the level of achievement of the targets.

2023-2025 RSU awards

The awards vest in 2026, subject to the recipient's continued employment with the Company at the time of vesting.

TSR Target

The number of 2023-2025 PSUs with a TSR Target that vest under the Equity Incentive Plan 2023-2025 is based on 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.

	Ferrari	Aston Martin	Burberry	Estee Lauder
Equity Incentive Plan 2023-2025	Hermes	Kering	LVMH	Mercedes Benz
	Moncler	Prada	Richemont	

EBITDA Target

The number of 2023-2025 PSUs with an EBITDA Target that vest under the Equity Incentive Plan 2023-2025 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%

Fair values and key assumptions

The fair value of the PSUs and RSUs that were awarded under the Equity Incentive Plan 2023-2025, which is determined based on actuarial calculations that apply certain assumptions and take into consideration the specific characteristics of the awards granted, is summarized in the following table.

Equity Incentive Plan 2023-2025	
PSUs	€236.30
RSUs	€253.76

The fair value of the 2023-2025 PSU awards was measured at the grant date using a Monte Carlo Simulation model. The fair value of the 2023-2025 RSU awards was 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 key assumptions utilized to calculate the grant-date fair values of the PSUs that were awarded under the Equity Incentive Plan 2023-2025 are summarized below:

Equity Incentive Plan 2023-2025	
Grant date share price	€259.60
Expected volatility	27.9%
Dividend yield	0.75%
Risk-free rate	2.90%

The expected volatility was based on the observed volatility of the defined peer group. The risk-free rate was based on the iBoxx sovereign Eurozone yield.

Broad-based employee share ownership plan

In November 2023 Ferrari announced that it would launch a broad-based employee share ownership plan in the early months of 2024 under which each employee will be given the option to become a shareholder of the Company, receiving a one-off grant of shares worth up to a maximum of approximately €2 thousand. If the employee holds the shares for at least 36 months, the Company will grant them an additional tranche of shares worth up to 15 percent of the value of the first allocation.

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. In 2023 6,838 share awards vested and 1,309 share awards were forfeited. At 31 December 2023, 481 share awards remained outstanding and will vest in 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 per award, 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 Company also provides share-based payments for services received as part of commercial agreements with certain suppliers.

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	Other Awards	Total Awards
Balance at 31 December 2021	**152,172**	**123,661**	**—**	**275,833**
Granted	72,373	26,574	64,048	162,995
Forfeited	(16,327)	(8,934)	—	(25,261)
Vested	(68,013)	(54,112)	(6,643)	(128,768)
Balance at 31 December 2022	**140,205**	**87,189**	**57,405**	**284,799**
Granted	58,381	21,939	63,217	143,537
Forfeited	(8,117)	(3,544)	(1,309)	(12,970)
Vested	(36,090)	(32,339)	(55,614)	(124,043)
Balance at 31 December 2023	**154,379**	**73,245**	**63,699**	**291,323**

The following table presents the share based compensation expense recognized for the years ended 31 December 2023 and 2022, as well as the unrecognized share-based compensation at 31 December 2023 and 2022.

(€ million)	Years ended 31 December	
	2023	2022
Equity incentive plans and other share-based awards	*15*	*16*
Broad-based employee share ownership plan	*10*	*—*
Commercial agreements with suppliers	*5*	*5*
Total expense	30	21
Unrecognized expense	13	16
Period over which expense will be recognized	over the remaining vesting periods through 2025	over the remaining vesting periods through 2024

25. Provisions for employee benefits

The Group's provisions and net assets for employee benefits are as follows:

(€ million)	At 31 December	
	2023	2022
Present value of defined benefit obligations:		
Pension plans	1,573	1,489
Healthcare and life insurance plans	157	163
Other post-employment benefits	278	271
Total present value of defined benefit obligations	**2,008**	**1,923**
Fair value of plan assets on pension plan	(1,246)	(1,191)
Fair value of plan assets of healthcare and life insurance plans	(52)	(54)
Asset ceiling	49	60
Total net defined benefits plan	**759**	**738**
of which:		
Net defined benefit liability (A)	*769*	*750*
(Defined benefit plan assets)	*(10)*	*(12)*
Other provisions for employees (B)	**552**	**555**
Total provisions for employee benefits (A) + (B)	**1,321**	**1,305**

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 2023 this cost amounts to €696 million (€876 million in 2022).

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)	2024	2025	2026	2027	2028	2028-2032
Expected benefit payments	(12)	(14)	(15)	(14)	(15)	(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							
	2023				2022			
(€ million)	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	**1,489**	**(1,191)**	**60**	**358**	**2,155**	**(1,626)**	**17**	**546**
Included in the income statement	83	(52)	—	**31**	48	(25)	—	**23**
Included in Other comprehensive income:								
Actuarial (gains) losses from:								
- demographic assumptions	(21)	—	—	**(21)**	—	—	—	**—**
- financial assumptions	76	—	—	**76**	(631)	—	—	**(631)**
- other	22	—	—	**22**	46	—	6	**52**
Return on assets	—	(14)	—	**(14)**	—	419	—	**419**
Change in the effect of limiting net assets	—	—	(15)	**(15)**	—	—	33	**33**
Exchange differences	(30)	21	1	**(7)**	(36)	26	—	**(10)**
Other changes:								
Contribution by employer	—	(46)	—	**(46)**	—	(57)	—	**(57)**
Contribution by plan participants	3	(3)	—	**—**	3	(3)	—	**—**
Benefits paid	(102)	82	—	**(20)**	(96)	76	—	**(20)**
Transfer to Liabilities held for sale	—	—	—	**—**	—	—	—	**—**
Other changes	54	(43)	2	**13**		(1)	4	**3**
Amounts at 31 December	**1,573**	**(1,246)**	**49**	**376**	**1,489**	**(1,191)**	**60**	**358**

Amounts recognized in the income statement is as follows:

(€ million)	At 31 December 2023	2022
Current service cost	11	16
Interest expenses	64	30
Interest income	(52)	(25)
Other administrative costs	4	2
Past service costs (income) and (gains) losses arising from settlements	4	—
Total recognized in the Consolidated Income Statement	**31**	**23**

The fair value of plan assets by class is as follows:

	At 31 December			
	2023		2022	
(€ million)	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	**36**	**27**	**42**	**33**
US equity securities	—	—	38	38
Non-US equity securities	44	35	—	—
Equity instruments	**44**	**35**	**38**	**38**
Government securities	118	49	78	78
Corporate bonds (including convertible and high-yield bonds)	49	—	45	13
Fixed income securities	**167**	**49**	**124**	**91**
Mutual funds	854	—	826	—
Real estate funds	46	—	52	—
Investment funds	**900**	**—**	**878**	**—**
Insurance contracts and other	**99**	**16**	**109**	**62**
Total fair value of plan assets	**1,246**	**127**	**1,191**	**223**

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 %)	2023	2022
CNH Industrial		
Discount rate	4.22	4.64
Future salary increase rate	2.91	3.02
Average duration (years)	11	11
Iveco group		
Discount rate	3.08	3.63
Future salary increase rate	2.07	2.08
Average duration (years)	12	11

CNH Industrial reviews annually mortality assumptions and demographic characteristics of its U.S. pension plan participants. In 2023 and 2022 CNH continued to use the adopted the MP-2021 mortality improvement scale as it continues to be the most current. At this time, CNH is not making adjustments to the MP-2021 for any short-term or long-term impacts COVID may have on mortality improvements scales issued in the future.

The effect of an increase or decrease in the assumed discount rate, holding all other assumptions constant, would be as follows:

	At 31 December			
	2023		2022	
(€ million)	Increase	Decrease	Increase	Decrease
CNH Industrial(1)	(115)	139	(112)	136
Iveco Group(1)	(44)	51	(40)	48

(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.

The expected benefits for healthcare and life insurance plans are the following:

	2024	2025	2026	2027	2028	2028-2032
Expected benefit payments	14	14	13	13	12	55

Changes in healthcare and life insurance plans are as follows:

	At 31 December					
	2023			2022		
(€ million)	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	**163**	**(54)**	**109**	**255**	**(115)**	**140**
Included in income statement	**12**	**(3)**	**9**	**(22)**	**23**	**1**
Included in Other comprehensive income:						
Actuarial (gains) losses from:						
- demographic assumptions	—	—	**—**	(1)	—	**(1)**
- financial assumptions	3	—	**3**	(41)	—	**(41)**
- other	6	—	**6**	(9)	—	**(9)**
Return on assets	—	(3)	**(3)**	—	22	**22**
Exchange differences	(5)	2	**(3)**	15	(8)	**7**
Other:						
Contribution by employer	—	—	**—**	—	14	**14**
Contribution by plan participants	3	—	**3**	4	—	**4**
Benefits paid	(27)	6	**(21)**	(26)	9	**(17)**
Transfer to liabilities held for sale	—	—	**—**	—	—	**—**
Other changes	2	—	**2**	(12)	1	**(11)**
Present value of obligation at 31 December	**157**	**(52)**	**105**	**163**	**(54)**	**109**

Amounts recognized in the Consolidated Income Statement were as follows:

	At 31 December	
(€ million)	2023	2022
Current service cost	3	4
Interest expenses	8	6
Interest income	(3)	(3)
Past service costs (income) and (gains) losses arising from settlements/curtailments	1	(6)
Total recognized in the Consolidated Income Statement	**9**	**1**

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			
	2023		2022	
(€ million)	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	**1**	**—**	**5**	**—**
Government securities	11	11	25	20
Corporate bonds (including convertible and high-yield bonds)	15	12	—	—
Other fixed income	4	—	6	—
Debt instruments	**30**	**23**	**31**	**20**
Insurance contracts and others	**21**	**—**	**18**	**—**
Total fair value of plan assets	**52**	**23**	**54**	**20**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

	At 31 December	
(in %)	2023	2022
CNH Industrial		
Discount rate	4.97	5.28
Future salary increase rate	4.00	4.00
Weighted average initial healthcare cost trend rate	4.70	5.12
Weighted average ultimate healthcare cost trend rate	3.74	4.00
Average duration (years)	7	7

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 €7 million and decrease of €6 million, respectively, in the defined healthcare benefit obligations at 31 December 2023.

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 €141 million at 31 December 2023 and €145 million at 31 December 2022), 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)	**2023**	**2022**
Present value of obligation at 1 January	**271**	**321**
Included in income statement:		
Current service cost	6	7
Interest (income) expenses	9	1
Past service costs (income) and (gains) losses arising from settlements	(1)	—
Included in Other comprehensive income:		
Actuarial (gains) losses from:		
- demographic assumptions	(1)	(2)
- financial assumptions	8	(52)
- other	8	7
Exchange differences	—	—
Other changes:		
Benefits paid	(18)	(19)
Other changes	(4)	8
Present value of obligation at 31 December	**278**	**271**

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 2023 the weighted average discount rates that reflect the estimated timing and amount of the scheme future benefit payments was 4.1% (3.8% in 2022). The average duration of the Italian leaving entitlement was approximately 6 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.

26. Other provisions

Changes in Other provisions during the 2023 are as follows:

(€ million)	At 31 December 2022	Charge	Utilisation	Translation differences	Other changes	At 31 December 2023
Warranty recall campaigns and technical assistance	1,066	999	(814)	(14)	(56)	1,181
Restructuring provisions	77	78	(68)	(1)	(11)	75
Investment provisions	5	—	—	—	—	5
Other charges and risks	2,897	4,656	(3,627)	(69)	(83)	3,774
Total other provisions	**4,045**	**5,733**	**(4,509)**	**(84)**	**(150)**	**5,035**

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 2023, the restructuring provision includes the estimated amount of benefits payable to employees by CNH Industrial Group on termination in connection with restructuring plans, amounting to €34 million.

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)	2023	2022
Marketing and sales incentives programs	2,624	1,843
Legal proceedings and other disputes	203	226
Commercial risks	521	383
Environmental risks	48	55
Other provisions for risks and charges	378	390
Total other risks	**3,774**	**2,897**

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 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: these include indemnities, provisions for disputes with suppliers, provision for product liabilities, contract related disputes or other disputes not subject to legal proceedings.

27. Financial debt and derivative liabilities

Total financial debt and other financial liabilities at 31 December 2023 and 31 December 2022 are as follows:

	At 31 December	
(€ million)	2023	2022
Financial debt	39,923	33,662
Derivative liabilities	295	308
Total financial debt and derivative liabilities	**40,218**	**33,970**

The composition of financial debt is as follows:

	At 31 December	
(€ million)	2023	2022
Asset-backed financing	15,633	13,399
Notes	13,034	13,608
Borrowings from banks	6,166	3,991
Payables represented by securities	1,974	1,173
Lease liabilities	606	533
Derivative liabilities	295	308
Other financial debt	2,510	958
Total financial debt and derivative liabilities	**40,218**	**33,970**

The composition of financial debt by entity is as follows:

	At 31 December	
(€ million)	2023	2022
CNH Industrial[1]	25,633	22,222
Iveco Group[1]	5,808	4,201
Exor	4,286	4,233
Ferrari	2,491	2,832
Juventus	340	376
GEDI[2]	130	102
Shang Xia	6	4
Other and adjustments	1,524	—
Total financial debt and derivative liabilities	**40,218**	**33,970**

1. Net of intercompany between CNH Industrial and Iveco Group.
2. Net of intercompany with Exor N.V.

Notes

The composition of notes at 31 December 2023 and 31 December 2022 is as follows:

Issuer	Currency	Face value outstanding (in million)	Coupon	Maturity	At 31 December 2023 Outstanding amount (in € million)	At 31 December 2022 Outstanding amount (in € million)
Exor						
Exor	€	500	2.50%	Oct 2024	503	503
Exor	€	100	5.25%	Jan 2025	105	104
Exor	€	450	2.875%	Dec 2025	451	451
Exor	$	170	4.398% 6 months	May 2026	154	160
Exor	€	500	1.75%	Jan 2028	504	503
Exor	€	200	3.125'%	Feb 2038	202	202
Exor	€	500	2.25%	Apr 2030	502	501
Exor	€	500	0.875%	Jan 2031	500	499
Exor	Yen	10,000	2.80% 6 months	May 2031	65	72
Exor	€	500	1.75%	Oct 2034	482	480
Total Exor notes					**3,467**	**3,475**
Euro Medium Term Note Programme (MTNP)						
CNH Industrial	Euro	3,200	1.625% - 3.875%	Apr 24 - Jul 2039	3,201	4,579
Total Euro Medium Term Notes					**3,201**	**4,579**
Other notes						
CNH Industrial	USD	4,159	0.00% - 5.50%	Jan 2024 - Jan 2029	3,764	2,935
CNH Industrial	AUD	425	1.75% -5.8%	2024-2026	262	150
CNH Industrial	CAD	700	1.5%-5.5%	Oct 2024 - Aug 2026	478	208
CNH Industrial	BRL	3,212	12.610%% - 13.440%	2024-2028	663	552
Ferrari	€	902	0.91-1.5%	May 2025- Jan 2032	904	1,490
Juventus	€	175	3.35%	Feb 24	180	180
Total Other notes					**6,250**	**5,516**
Hedging effect and amortised cost valuation					**116**	**38**
Total notes					**13,034**	**13,608**

The notes of CNH Industrial under the Euro Medium Note Programme have been issued by CNH Industrial Finance Europe S.A. and are guaranteed by CNH Industrial N.V.

Notes issued by CNH Industrial under the Euro Medium Note Programme are generally listed on either the Irish or Swiss stock exchanges and New York Stock Exchange.

The new notes issued and notes repaid during the 2023 were as follows:

New Issues	Currency	Nominal Amount (in million)	Coupon	Issue Date	Maturity
Company					
CNH Industrial Capital LLC	USD	600	4.55 %	April 2023	April 2028
CNH Industrial Capital Argentina	USD	36	— %	May 2023	45778
Banco CNH Industrial Capital SA	BRL	500	CDI+1.40%/ CDI+1.60%	May 2023	2025/2026
CNH Industrial Capital Australia Pty	AUD	175	5.800 %	July 2023	2026
CNH Industrial Capital Canada Ltd	CAD	400	5.500 %	August 2023	2026
CNH Industrial Capital LLC	USD	500	5.500 %	Sept 2023	2029
Banco CNH Industrial Capital SA	BRL	600	CDI+0.9%/ CDI+1%/ CDI+1.30	October 2023	2025/2027

Repayments	Name of Notes	Currency	Amount (in million)	Repayment date
Company				
Ferrari	Other notes	Euro	390	Mar 2023
Ferrari	Other notes	Euro	199	Jul 2023

Borrowings from banks

Borrowings from banks at 31 December 2023 amount to €6,166 million (€3,991 million at 31 December 2022). The composition is as follows:

	At 31 December	
(€ million)	2023	2022
Exor	215	150
CNH Industrial	3,978	2,965
Iveco Group	1,631	721
Ferrari	291	113
Juventus	45	42
GEDI	6	—
Total borrowings from banks	**6,166**	**3,991**

Exor

At 31 December 2023 Exor has a €150 million term loan with maturity 2024 (unchanged compared 31 December 2022), fully repaid in February 2024.

In addition, it has committed undrawn credit lines of €450 million of which €350 million expiring after 31 December 2024, as well as uncommitted credit lines of €515 million, drawn for €65 million. At 31 December 2022 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 consist 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.

The credit facility replaced the existing five-year €1.75 billion credit facility due to mature in 2021. The €4 billion facility is guaranteed by the parent company with cross-guarantees from each of the borrowers (i.e., CNH Industrial Finance S.p.A., CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America Inc.), and includes typical provisions for contracts of this type and size, such as: customary covenants mainly relating to Industrial Activities including negative pledge, a status (or pari passu) covenant, restrictions on the incurrence of indebtedness by certain subsidiaries, customary events of default (some of which are subject to minimum thresholds and customary mitigants) including cross-default, failure to pay amounts due or to comply with certain provisions under the loan agreement, the occurrence of certain bankruptcy-related events and mandatory obligations upon a change in control of CNH or the borrower and a financial covenant (Net Debt/EBITDA ration relating to Industrial Activities) that is not applicable with the current ratings levels. The failure to comply with these provisions, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding advances. At 31 December 2023, CNH was in compliance with all covenants in the revolving credit facility.

At 31 December 2023, Financial Services' committed asset-backed facilities expiring after twelve months amounted to €3.3 billion (€2.7 billion at 31 December 2022), of which €3.3 billion was utilized at 31 December 2023, (€2 billion at 31 December 2022).

CNH Industrial entered into an 18-month committed unsecured credit facility on 19 December 2023, was undrawn at 31 December 2023 and was fully drawn on 12 January 2024.

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 two additional years with all lenders, by exercising the first and the second one-year extension option. The facility is now due to mature in January 2029.

On 27 November 2023, Iveco Group signed a €450 million term loan facility with the European Investment Bank with an 8-year amortization profile, which represents the first tranche of the €500 million total approved by the European Investment Bank. The proceeds of the loan facility, which have been drawdown in full in December 2023, will be applied, over a period of three years, to enable Iveco Group to develop innovative technologies and architectures in the field of electric propulsion and to increase efficiency, safety, driving comfort and productivity by further developing solutions for autonomous driving, digitalization and vehicle connectivity.

At 31 December 2023 and 2022, Iveco Group had available committed unsecured facilities expiring after twelve months amounting to €2 billion.

Ferrari

Bank borrowings of Ferrari include a term loan of €130 million and of €75 million borrowed by Ferrari N.V. and a term loan of €13 million (€ 38 million at 31 December 2022) borrowed by Ferrari S.p.A. and a US dollars loan of €73 million (€76 million at 31 December 2022).

At 31 December 2023 Ferrari had total committed credit lines available and undrawn amounting to €600 million (€669 million at 31 December 2022).

Juventus

Bank borrowings of Juventus at 31 December 2023 mainly relate to €45 million drawn down under revocable credit lines (€14 million at 31 December 2022).

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 2023 and 2022 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)	2023	2022
CNH Industrial	10,607	9,144
Iveco Group	3,860	3,149
Ferrari	1,166	1,105
Total asset-backed financing	**15,633**	**13,399**

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)	2023	2022
CNH Industrial	271	214
Iveco Group	196	185
Ferrari	73	57
GEDI	43	52
Juventus	15	18
Shang Xia	6	3
Exor Investments Limited	1	—
Exor	1	4
Total lease liabilities	**606**	**533**

Maturity analysis of lease liabilities – contractual undiscounted cash flows:

(€ million)	At 31 December 2023			
	Due within one year	Due between one and five years	Due beyond five years	Total
Contractual undiscounted cash flows	95	188	84	**367**

Payables represented by securities

At 31 December 2023 payables represented by securities amount to €1,974 million (€1,173 million at 31 December 2022).

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 €318 million as of 31 December 2023 (€280 million at 31 December 2022). Banco CNH Industrial SA outstanding commercial paper totalled €442 million outstanding at 31 December 2023 (€216 million at 31 December 2022).
With the purpose of further diversifying its funding structure, Iveco Group has established a commercial paper program. IC Financial Services S.A. in Europe issued commercial paper under the program which had an amount of €38 million outstanding at 31 December 2023 (€66 million outstanding at 31 December 2022).

Financial debt by due date

An analysis of financial debt by due date at 31 December 2023 and 2022 is as follows:

	At 31 December							
	2023				2022			
(€ million)	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	2,566	7,272	3,196	**13,034**	2,053	8,250	3,305	**13,608**
Borrowings from banks	2,771	2,609	786	**6,166**	1,524	2,032	435	**3,991**
Asset-backed financing	9,041	6,530	62	**15,633**	8,838	4,538	23	**13,399**
Payables represented by securities	1,318	656	—	**1,974**	811	362	—	**1,173**
Lease liabilities	151	325	130	**606**	134	284	115	**533**
Other financial debt	887	1,623	—	**2,510**	850	105	3	**958**
Total financial debt	**16,734**	**19,015**	**4,174**	**39,923**	**14,210**	**15,571**	**3,881**	**33,662**

28. 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 2023 and 2022 is as follows:

(€ million)	At 31 December			
	2023		2022	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges:				
Interest rate risk – Interest rate swaps	20	(27)	—	(40)
Currency risks	—	—	—	—
Total Fair value hedges	**20**	**(27)**	**—**	**(40)**
Cash flow hedges:				
Currency risks – Forward contracts, Currency swaps and Currency options	60	(61)	90	(66)
Interest rate risk – Interest rate swaps	51	(49)	110	(19)
Interest rate and currency risk – Combined interest rate and currency swap	—	(27)	—	(17)
Commodity price risk – Commodity swaps	—	—	—	(1)
Other		—		—
Total Cash flow hedges	**111**	**(137)**	**200**	**(103)**
Derivatives not designated as hedging instruments				
Currency risks	47	(55)	82	(64)
Interest rates	27	(58)	26	(67)
Interest rate and currency risk – Combined interest rate and currency swap	—	—	—	—
Equity	—	(18)	—	(34)
Total derivatives not designated as hedging instruments	**74**	**(131)**	**108**	**(165)**
Collateral deposits	**—**	**—**	**—**	**—**
Total other financial assets and other financial liabilities	**205**	**(295)**	**308**	**(308)**

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 2023 and 2022 is as follows:

(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total
At 31 December 2023				
Currency risk management	10,906	333	—	**11,239**
Interest rate risk management	1,868	6,996	462	**9,326**
Interest rate and currency risk management	—	—	—	**—**
Commodity price risk management	1	—	(27)	**(26)**
Total notional amount	**12,775**	**7,329**	**435**	**20,539**
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**

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 2023 and 2022 are as follows:

	At 31 December	
(€ million)	**2023**	**2022**
Interest rate risk		
Net gains (losses) on qualifying hedges	(6)	(99)
Fair value changes in hedged items	6	99
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 €56 million in 2023 (losses of €188 million in 2022), net of the tax effect, from Other comprehensive income to the Consolidated Income Statement. These amounts are reported in the income statement as follows:

	At 31 December	
(€ million)	**2023**	**2022**
Currency risk		
Increase (Decrease) in net revenues	1	6
Decrease (Increase) in cost of sales	(83)	(241)
Result from investments	—	—
Financial income (expenses)	20	(5)
Interest rate risk		
Interest rate derivatives - Cost of sales	6	28
Financial income (expenses)	—	23
Net gains (losses) on cash flow hedges recognized in the income statement	**(56)**	**(188)**

29. Trade payables

The analysis of trade payables by due date at 31 December 2023 and 2022 is as follows:

	At 31 December	
(€ million)	**2023**	**2022**
Due within one year	7,830	7,843
Due between one and five years	97	40
Due beyond five years	3	5
Total payables	**7,930**	**7,888**

30. Other liabilities

Other liabilities at 31 December 2023 and 2022 are as follows:

	At 31 December	
(€ million)	2023	2022
Contract liabilities	1,551	1,552
Indirect tax payables	550	556
Payables to personnel	458	434
Social security payables	209	208
Accrued expenses and deferred income	2,372	2,215
Other	803	907
Total other liabilities	**5,943**	**5,872**

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 2023 and 31 December 2022 is as follows:

	At 31 December							
	2023				2022			
(€ million)	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)	3,263	220	88	**3,571**	3,242	345	70	**3,657**

31. 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 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 2023, contingent liabilities estimated by the CNH Industrial Group amount to approximately €25 million (approximately €40 million at 31 December 2022), 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 their 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 €494.6 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 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 defense costs, which may have a material adverse effect on its operations and financial condition. The extent and outcome of these claims cannot be reliably predicted at this time and, therefore, the Group did not recognise any specific provision for these claims. In 2023, Iveco Group recognised a cost of €12 million related to certain claims for which it was possible to make a reliable estimate. This current position will be reassessed on a regular basis and updated as necessary, based on the evolution of cases. In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (paragraph 92), no further information is disclosed so as not to prejudice the Group's position.

FPT Emissions Investigation

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 (later transferred to the public prosecutor's office in Stuttgart, Germany) and Turin, Italy, in relation to alleged noncompliance of two engine models produced by FPT Industrial S.p.A., which is now part of the Iveco Group. The Italian criminal investigation was concluded in 2023. As a result of the full cooperation and discussions with the investigative authorities, the German criminal investigation was also concluded in December 2023. The Iveco Group are also defending individual civil claims alleging emissions' non-compliance in Germany and Austria. The Iveco Group cannot predict at this time the extent and outcome of these individual claims and therefore Iveco Group did not recognise any specific related provision.

Pending litigations of the Juventus Group

Juventus/Victoria 2000 S.r.l. - Supreme Court of Cassation

On 2 December 2015 Victoria 2000 S.r.l., already sole shareholder of Bologna Football Club 1909 S.p.A., had summarised before the Court of Appeal of Naples, pursuant to Article 622 of the Italian Code of Criminal Procedure, the judgement reached by the Supreme Court of Cassation with sentence 36350/2015 of 9 September 2015, which had referred to the civil judge competent for the value of appeal the decision regarding the compensation claims of the civil parties constituted against Luciano Moggi, and had sued Diego and Andrea Della Valle, Sandro Mencucci, Luciano Moggi, Massimo De Santis, Innocenzo Mazzini, Pier Luigi Pairetto, A.C.F. Fiorentina S.p.A. and Juventus in order to hear them condemned, jointly and severally, to compensation for damages, financial or otherwise, allegedly suffered by Victoria 2000 S.r.l. as a result of the criminal offences ascertained in criminal proceedings and the relegation of Bologna Football Club 1909 S.p.A. at the end of the 2004/2005 Serie A Championship, allegedly falsified, according to the applicant, by the defendants in the criminal proceedings.

Juventus had been sued as civil party, pursuant to Article 2049 of the Italian Civil Code, as a consequence of the actions of Luciano Moggi and Antonio Giraudo.

With sentence no. 326/2019 of 24 January 2019 the Court of Appeal of Naples, definitively ruling following a referral pursuant to Article 622 of the Italian Code of Criminal Procedure of criminal sentence no. 36350/2015 of the Supreme Court of Cassation has: (i) declared the summary judgements by Brescia Calcio S.p.A. and Bologna Football Club 1909 S.p.A. closed; (ii) rejected the claims for damages made by Victoria 2000 S.r.l. against the defendants and shared the costs of the proceedings between the parties.

Against sentence 326/2019 of the Court of Appeal of Naples, on 16 July 2019 Victoria 2000 notified Juventus and Diego and Andrea Della Valle, Sandro Mencucci, Luciano Moggi, Massimo De Santis, Innocenzo Mazzini, Pier Luigi Pairetto, A.C.F. Fiorentina S.p.A. of the appeal to the Supreme Court of Cassation for its revision.

On 26 September 2019, Juventus notified Victoria 2000 and the other counterparties of the appeal to the Supreme Court of Cassation asking for confirmation of the contested sentence and, by way of cross-appeal, to ascertain that the ruling of the trial judge who had excluded Juventus' liability towards Victoria 2000 as civilly liable for the unlawful facts charged to Luciano Moggi have become final, with a consequent request for a declaration of inadmissibility of all the applications proposed by Victoria 2000 against Juventus.

The other counterparties - other than Massimo De Santis, in default - have notified Juventus of their responses to the Supreme Court of Cassation.

The date of the hearing for the discussion of the appeal is awaited.

Criminal proceedings pending before the Turin Judicial Authority (now before the Rome Judicial Authority)

On 26 November 2021 and 1 December 2021, Juventus was notified of search and seizure orders and, on those dates, Juventus became aware 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, concerning 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 and Article 8 of Italian Legislative Decree No. 74/2000 and, as regard Juventus, the offence set forth in Article 5 and 25-ter 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 and 2020/2021 football 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 “Turin Notice”) in connection with the above-mentioned criminal proceedings. The Turin Notice alleges the offences against natural persons set forth in 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, while Juventus was under investigation for the offences referred to in Articles 5, 25-ter, 25-sexies and 25-quinquesdecies of Italian Legislative Decree 231/2001. The facts covered by Turin Notice pertain to the financial statements at 30 June 2019, 30 June 2020 and 30 June 2021 and relate to improperly named transactions of “exchange” of players' registration rights and agreements to reduce and supplement the compensation of registered personnel concluded in the 2019/2020 and 2020/2021 financial years. Juventus viewed and took a copy of the investigative documents in order to exercise its defence rights. The Turin Notice did not mention the offence pursuant to Article 8 of Italian Legislative Decree 74/2000, for which separate proceedings had been initiated in the meantime, later dismissed by the Turin Preliminary Investigations Judge through a dismissal order issued on 25 May 2023, pronounced following the request for dismissal submitted by the Public Prosecutor on 14 March 2023.

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 Turin Notice referred to above, 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.

Following the request for committal to trial signed by the Public Prosecutors on 30 November 2022, the proceedings were assigned to the Judge of the Preliminary Hearing at the Court of Turin. Before the latter, in addition to the first hearing held on 27 March 2023, for the appearance of parties and the summons of Juventus as a civil liability party in proceedings, a second preliminary hearing was held on 10 May 2023. The latter ended with the transmission of the acts to the Supreme Court of Cassation, called to decide the issue of territorial jurisdiction objected by the defence (see below).

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 Italian Legislative Decree 74/2000, allegedly committed using invoices issued by sports agents and referring in whole and/or in part to 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 rejection of the 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 announced their waiver of the aforementioned appeal; consequently, at the precautionary hearing, the Court of Review declared the appeal inadmissible on 21 December 2022.

On 19 December 2022, Juventus received a “Hand-over request” for various documents, including accounting statements related to the transactions and the balance of certain items of the statement of financial position 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 or former registered players and technical staff, and any other documentation considered relevant. Juventus promptly complied with the request.

On 27 February, 21 March and 3 May 2023, the Public Prosecutor's Office at the Court of Turin filed further investigative documents, including additional consultancy prepared by the consultant of the Public Prosecutors in relation to certain transactions involving the purchase and sale of players' registration rights carried out with football clubs allegedly linked to Juventus by "partnership relations". Following this further investigation, the Public Prosecutors did not decide to modify or add to the charges. Juventus has also analysed this additional documentation with the support of its legal and accounting consultants, also in order to verify the presence of any documents which might have, even if only potentially, any accounting effects on the economic, equity and financial position as at 31 December 2022 and/or the comparative data of the previous period, determining that the accounting effects of said documents on its financial position and shareholders' equity at 30 June 2023 would be zero. For more information on the analyses and assessments carried out by Juventus with the support of its consultants, as well as for qualitative and quantitative information on the ongoing criminal proceedings, please refer to the note 57 of the financial statements and note 58 of the consolidated financial statement where, with a view to a fully transparent and exhaustive disclosure and on a voluntary basis, Juventus will provide a representation - as was already the case in note 57 to the Consolidated Half-Yearly Financial Report as at 31 December 2022 - of the potential accounting effects that the documents relating to certain transactions could theoretically have had on the economic, equity and financial positions for the 2022/2023 financial year and the previous 2021/2022 financial year, where they were considered susceptible of generating enforceable rights and obligations between the parties and therefore qualify as "contracts" pursuant to IFRS 15.

During the course of the second preliminary hearing, on 10 May 2023, the Preliminary Hearing Judge at the Court of Turin ordered the transmission of documents to the Supreme Court of Cassation, called to rule on the issue of territorial jurisdiction challenged by the defence. At the outcome of the hearing of 6 September 2023, the Supreme Court of Cassation declared that the Court of Turin lacked territorial jurisdiction and ordered the forwarding of the documents to the Public Prosecutor at the Court of Rome.

On 6 December 2023, after the transmission of the documents of the criminal proceedings pending before the Turin Judicial Authority, Juventus received a request from the Public Prosecutor's Office of Rome for the acquisition of documents relating, in particular, to the financial statements as at 30 June 2022. In this context, Juventus has learned that investigations are pending at the Public Prosecutor's Office of Rome in relation to company representatives for the case referred to in Article 2622 of the Italian Civil Code with regard to the financial statements as at 30 June 2022. To the best of its knowledge, Juventus is not under investigation in these proceedings. On 16 January 2024, the Company received a further request for the acquisition of documents relating to the financial statements as at 30 June 2023.

On 22 December 2023, the Company received notification of the conclusion of the preliminary investigations from the Public Prosecutor's Office of the Court of Rome (the "Rome Notice") in connection with the above-mentioned criminal proceedings. In line with the allegations raised by the Public Prosecutor's Office of Turin, the Rome notice alleges the offences against natural persons set forth in Article 2622 of the Italian Civil Code, Article 185 of the Consolidated Law on Finance, Article 2 of Italian Legislative Decree 74/2000 and Article 2638 of the Italian Civil Code, while the Company was under investigation for the offences referred to in Articles 5, 25-ter, 25-sexies and 25-quinquesdecies of Italian Legislative Decree 231/2001. The facts covered by the Rome Notice pertain to the financial statements as of 30 June 2019, 2020 and 2021 and are related to improperly named transactions of “exchange” of players' registration rights and agreements to reduce and supplement the compensation of registered personnel concluded in the 2019/2020, 2020/2021 and 2021/2022 sporting seasons, already covered by the Turin Notice, as well as the "buyback agreements", relating to certain transfer market transactions dating back to the years 2017/2018, 2018/2019 and 2019/2020.

Appeal before the Lazio Regional Administrative Court against CONSOB Resolution no. 22482/2022 and the request pursuant to art. 114 of the Consolidated Law on Finance of 19 October 2022

On 16 December 2022, Juventus filed an appeal before the Lazio Regional Administrative Court against CONSOB Resolution no. 22482/2022, adopted on 19 October 2022, and the request made by CONSOB pursuant to art. 114 Consolidated Law on Finance vis-à-vis Juventus on the same date. At the date of its consolidated half-yearly financial report at 31 December 2023, Juventus is waiting for the hearing to be scheduled.

Arbitration proceedings with a former registered player

On 19 June 2023, Cristiano Ronaldo dos Santos Aveiro ("Former Registered Player"), notified Juventus a request for arbitration ("First Application"), requesting the company to be ordered to pay approximately €19.5 million, for facts connected to the second salary manoeuvre (2020/21 football season), complaining, for the following reasons: (a) primarily, due to the alleged invalidity of the compensation reduction agreement that the Former Registered Player had signed in relation to the 2020/21 football season, (b) alternatively, as a consequence of the cancellation of the aforementioned reduction agreement due to wilful misconduct; (c) in the further alternative, by way of fulfilment of the provisions of an alleged supplementing agreement, if a similar agreement not concluded in compliance with the requirements established by the applicable regulations can be considered valid and effective; and (d) in the final alternative, by way of non-contractual or pre-contractual liability. On 29 June 2023, Juventus sent its response to the lawyers of the Former Registered Player and the appointed arbitrators, raising interlocutory and preliminary objections and disputing, in fact and in law, the statements made by the Former Registered Player. On 24 July 2023, the first hearing of the arbitration proceedings was held, as part of which the terms of the proceedings were assigned. In the subsequent hearing of 21 November 2023, the Arbitration Board assigned the terms for the filing of the closing documents and set the hearing for the oral discussion "in the event that even only one of the parties makes a request to the Arbitration Board and by means of a communication to the counterparty by 29 January 2024".

On 29 January 2024, having regard to the ruling of the Arbitration Board dated 21 November 2023, Juventus requested the holding of the oral discussion hearing, on the date indicated by the ruling of the Arbitration Board of 18 January2024, and therefore on 5 February 2024.

On 5 February 2024, the oral discussion hearing was held, at the end of which the case was adjourned for a decision by the Arbitration Board, with the deadline for the filing of the award on 22 April 2024.

As a result of the investigations carried out, also with the support of its consultants, Juventus deems the claims made by the Former Registered Player to be unfounded and, therefore, did not deem it necessary to set aside any provision for risks.

On 30 June 2023, the day following the transmission of Juventus' response to the First Application, by means of which the company noted the presence of formal defects in the power of attorney for litigation that could result in the inadmissibility of the First Application, the Former Registered Player notified Juventus of a second request for arbitration, identical to the First Application, except that the new application was accompanied by a new and different power of attorney ("Second Application"). On 10 July 2023, Juventus sent the response to the Second Application to the defenders of the Former Registered Player and to the appointed arbitrators, also raising prerequisite and preliminary objections and contesting, in fact and in law, the statements of the Former Registered Player. The first hearing was held on 4 September 2023 and the hearing for the discussion of the case was held on 4 October 2023. With its award of 30 October 2023, the arbitration board declared the lack of its own *potestas iudicandi* on the merits of the dispute referred to in the Second Application.

Consob proceedings pursuant to Article 154-ter, paragraph 7, of Legislative Decree no. 58/1998

On 31 July 2023, Consob sent Juventus a notification of initiation of the proceedings aimed at adopting the measure referred to in Article 154-ter, paragraph 7, of the Consolidated Law on Finance (the "2023 Notice of Initiation of Proceedings"), specifying that Consob had found certain critical issues with reference to the recognition by Juventus of certain transactions and management events related to (a) the financial statements and consolidated financial statements as at 30 June 2022 and (b) the consolidated half-yearly financial statements as at 31 December 2022, and formally initiated the administrative proceedings aimed at asking the Company to make public the critical issues identified and publishing the necessary supplementary information (the "2023 Proceedings pursuant to Article 154-ter").

The critical issues identified by Consob and the subject of the 2023 Notice of Initiation of Proceedings specifically concerned (i) the accounting of 16 "cross-transactions" for the disposal and simultaneous purchase of players' registration rights, of which 15 dating back to the 2019/2020 and 2020/2021 financial years, which were already included in the previous proceedings initiated by Consob pursuant to Article 154-ter, paragraph 7 of the Consolidated Law on Finance during the 2022/2023 financial year, and 1 "cross-transaction" pertaining to the 2022/2023 financial year (together the “16 Cross-Transactions”), (ii) the recognition of liabilities and the cost accounting criterion following the conclusion of agreements with registered players and technical staff as part of the 'salary manoeuvres' carried out during the 2019/2020 and 2020/2021 football seasons (the "First Manoeuvre" and the "Second Manoeuvre", together referred to as "the Manoeuvres"), as well as (iii) the accounting effects attributable to certain 'memos' or 'memoranda', related to certain transfer market transactions, dating back to the 2017/2018, 2018/2019 and 2019/2020 financial years, which led to the recognition of capital gains in the related financial statements, in relation to agreements contained in said documents, whereby Juventus reserved the right to repurchase the transferred players’ registration rights, or undertook to repurchase the transferred players’ registration rights at certain future dates and at certain amounts ("Buyback Agreements"), in addition to alleged debt relations with other clubs.

On 21 September 2023, Juventus filed its observations and deductions with Consob, disputing, in addition to some defects in the Proceedings and an interpretation of international accounting standards not consistent with the practices in the football industry, (i) with regard to the 16 “cross-transactions”, the erroneousness of the requalification as exchanges of separate and autonomous transactions involving the purchase and sale of players' registration rights, and, in any case - also to apply the accounting standard relating to exchanges of assets - the correctness of the accounting treatment applied by Juventus; (ii) with regard to the “salary manoeuvres”, the correctness of the accounting treatment applied by Juventus with regard to the reductions and supplementing of the registered players' and technical staff remuneration of the First Team in the 2019/2020 and 2020/2021 financial years; and (iii) with regard to the third dispute profile, the correctness of the accounting of the operations for the transfer of players’ registration rights and the non-existence of debt relations, as these “memos” or “memoranda” are not susceptible of generating enforceable rights and obligations between the parties.

On 4 October 2023, Juventus' hearing was held at Consob.

On conclusion of the 2023 Proceedings pursuant to Article 154-ter, with resolution no. 22858 of 25 October 2023 (the "Resolution no. 22858/2023"), Consob passed the resolution regarding the assessment, according to the terms illustrated below, of the non-compliance of the financial statements as at 30 June 2022 and the consolidated half-yearly financial statements as at 31 December 2022 of Juventus with the regulations governing the drafting thereof and asked the Company, pursuant to Article 154-ter, paragraph 7 of the Consolidated Law on Finance, to disclose the following information to the market:

A. "the shortcomings and critical issues identified by Consob regarding the accounting accuracy of the financial statements as at 30 June 2022 and the consolidated half-yearly financial statements as at 31 December 2022";

B. "the applicable international accounting standards and the violations identified in this regard";

C. "the description, in a dedicated pro-forma consolidated economic, equity and financial position – accompanied by comparative data – of the effects that accounting compliant with the rules would have had on the statement of financial position, income statement and shareholders' equity for the year and for the half year for which an incorrect disclosure was provided".

The Consob findings contained in Resolution no. 22858/2023, relating to the financial statements as at 30 June 2022 and the consolidated half-yearly financial statements as at 31 December 2022, concerned (i) the 16 Cross-Transactions, (ii) the Manoeuvres and (iii) the Buyback Agreements.

Therefore, the adoption by Consob of the provision pursuant to Article 154-ter, paragraph 7 of the Consolidated Law on Finance would not affect the validity of the financial statements to which it refers, as the provision does not, in fact, result in "real" effects but is relevant only at an information level.

Likewise, on 25 October 2023, pursuant to Article 114, paragraph 5 of the Consolidated Law on Finance, making reference to the Shareholders' Meeting called for 23 November 2023 for the approval of the financial statements for the year ended 30 June 2023 and the presentation of the consolidated financial statements as at 30 June 2023, Consob asked Juventus to make public, by means of a press release, to be distributed in due time prior to its shareholders' meeting and in any case no later than 10 November 2023: (i) "the considerations of the Directors regarding the correctness of the 2023 financial statements;" and (ii) "an estimation regarding the economic, equity and financial impacts, adequately commented on, suitable to represent the accounting of the profiles subject to Consob's measure on the consolidated situation of the Issuer as at 30 June 2023" (the "Request pursuant to Article 114 of the Consolidated Law on Finance - 2023").

With a press release dated 27 October 2023, in order to comply with Resolution no. 22858/2023, Juventus disclosed to the market, with reference to the 16 Cross Transactions, the Salary Manoeuvres and the Buyback Agreements, the information pursuant to Resolution 22858/2023, indicated above in sections A and B, reserving the right to describe, in a dedicated press release, subject to a resolution by the competent bodies of Juventus, the information indicated above in section C.

On 9 November 2023, by means of a specific press release, Juventus disclosed to the public the information referred to in Resolution 22858/2023, indicated in point C above.

In addition, also on 9 November 2023, Juventus also fulfilled the request pursuant to Article 114 of the Consolidated Law on Finance - 2023, by means of a specific press release.

On 22 December 2023, Juventus challenged Resolution 22858/2023 and the Request pursuant to Article 114 of the Consolidated Law on Finance - 2023 before the Lazio Regional Administrative Court.

Appeal before the Lazio Regional Administrative Court against Consob Resolution no. 22858/2023 and the request pursuant to Article 114 of the Consolidated Law on Finance of 25 October 2023

On 22 December 2023, Juventus filed an appeal before the Lazio Regional Administrative Court against Consob Resolution no. 22858/2023, adopted on 25 October 2023, and the request made by Consob pursuant to Article 114 of the Consolidated Law on Finance vis-à-vis Juventus on the same date. At the date of Juventus consolidated half-yearly financial report at 31 December 2023, Juventus is waiting for the hearing to be scheduled.

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 2023 were as follows for the Ferrari Group's continuing operations:

(€ million)	
Due within one year	24
Due between one and three years	9
Due between three and five years	3
Due beyond five years	—
Total	**36**

Commitments of CNH Industrial
At 31 December 2023, CNH Industrial (financial services business) has various agreements to extend credit for the following financing arrangements:

(€ million)	At 31 December 2023		
	Total Credit Limit	**Utilized**	**Not utilized**
Facility			
Wholesale and dealer financing	8,031	5,172	2,859
Revolving charge accounts	2,314	190	2,124

Guarantees granted by the CNH Industrial
At 31 December 2023 the CNH Industrial provided guarantees on the debt or commitments of third parties and performance guarantees on non-consolidated affiliates totalling €33 million (€18 million at 31 December 2022).

Guarantees granted by the Iveco Group
At 31 December 2023 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 €422 million (€452 million at 31 December 2022).

Guarantees granted by the Ferrari Group
At 31 December 2023, the Ferrari Group had provided guarantees through third parties amounting to €237 million (€225 million at 31 December 2022), principally to banks for a US dollar denominated credit facility of FFS Inc., tax authorities for VAT reimbursements according to Italian legislation and customs authorities for duties on import and export activities.

Guarantees granted by Juventus
The guarantees granted by Juventus at 31 December 2023 amount to €64 million (€147 million at 31 December 2022) and are mainly related to the payables arising from the acquisition of players' registration rights (€63 million).

32. 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 2023 and 31 December 2022:

(€ million)	Note	Level 1	Level 2	Level 3	Fair value
Investments measured at fair value through other comprehensive income	17	**3,807**	**5**	**683**	**4,495**
Debt securities and equity instruments measured at FVTPL	17	**187**	**—**	**83**	**270**
Investment funds managed by Lingotto	17	**—**	**2,802**	**821**	**3,623**
Reinsurance vehicles	17	**—**	**—**	**802**	**802**
Ventures	17		**—**	**655**	**655**
Other funds	17	**169**	**—**	**50**	**219**
Derivative financial assets	17	**—**	**205**	**—**	**205**
Liquidity funds and money market securities	22	**404**	**—**	**—**	**404**
Total Assets at 31 December 2023		**4,567**	**3,012**	**3,094**	**10,673**
Derivative financial liabilities	27	**—**	**(277)**	**(18)**	**(295)**
Total Liabilities at 31 December 2023		**—**	**(277)**	**(18)**	**(295)**
Investments measured at fair value through other comprehensive income	17	371	5	656	**1,032**
Debt securities and equity investments measured at FVTPL	17	2,031	—	85	**2,116**
Investment funds managed by Lingotto	17	—	1,069	116	**1,185**
Reinsurance vehicles	17	—	—	622	**622**
Ventures	17	—	—	550	**550**
Other funds managed by third parties	17			47	**47**
Derivative financial assets	17	—	308	—	**308**
Liquidity funds and money market securities	22	1,573	—	—	**1,573**
Total Assets at 31 December 2022		**3,975**	**1,382**	**2,076**	**7,433**
Derivative financial liabilities	27	—	(274)	(34)	**(308)**
Total Liabilities at 31 December 2022		**—**	**(274)**	**(34)**	**(308)**

Investments classified as Level 3 include, among others: inactively traded fixed maturities including 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.

The following table provides the reconciliation of the changes in items measured at fair value classified within Level 3 for the year 2023:

(€ million)	At 31 December 2022	Gains (losses)					
		In the income statement	In other compre-hensive income	Increase (decrease)	Change in scope of consolidation	Net transfers into/(out of) Level 3	At 31 December 2023
Investments measured at fair value through other comprehensive income	**656**		(20)	108	—	(61)	**683**
Debt securities and equity investments measured at FVTPL	**85**	—	1	(3)	—	—	**83**
Investment fund managed by Lingotto	**116**	**14**	**—**	**691**	**—**	**—**	**821**
Reinsurance vehicles	**622**	**206**	**—**	**(26)**	**—**	**—**	**802**
Ventures	**550**	**45**	**—**	**60**	**—**	**—**	**655**
Other funds managed by third parties	**47**	**3**	**—**	**—**	**—**	**—**	**50**
Total Assets	**2,076**	**268**	**(19)**	**830**	**—**	**(61)**	**3,094**
Derivative financial liabilities	(34)	16	—	—	—	—	**(18)**
Total Liabilities	**(34)**	**16**	**—**	**—**	**—**	**—**	**(18)**

In 2023 the investment in Neumora (€61 million at 31 December 2022) has been reclassified from Level 3 to Level 1 following the IPO of the Company.

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)	Note	At 31 December 2023		At 31 December 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Debt securities	17	141	141	356	354
Dealer financing receivables	21	14,633	14,631	11,324	11,288
Retail financing receivables	21	13,528	13,391	11,678	11,266
Finance lease receivables	21	581	571	562	549
Other financial receivables		137	137	90	89
Total financial assets		**29,020**	**28,871**	**24,010**	**23,546**
Financial liabilities					
Notes	27	(13,034)	(12,709)	(13,608)	(12,846)
Borrowing from banks, payables represented by securities and other financial debt	27	(10,649)	(10,634)	(6,122)	(6,005)
Asset-backed financing	27	(15,633)	(15,589)	(13,399)	(13,202)
Lease liabilities	27	(606)	(606)	(533)	(556)
Total financial liabilities		**(39,923)**	**(39,538)**	**(33,662)**	**(32,609)**

(€ million)	At 31 December 2023				At 31 December 2022			
	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3	Fair value
Financial assets								
Debt securities	71	—	70	141	28	—	326	354
Dealer financing receivables	—		14,631	14,631	—	9	11,279	11,288
Retail financing receivables	—	1,135	12,256	13,391	—	1,077	10,189	11,266
Finance lease receivables	—	317	254	571	—	314	235	549
Other	—	12	125	137	—	7	82	89
Total financial assets	**71**	**1,464**	**27,336**	**28,871**	**28**	**1,407**	**22,111**	**23,546**
Financial liabilities								
Notes	(7,353)	(5,356)	—	(12,709)	(8,505)	(4,341)	—	(12,846)
Borrowing from banks, payables represented by securities and other financial debt	(915)	(8,108)	(1,611)	(10,634)	(886)	(5,068)	(51)	(6,005)
Asset-backed financing	—	(15,589)	—	(15,589)	—	(13,202)	—	(13,202)
Lease liabilities	(16)	(73)	(517)	(606)	(41)	(57)	(458)	(556)
Total financial liabilities	**(8,284)**	**(29,126)**	**(2,128)**	**(39,538)**	**(9,432)**	**(22,668)**	**(509)**	**(32,609)**

Classified in Level 2 and Level 3 of the fair value hierarchy, the fair value of receivables from financing activities is based on the discounted values of their related cash flow at market discount rates, which 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 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.

33. 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 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 2023 and 2022 are as follows:

	Years ended 31 December							
	2023				**2022**			
(€ million)	**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	841	469	—	1	610	429	(25)	—
Total associates	164	5	1	—	254	116	35	—
Total other related parties	—	—	—	—	23	—	—	—
Total unconsolidated subsidiaries	(14)	—	(35)	13	—	—	(19)	(8)
Total related parties	**991**	**474**	**(34)**	**14**	**887**	**545**	**(9)**	**(8)**

Non-financial assets and liabilities originating from related party transactions at 31 December 2023 and 31 December 2022 are as follows:

	At 31 December 2023				**At 31 December 2022**			
(€ million)	**Trade receivables**	**Trade payables**	**Other assets**	**Other liabilities**	**Trade receivables**	**Trade payables**	**Other assets**	**Other liabilities**
Total joint ventures	2	56	—	97	15	88	—	84
Total associates	51	59	5	—	58	82	6	2
Total other related parties	—	8	8	—	2	13	—	1
Total unconsolidated subsidiaries	—	2	—	—	—	2	—	—
Total related parties	**53**	**125**	**13**	**97**	**75**	**185**	**6**	**87**

Financial assets and liabilities originating from related party transactions at 31 December 2023 and 31 December 2022 are as follows:

(€ million)	At 31 December 2023		At 31 December 2022	
	Receivables from financing activities	Financial debt	Receivables from financing activities	Financial debt
Total joint ventures	2	—	—	—
Total associates	6	573	3	558
Total other related parties	—	—	—	—
Total unconsolidated subsidiaries	—	2	—	2
Total related parties	**8**	**575**	**3**	**560**

Commitments and guarantees pledged in favour of related parties of the CNH Industrial Group
At 31 December 2023 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 €18 million (€19 million at 31 December 2022).

Compensation to directors of Exor
There are no key executives in Exor, except the Chief Executive Officer.

In 2023 compensation to the directors of Exor, for carrying out their respective functions in the Parent and in other consolidated subsidiaries, is as follows:

(€ million)	Exor	Subsidiaries	Total
Total compensation 2023	**13,176**	**2,864**	**16,040**
Total compensation 2022	4,409	3,050	7,459

This amount includes the notional compensation cost arising from long-term share-based compensation and stock grants awarded to the directors. For further detail please refer to the Remuneration Report on page 170 and 171.

34. Explanatory notes to the consolidated statement of cash flows

Reconciliation of liabilities arising from financing activities for the years ended 31 December 2023 and 31 December 2022 is as follows:

(€ million)	Note	2023	2022
At 1 January			
Financial debt	27	**33,662**	**28,684**
Derivative liabilities (assets) and collateral, net	28	**—**	**91**
Total Liabilities from financing activities		**33,662**	**28,775**
Cash flows		6,470	3,900
Foreign exchange effects		(466)	689
Fair value changes		136	194
Changes in scope of consolidation		59	3
Other changes		152	101
Total change		**6,351**	**4,887**
At 31 December			
Total Liabilities from financing activities		**40,013**	**33,662**
Derivative liabilities (assets) and collateral, net	28	**(90)**	**—**
Total financial debt	27	**39,923**	**33,662**

During the year ended 31 December 2023 the Group paid interest of €1,507 million and received interest of €1,009 million. During the year ended 31 December 2022 the Group paid interest of €938 million and received interest of €604 million. Amounts indicated are also inclusive of interest rate differentials paid or received on interest rate derivatives.

During the year ended 31 December 2023 the Group made income tax payments, net of refunds, totalling €1,159 million. During the year ended 31 December 2022 the Group made income tax payments, net of refunds, totalling €1,728 million.

35. 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).

Exor attempt to actively manage these risks.

These risks could significantly affect the Group’s financial position and results of operations and cash flows, and for this reason, the Group identifies and monitors these risks in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through the Group's operating and financing activities and if required, through the use of derivative financial instruments.

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.

Credit risk

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 in the European Union market and in North America, as well as in South America for Agriculture and Construction.

The maximum credit risk to which the Group is theoretically exposed at 31 December 2023 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 31 Guarantees granted, commitments and contingent liabilities.

Dealers and final customers are generally subject to specific assessments of their creditworthiness 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 2023, refer to Note 20 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 20 Trade receivables, Note 27 Financial debt and other financial liabilities, Note 28 Derivative assets and derivative liabilities, Note 29 Trade payables and Note 30 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;
– 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 Turkish market;
– EUR/PNL, mainly in relation to sales on the Polish market;
– EUR/CZK; predominately in relation to the production of Commercial and Specialty Vehicles (Bus) in Czech Republic.

Trade flows of CNH Industrial exposed to changes in these exchange rates in 2023 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 2023 made up approximately 72% of the exposure to currency risk from trade transactions.

Trade flows of Ferrari Group exposed to changes in these exchange rates in 2023 made up approximately 60% 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 2023.

There were no substantial changes in 2023 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 2023 resulting from a hypothetical change of 10% in the exchange rates amounts to approximately \$167 million corresponding to €151 million (\$276 million corresponding to €259 million at 31 December 2022).

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 2023 resulting from a hypothetical change of 10% in the exchange rates amounts to approximately €276 million (€291 million at 31 December 2022).

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 2023 resulting from a 10% change in the exchange rates would have been approximately €191 million (€175 million at 31 December 2022).

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 industrial activities 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. 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), financed 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

In September 2019 IASB amended IFRS 9 and IAS 39 by issuing "Interest Rate Benchmark Reform" to provide specific exceptions to hedge accounting requirements in IFRS 9 and IAS 39 for (a) highly probable requirement; (b) prospective assessments; (c) retrospective assessment (IAS 39 only); and (d) separately identifiable risk components.

Interest Rate Benchmark Reform also amended IFRS 7 to add specific disclosure requirements for hedging relationships to which an entity applies the exceptions in IFRS 9 or IAS 39.

In August 2020 the Board issued "Interest Rate Benchmark Reform - Phase 2" which amended requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures.

The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships.

During the second quarter of 2023, as a result of the Interest Rate Benchmark Reform, CNH Industrial renegotiated its contract terms on its interest rate derivatives, by changing the floating interest rate swap from LIBOR to SOFR. In accordance with the EU-IFR amendments on this topic included in IFRS 9, these changes can be treated under a practical expedient.

CNH Industrial elected to apply the practical expedient that enables the company to account for a change in the contractual cash flows that are required by the reform, by updating the effective interest rate to reflect the change in an interest rate benchmark, without de-designation and apply no change to the cumulative basis adjustment reflected in earnings. The elections did not have a material impact on CNH Industrial consolidated financial statements for the year ended 31 December 2023.

Sensitivity analysis for CNH Industrial

In assessing the potential impact of changes in interest rates, CNH Industrial separates fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by CNH Industrial consist of retail receivables, debt, ABS securities, and other instruments.

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 2023, resulting from a hypothetical, unfavourable and instantaneous change of 10% in market interest rates would have been approximately $21 million (€19 million), approximately $29 million (€27 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 2023, 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 $10 million corresponding to approximately €9 million ($15 million at 31 December 2022, approximately €14 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) have partly been reformed and continue the reform process 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 were gradually abolished and replaced with alternative risk-free reference rates.

Group Treasury has managed and closely monitored the IBOR plan. No impact has been derived from the reform in term of renegotiation of contractual adjustment of financial instruments.

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 2023, resulting from a hypothetical unfavourable and instantaneous change of 10% in market interest rates, would have been approximately €3 million (€1 million at 31 December 2022).

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt, and asset-backed securitizations. 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 equivalents in 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 2023, 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 €12 million (€8 million at 31 December 2022).

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.

36. Audit Fees

The following table reports audit fees for the year ended 31 December 2023 paid to the independent auditor Deloitte & Touche or entities in their network and for the year ended 31 December 2022 paid to the independent auditor Ernst & Young.

€ thousands		Years ended 31 December	
		2023	2022
Audit	Parent - Exor N.V.	279	197
	Subsidiaries	16,460	14,668
Other services	Parent - Exor N.V.	—	38
	Subsidiaries	1,751	2,302
TOTAL		**18,490**	**17,205**

Audit fees of Deloitte Accountants B.V. amounted to €700 thousand (€888.5 thousand in 2022 paid to Ernst & Young Accountants LLP).

37. Subsequent events

Exor has evaluated subsequent events through 10 April 2024, which is the date the financial statements at 31 December 2023 were authorised for issuance, and determined that there were no such events requiring recognition or disclosure in the financial statements.

10 April 2024

The Board of Directors

Nitin Nohria

John Elkann

Tiberto Ruy Brandolini D'Adda

Ginevra Elkann

Alessandro Nasi

Melissa Bethell

Marc Bolland

Laurence Debroux

Sandra Dembeck

Axel Dumas

Company Financial Statements at 31 December 2023

EXOR N.V. – INCOME STATEMENT

		Years ended 31 December	
€ thousand	Note	**2023**	**2022**
Investment income			
Dividends from investments	1	**2,532,150**	**651,017**
Investment income		**2,532,150**	**651,017**
Impairment and gains (losses) on investments			
Impairment of investments	2	**(193,018)**	**(51,696)**
Realized losses on investments		**—**	**(13)**
Impairment and gains (losses) on investments		**(193,018)**	**(51,709)**
Net financial income (expenses)			
Financial expenses from third parties	3	**(96,805)**	**(120,045)**
Financial expenses from related parties	23	**(4,407)**	**(6,272)**
Financial income from third parties	4	**45,924**	**14,172**
Financial income from related parties	23	**70,945**	**8,922**
Financial income from fair value adjustment of financial assets		**37**	**551**
Gains (losses) on foreign exchange	5	**(7,576)**	**(22,964)**
Net financial income (expenses)		**8,118**	**(125,636)**
Net general expenses			
Personnel costs	6	**(4,812)**	**(17,949)**
Purchases of goods and services from third parties	7	**(13,380)**	**(11,266)**
Purchases of goods and services from related parties	23	**(30,928)**	**(39,369)**
Other operating expenses		**(36)**	**(1,013)**
Revenues from third parties		**—**	**—**
Revenues from related parties	23	**761**	**390**
Net general expenses		**(48,395)**	**(69,207)**
Profit (loss) before income taxes		**2,298,855**	**404,465**
Income taxes	8	**—**	**—**
Profit (loss) for the year		**2,298,855**	**404,465**

EXOR N.V. – STATEMENT OF COMPREHENSIVE INCOME

		Years ended 31 December	
€ thousand	Note	2023	2022
Profit (loss) for the year		**2,298,855**	**404,465**
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	**212,700**	**(202,326)**
Related tax effect		—	—
Total other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods, net of tax		**212,700**	**(202,326)**
Other comprehensive income (loss) that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**(3,405)**	**16,655**
Related tax effect		—	—
Total other comprehensive income (loss) that may be reclassified to the income statement, net of tax		**(3,405)**	**16,655**
Total other comprehensive income (loss), net of tax		**209,295**	**(185,671)**
Total comprehensive income		**2,508,150**	**218,794**

EXOR N.V. – STATEMENT OF FINANCIAL POSITION

		At 31 December	
€ thousand	Note	2023	2022
Non-current assets			
Investments accounted for at cost	9	6,690,793	6,442,942
Financial investments at fair value through other comprehensive income	10	3,922,809	832,323
Debt securities at amortized cost	11	24,689	28,127
Financial receivables from related parties	23	130,000	105,000
Non-current loan at fair value through profit and loss		9,548	9,500
Intangible assets		127	181
Property, plant and equipment		783	181
Other non-current assets	12	556,888	555,941
Total Non-current assets		11,335,637	7,974,195
Current assets			
Financial investments at fair value through profit and loss	13	49,286	1,670,766
Cash and cash equivalents	14	65,075	1,052,001
Other financial assets		456	490
Tax receivables		3,170	3,019
Financial receivables from related parties	23	1,907,347	1,202,215
Financial receivables from third parties		442	288
Trade receivables from related parties	23	443	47
Trade receivables from third parties		1	4
Other receivables		886	1,082
Total Current assets		2,027,106	3,929,912
Total Assets		13,362,743	11,904,107
Equity			
Share capital	15	7,329	7,399
Capital reserves	15	1,239,868	1,239,868
Fair value reserve	15	78,939	(133,761)
Cash flow reserve	15	(8,646)	(5,241)
Retained earnings and other reserves	15	6,443,353	6,513,824
Treasury stock	15	(1,150,280)	(552,279)
Profit (loss) for the year		2,298,855	404,465
Total Equity		8,909,418	7,474,275
Non-current liabilities			
Non-convertible bonds	17	2,929,643	3,438,072
Bank debt	18	—	150,000
Total Non-current liabilities		2,929,643	3,588,072
Current liabilities			
Non-convertible bonds	17	537,328	37,111
Bank debt and commercial paper	18	215,159	—
Other financial liabilities	19	28,533	18,317
Financial payables to related parties	23	732,084	757,313
Trade payables and other payables to related parties	23	5,780	24,839
Trade payables to third parties	20	982	921
Tax payables	8	2,945	2,636
Other payables		871	623
Total Current liabilities		1,523,682	841,760
Total Equity and Liabilities		13,362,743	11,904,107

EXOR N.V. – STATEMENT OF CASH FLOWS

		Years ended 31 December	
€ thousand	Note	2023	2022
Cash and cash equivalents, at beginning of year		1,052,001	267,406
Cash flows from (used in) operating activities			
Profit (loss) for the year[(a)]		2,298,855	404,465
Adjustments for:			
Impairment and realized (gains)/losses on investments	2	193,018	51,696
Other non-cash movements		3,619	17,313
Notional cost of Exor share-based plans	16	12,776	7,204
Total adjustments		209,413	76,213
Change in working capital:			
Other financial assets, current and non-current		34	1,103
Tax receivables		(151)	785
Trade receivables from related parties	23	(393)	190
Other receivables, current and non-current		197	(169)
Other payables, current and non-current		248	(636)
Trade payables and other payables to related parties, excluding items adjusting profit	23	(19,059)	21,273
Trade payables to third parties		61	(411)
Tax payables	8	309	(761,880)
Others		347	4,007
Change in working capital		(18,407)	(735,738)
Cash flows from (used in) operating activities		2,489,861	(255,060)
Cash flows from (used in) investing activities			
Property, plant and equipment and intangibles assets		(24)	(30)
Investments in subsidiaries, associated and other companies	9	(441,735)	(780,079)
Sale of investments in subsidiaries and other companies	9	—	5,249,953
Current and non-current loans		(48)	(649)
Change in financial receivables	23	(730,286)	(799,774)
Net Investments in financial assets at FVTOCI	10	(2,877,786)	(205,359)
Change in other non-current assets		—	—
Net investments in debt securities at amortized cost		3,438	49,488
Change in financial assets at FVTPL	13	1,621,481	(1,656,091)
Cash flows from (used in) investing activities		(2,424,960)	1,857,459
Cash flows from (used in) financing activities[(b)]			
Issuance of bonds	17	—	—
Repayment of bonds	17	—	(601,891)
Proceeds of bank debt	18	—	—
Repayment of bank debt	18	—	—
Net change in short term debt and other financial assets and liabilities		66,571	(12,587)
Buyback Exor shares	15	(995,722)	(254,707)
Repayment of lease liabilities		591	(144)
Change in financial payables to related parties	23	(25,229)	166,274
Cash flow hedge derivatives		(3,405)	(16,656)
Dividend paid		(99,108)	(98,975)
Exercise of stock options	15	4,475	882
Cash flows from (used in) financing activities		(1,051,827)	(817,804)
Total change in cash and cash equivalents		(986,926)	784,595
Cash and cash equivalents, at end of year		65,075	1,052,001

a. Dividends received for the year ended 31 December 2023 for €2,532,150 thousand (€651,017 thousand for the year ended 31 December 2022) are included within profit (loss) before taxes.

b. In 2023 Exor paid interest for €89,495 thousand (€90,247 thousand in 2022) and received interest income for €11,240 thousand (€5.588 thousand in 2022).

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 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 Exor 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**

€ 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 2022	**7,399**	**1,239,868**	**(552,279)**	**6,513,824**	**404,465**	**(133,761)**	**(5,241)**	**7,474,275**
Allocation of prior year result	—	—	—	404,465	(404,465)	—	—	—
Buyback Exor shares	—	—	(995,722)	—	—	—	—	(995,722)
Cancellation of treasury shares	(70)	—	397,719	(397,649)	—	—	—	—
Notional cost of Exor share-based plans	—	—	—	17,449	—	—	—	17,449
Exercise of stock options	—	—	1	4,372	—	—	—	4,373
Dividend paid	—	—	—	(99,108)	—	—	—	(99,108)
Total comprehensive income	—	—	—	—	2,298,855	212,700	(3,405)	2,508,150
Other movements	—	—	—	—	—	—	—	—
Net changes during the year	**(70)**	**—**	**(598,001)**	**(70,471)**	**1,894,390**	**212,700**	**(3,405)**	**1,435,143**
Equity at 31 December 2023	**7,329**	**1,239,868**	**(1,150,280)**	**6,443,353**	**2,298,855**	**78,939**	**(8,646)**	**8,909,418**

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 2023 (company financial statements) were approved by the board of directors on 10 April 2024 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 2023 (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 2023

The following amendments and interpretations, which were effective from 1 January 2023, were adopted by the Company. The adoption of these amendments had no material impact on these company financial statements.

Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2

On 12 February 2021 the IASB issued "Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies", requiring companies to disclose the material accounting policy information rather than the significant accounting policies. Furthermore, the amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8 – Accounting policies, Changes in Accounting Estimates and Errors

On 12 February 2021 the IASB issued "Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The amendments clarify how to distinguish changes in accounting policies (generally also applied retrospectively to past transactions and other past events) from changes in accounting estimates (applied prospectively only to future transactions and other future events).

Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12)

On 7 May 2021 the IASB issued "Deferred Tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)", which specifies how companies should 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.

On 23 May 2023, the IASB issued "International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 – Income Taxes", introducing a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements. The mandatory exception, the use of which is required to be disclosed, applies immediately. The remaining disclosure requirements apply for annual reporting periods on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

Amendments to IFRS 17 – Insurance Contracts

In December 2021, the IASB issued amendments to IFRS 17 – Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information, which provides a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendment is effective on or after 1 January 2023. There was no effect from the adoption of these amendments.

IFRS 4 – Insurance Contracts

In June 2020, the IASB issued amendments to IFRS 4 — Insurance Contracts which defer the expiry date of the temporary exemption from applying IFRS 9 to annual periods beginning on or after 1 January 2023. There was no effect from the adoption of these amendments.

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: Non-current Liabilities with Covenants.
– Amendments to IAS 16 – Property, Plant and Equipment: Lease liability in a Sale and Leaseback.
– Amendments to IAS 1 – Presentation of Financial Statements: Non-current Liabilities requirements for classification.

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 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures Supplier Finance Arrangements. The amendments will be effective for annual periods beginning on or after 1 January 2024.
– IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures. These sustainability standards provide respectively, a set of sustainability-related financial information that is useful to investors regarding the sustainability-related risks and opportunities over the short, medium and long term and specific climate-related disclosures objectives and requirements. These standards will be effective for annual reporting periods beginning on or after 1 January 2024. On 25 July 2023, the International Organization of Securities Commissions (IOSCO) announced its endorsement of these Standards.

- Amendments to IAS 21 – Lack of Exchangeability, specify when a currency is exchangeable into another currency and when it is not and how to determine the exchange rate to apply when a currency is not exchangeable, also requiring entities to disclose additional information when a currency is not exchangeable. The amendments will be effective for annual periods beginning on or after 1 January 2025.

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 share based payment plans linked to shares of Exor N.V., whose beneficiaries are employees of Exor's subsidiaries, is recorded as a capital contribution in favour of the subsidiaries in which the beneficiaries of the share based payment plans are employed; 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, 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 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. 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 2023. Moreover, certain impairment indicators were identified in evaluating the investments in GEDI Gruppo Editoriale, Full More and Casavo, also due to macroeconomic uncertainties, as disclosed in Note 2.

Investment entity status

As reported on page 199 in the Consolidated Financial Statement, as of 1 January 2024, Exor considers that it now meets the criteria of an investment company as defined by IFRS 10 - Consolidated Financial Statements, as it satisfies, at that date, the following three cumulative criteria:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both;
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the past years, Exor has evolved from a holding to an investment entity, driven by a significant change in its portfolio activity and composition, and changes in its portfolio review process to drive capital allocation decisions based on fair value. The new classification follows these gradual changes, also marked notably by the change in investment type from controlling to minority stakes and by the allocation of a significant amount of resources into fund and venture investments.

Exor will apply this change in classification prospectively from 1 January 2024, with a material impact on the presentation of the company and consolidated financial statements.

- In line with IFRS requirements, Exor will deconsolidate portfolio companies and account for them at fair value also in the company financial statements;
- the subsidiaries that provide support services to the Parent Company will continue to be consolidated and accounted for at cost in the company financial statements;
- investments over which Exor exercises control or significant influence will no longer be accounted at cost;
- current equity investments accounted for at FVTOCI remain unchanged, while all new investments, other than subsidiaries providing services that relate to the investment company's activities, will be measured at fair value through profit or loss from 1 January 2024, in accordance with IFRS 9.

Furthermore, as this change is applied prospectively, Exor will recognize in the company financial statements, as of 1 January 2024, a non-recurring net gain resulting from the difference between the net carrying amount of investments previously accounted for at cost and their fair value at the date of the change. Based on a preliminary assessment, this net gain would be approximately €24 billion.

This change in classification has no impact on the 2023 company financial statements.

Exor believes that this change will better align Exor's reporting and financial disclosures to its business and activities, with NAV and other key metrics audited.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS IN THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

€ thousand	2023	2022	Change
Exor Nederland N.V.	1,642,291	—	1,642,291
Stellantis	602,210	467,386	134,823
CNH Industrial	132,094	102,740	29,354
Ferrari	80,428	60,521	19,907
Exor Investments Limited	45,373	—	45,373
The Economist Group	12,138	12,945	(807)
Philips	10,337	—	10,337
Christian Louboutin	3,060	7,199	(4,139)
Institut Merieux	399	—	399
Others	3,820	226	3,594
Dividends from investments	**2,532,150**	**651,017**	**1,881,132**

2. Impairment and realized losses on investments

€ thousand	2023	2022	Change
GEDI	99,000	35,123	63,877
Full More Group	67,000	16,573	50,427
Casavo	27,018	—	27,018
Impairment on investments	**193,018**	**51,696**	**141,322**

Considering its recent performance and the enduring uncertainties around macroeconomic conditions which has resulted in an increase in the price of raw materials and energy, with significant and adverse impacts on the advertising market, GEDI performed a detailed impairment test, that determined impairment charges on the company's publications. On this basis, the investment in GEDI was aligned to the pro-quota of the net equity of the subsidiary at 31 December 2023.

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. This negative trend continued in 2023, with sales negatively affected by the challenging economic conditions in China, exacerbated by the aftermath of Covid-19 restrictions. Many luxury brands, including Shang Xia, experienced double-digit declines compared to the previous years. Despite the challenges faced in 2023, continuous cost-saving initiatives and strategies are being implemented to enhance Shang Xia's brand, underscoring its core identity at the top-end of the luxury sector. Exor applied the discounted cash flows method on the business plan updated by Full More to estimate the recoverable amount of the investment in the company. 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), Exor's share of the equity value of Full More was equal to zero, leading to a total write off of the investment, with an impairment loss of €67 million.

In 2023 Casavo accelerated its strategy to transition towards an asset-light model and executed on multiple operational efficiencies initiatives including headcount right-sizing in order to reduce cash outflow and increase profitability. Casavo secured €20 million in additional funding in the form of a convertible note, strengthening its liquidity position to face the difficult market conditions. In this context, Exor performed an evaluation using public company trading analysis based on a panel of selected listed companies in the PropTech industry that led to an impairment charge of €27 million, driven by the low profitability outlook despite improvement in the cash conversion rate.

3. Financial expenses from third parties

€ thousand	2023	2022	Change
Interest on bonds	87,122	98,131	(11,009)
Interest on bank debt	6,622	1,950	4,672
Bank fees and commission	2,879	1,885	994
Losses and fair value adjustments on financial instruments at FVTPL	179	14,205	(14,026)
Other expenses	3	875	(872)
Interest on Italian tax claims	—	2,997	(2,997)
Realized losses on liquidity funds	—	3	(3)
Financial expenses from third parties	**96,805**	**120,046**	**(23,241)**

The decrease in financial expenses from third parties is mainly due to the improvement of the performance of financial investment (i.e. bond mandate funds and short duration funds) and the reduction of the average indebtedness.

4. Financial income from third parties

€ thousand	2023	2022	Change
Fair value adjustment on financial instruments at FVTPL	12,598	2,080	10,518
Interest income and realized gains on financial instruments at FVTPL	11,584	844	10,741
Bank interest	11,240	5,588	5,653
Fair value adjustment on liquidity funds	3,599	1,383	2,216
Realized gains on liquidity funds	2,692	123	2,569
Interest income on debt securities at amortized cost	2,287	3,589	(1,303)
Other income	1,924	565	1,359
Financial income from third parties	**45,924**	**14,172**	**31,752**

The increase in financial income from third parties is mainly due to the improvement in the performance of financial investments (i.e. bond mandate funds and short duration funds) and the partial disposal of such assets generated higher bank interest income compared to last year.

5. Gains (losses) on exchange

Net losses amount to €7,576 thousand (net losses of €22,964 thousand in 2022) and mainly relate to the fluctuations of the US dollar.

6. Personnel costs

Personnel costs amount to €4,812 thousand (€17,389 thousand in 2022 including non-recurring awards) of which €1,302 thousand related to the 2023 and 2022 Long Term Incentive Plan (€1,455 thousand in 2022). At the end of 2023 the number of employees was 11 (10 at the end of 2022). All employees work in the Netherlands.

7. Purchases of goods and services from third parties

€ thousand	2023	2022	Change
Consulting fees related to investment and disinvestment projects	7,442	5,086	2,357
General expenses	3,648	3,904	(256)
Legal, tax and other consulting fees	2,076	2,046	30
Depreciation	214	231	(17)
Purchases of goods and services from third parties	**13,380**	**11,266**	**2,114**

The increase is mainly attributable to consultancy and other fees incurred for new investment projects, partially offset by a reduction of the general expenses.

8. Income taxes

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	2023	2022
Pre-tax profit (loss)	2,298,855	404,465
Theoretical tax (expense) income at 25.8%	(593,105)	(104,352)
Tax effect on:		
Participation exemption on dividends received	649,649	167,904
Impairment loss on investments	(49,799)	(13,315)
Participation exemption on capital loss on investments	—	(26)
Fair value reserve	1,884	3,876
Non-deductible cost for stock option plan	(2,727)	(1,325)
Cash flow hedge reserve	879	(4,297)
Non-deductible interest	258	(27,826)
Other	(503)	(195)
Total	599,640	124,796
Unrecognized deferred tax assets on differences emerged	(6,535)	(20,444)
Total tax (expense) income	**0**	**0**
Effective tax rate	**0 %**	**0%**
Total tax (expense) income	**0**	**0**

Based on the final tax assessments issued for the financial years up to and including 2018, the 2019, 2020 and 2021 tax returns filed, the 2022 tax return currently being prepared and the 2023 tax provision, Exor losses available for future offset at 31 December 2023 amount to €358,564 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
2023	25,331
Total	**358,564**

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 realized with which these tax losses can be recovered.

Moreover, based on the 2019, 2020 and 2021 tax return, the 2022 tax return currently being prepared and the 2023 tax provision, Exor has a total amount of €505,794 thousand of interest expenses available for future offset at 31 December 2023 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	31/12/2023 % of class of shares	31/12/2023 Amount	31/12/2022 % of class of shares	31/12/2022 Amount	Change
CNH Industrial - common shares	26.89	1,473,718	26.89	1,473,718	—
CNH Industrial - special voting shares	92.55	—	92.55	—	—
CNH Industrial		1,473,718		1,473,718	—
Stellantis - common shares	14.20	1,349,725	13.99	1,349,725	—
Stellantis - special voting shares		—		—	—
Stellantis		1,349,725		1,349,725	—
Ferrari	22.91	677,443	22.91	677,443	—
Ferrari - special voting shares	70.14	—	70.15		—
Ferrari		677,443		677,443	—
Iveco Group	27.06	220,812	27.06	220,812	—
Iveco Group - special voting shares	98.84	—	98.84	—	—
Iveco Group		220,812		220,812	—
Juventus Football Club	63.77	668,912	63.77	541,912	127,000
Exor S.A.	100.00	645,300	100.00	460,300	185,000
Christian Louboutin	24.00	541,432	24.00	541,432	—
The Economist Group	43.40	327,816	43.40	327,816	—
Institut Merieux	3.57	277,779	3.57	277,779	—
GEDI Gruppo Editoriale	89.62	68,000	89.62	167,000	(99,000)
TAG Holding	34.85	100,489		—	100,489
Welltec	47.62	95,227	47.61	95,227	—
Exor Nederland N.V.	100.00	74,543	100.00	80,082	(5,539)
Lifenet	44.67	70,617	44.67	70,617	—
Full More Group	82.30	—	82.30	67,000	(67,000)
NUO	50.00	42,312	50.00	39,825	2,487
Lingotto Investment Management UK	100.00	26,794		35	26,759
Exor Investments Limited	100.00	16,870	100.00	12,197	4,673
Casavo	12.18	13,004	12.28	40,022	(27,018)
Investments accounted for at cost		**6,690,793**		**6,442,942**	**247,851**

The changes during the year are as follows:

€ thousand	**Balance at 31/12/2022**	Changes in 2023 Increases	Decreases	Reclass.	**Balance at 31/12/2023**
CNH Industrial - common shares	1,473,718	—	—	—	1,473,718
CNH Industrial - special voting shares	—	—	—	—	—
CNH Industrial	1,473,718	—	—	—	1,473,718
Stellantis - common shares	1,349,725	—	—	—	1,349,725
Stellantis - special voting shares	—	—	—	—	—
Stellantis	1,349,725	—	—	—	1,349,725
Ferrari	677,443	—	—	—	677,443
Ferrari - special voting shares	—	—	—	—	—
Ferrari	677,443	—	—	—	677,443
Iveco Group	220,812	—	—	—	220,812
Iveco Group - special voting shares	—	—	—	—	—
Iveco Group	220,812	—	—	—	220,812
Juventus Football Club	541,912	127,000	—	—	668,912
Exor S.A.	460,300	185,000	—	—	645,300
Christian Louboutin	541,432	—	—	—	541,432
The Economist Group	327,816	—	—	—	327,816
Institut Merieux	277,779	—	—	—	277,779
GEDI Gruppo Editoriale	167,000	—	(99,000)	—	68,000
TAG Holding	—	100,489	—	—	100,489
Welltec	95,227	—	—	—	95,227
Exor Nederland N.V.	80,082	—	(5,539)	—	74,543
Lifenet	70,617	—	—	—	70,617
NUO	39,825	2,487	—	—	42,312
Lingotto Investment Management UK	35	26,759	—	—	26,794
Exor Investments Limited	12,197	4,673	—	—	16,870
Casavo	40,022	—	(27,018)	—	13,004
Full More Group	67,000	—	(67,000)	—	—
Investments accounted for at cost	**6,442,942**	**446,408**	**(198,557)**	**—**	**6,690,793**

In 2023 Exor subscribed to the increase in share capital of Exor S.A. for €185 million. Exor also contributed in advance its pro-quota share (€127 million) of Juventus capital increase which will be effective in 2024 and has also committed to subscribe for and pay any newly issued Juventus shares that may remain unsubscribed at the end of the offering period, up to an aggregate amount equal to approximately €72 million.

In July 2023, Impala, the investment firm controlled by Jacques Veyrat and his family, and Exor announced a new partnership to further develop TagEnergy, a fast-growing company operating in the renewables and energy storage sectors. To accelerate TagEnergy's future growth, and support its experienced team and strong entrepreneurial culture, Impala and Exor have joined forces in Tag Holding, the new holding company which is TagEnergy's largest single shareholder.

The capital contribution in Lingotto Investment Management UK relates to the reorganization of the ownership of asset manager Lingotto Investment Management LLP.

The decrease in the carrying amounts of GEDI Gruppo Editoriale, Full More Group and Casavo relate to the 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 29 December 2023	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
CNH Industrial - common shares	366,927,900	4.016	1,473,718	11.080	4,065,561
Stellantis - common shares	449,410,092	3.003	1,349,725	21.150	9,505,023
Ferrari - common shares	44,435,280	15.246	677,443	305.200	13,561,647
Iveco Group N.V. - common shares	73,385,580	3.009	220,812	8.146	598,092
Juventus Football Club	1,611,669,116	0.336	541,912	0.257	414,521
Total			**4,263,610**		**28,144,846**

Given the presence of impairment indicators on Juventus, and also considering that the stock market price was lower than the carrying amount, Exor's management carried out an impairment test at 31 December 2023. The estimation of the recoverable amount was performed applying the discounted cash flows methods to the Juventus approved business plan, also considering the most recent information about the participation of the club in the future international competitions. Applying a weighted average cost of capital ("WACC") of 9% and a growth rate of 3%, Exor's management determined that no impairment adjustment to the cost of the investment is required.

The result of the impairment test indicate that a reduction of 25bps in the growth rate or and increase of 15bps of the WACC would cause the carrying amount to exceed the recoverable amount.

Exor's management also observed that after year-end the stock market price recovered and that the recent private transactions relating to relevant comparable clubs have been carried out on average at 3.6x of operating revenues (average 4.5x considering the last two years), representing higher multiples than those embedded in the book value of the subsidiary.

		Carrying amount		Market price at 30 December 2022	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
CNH Industrial - common shares	366,927,900	4.016	1,473,718	14.97	5,491,076
Stellantis - common shares	449,410,092	3.003	1,349,725	13.264	5,960,975
Ferrari - common shares	44,435,280	15.246	677,443	200.200	8,895,943
Iveco Group - common shares	73,385,580	3.009	220,812	5.558	407,877
Juventus Football Club	1,611,669,116	0.336	541,912	0.316	509,610
Total			**4,263,610**		**21,265,481**

10. Financial investments at FVTOCI

€ thousand	31/12/2023 % of class of shares	31/12/2023 Amount	31/12/2022 % of class of shares	31/12/2022 Amount	Change
Listed					
Philips	15.25	2,937,088	—	—	2,937,088
Forvia	5.54	203,157	5.54	140,578	62,579
Neumora	2.65	65,047	—	—	65,047
Zegna	1.03	26,177	1.03	24,541	1,636
FL Entertainment	0.60	21,125	n.s.	23,695	(2,570)
Unlisted					
Via Transportation Inc	18.23	514,216	17.34	477,157	37,059
Neumora	—	—	n.s.	14,063	(14,063)
Other unlisted	n/a	155,999	n/a	152,289	3,710
Financial investments at FVTOCI		**3,922,809**		**832,323**	**3,090,486**

The carrying amount of the listed companies is aligned to the market price at the reporting date. The changes during the year are as follows:

€ thousand	Balance at 31/12/2022	Acquisition and capitalizations	Fair value Adjustments	Reclass.	Disposals	Balance at 31/12/2023
Listed						
Philips1	—	2,771,009	166,079	—	—	**2,937,088**
Neumora	—	—	4,093	60,954	—	**65,047**
Forvia	**140,578**	—	62,579	—	—	**203,157**
Zegna	**24,541**	—	1,636	—	—	**26,177**
FL Entertainment	**23,695**	—	(2,570)	—	—	**21,125**
Unlisted						
Via Transportation Inc	**477,157**	45,716	(8,657)	—	—	**514,216**
Neumora	**14,063**	46,891	—	(60,954)	—	**—**
Other	**152,289**	14,170	(10,459)	—	—	**155,999**
Investments at FVTOCI	**832,323**	**2,877,786**	**212,700**	**—**	**—**	**3,922,809**

1. The increase of €2,771 million includes a dividend in kind of €10 million received during the year.

During the first half of 2023 Exor acquired a stake of 2.96% in Philips, with a further increase in August 2023, when Philips and Exor announced that they had entered into a relationship agreement that includes Exor's commitment to be a long-term minority investor and the right to propose one member to the Supervisory Board, as well as several customary conditions. While Exor does not plan to acquire further Philips shares in the short term, over time Exor can, at its discretion, increase its participation to a maximum limit of 20% of Philips' outstanding ordinary share capital. During the 2023, Exor received €10 million as dividend from Philips.

In February 2023 Exor increased its investment in Via Transportation by $50 million (€46 million) through its participation in the $110 million financing round involving new and existing investors. The fair value at 31 December 2023 is aligned with the price of this financing round ($45,51 per share).

Other financial investments at FVTOCI mainly refer to small equity investments in unlisted companies (also early stage); the carrying amounts at 31 December 2023 are aligned with the most recent transactions and capital increases.

€ thousand	Balance at 31/12/2021	Acquisition and capitalizations	Fair value Adjustments	Reclass.	Disposals	Balance at 31/12/2022
Listed						
Forvia	320,125	35,587	(215,134)	—	—	**140,578**
Zegna	23,133	—	1,408	—	—	**24,541**
FL Entertainment	—	25,000	(1,305)	—	—	**23,695**
Unlisted						
Via Transportation Inc	449,329	—	27,828	—	—	**477,157**
Neumora	—	15,176	(1,113)	—	—	**14,063**
Other	36,702	129,597	(14,010)	—	—	**152,289**
Investments at FVTOCI	**829,289**	**205,360**	**(202,326)**	**—**	**—**	**832,323**

In 2022 the fair value adjustment related to Via was due to currency translation, while the share price was unchanged and supported by the most recent transactions. The carrying amount of the listed companies was aligned to the market price at the reporting date.

Other financial investments at FVTOCI mainly referred 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 was aligned with the most recent transactions and capital increases.

11. Non-current and current debt securities at amortized cost

These amount to €24,689 thousand (€28,127 thousand at 31 December 2022) and are represented by bonds issued by leading counterparties, maturing after 12 months.

12. Other non-current assets

These amount to €556,888 thousand (€555,941 thousand at 31 December 2022) of which €555,556 thousand relates to Exor's commitment to purchase 341.171 shares of Institut Meriéux.

13. Financial investments at FVTPL

€ thousand	31/12/2023	31/12/2022
Short duration funds	22,173	649,402
Bond mandate funds	17,150	962,543
Debt securities	9,963	9,596
Bond funds	—	49,224
Total financial investments at FVTPL	**49,286**	**1,670,766**

In 2022 a portion of the cash received from Exor Nederland on the partial reimbursement of its share premium was invested in selected funds with average duration below 12 months. The amount at 31 December 2022 (€1,661,170 thousand) was reduced to €39,323 thousand at 31 December 2023 to funding the investments carried out in the year. Debt securities are listed in active markets.

14. Cash and cash equivalents

€ thousand	31/12/2023	31/12/2022
Cash at banks		
Current accounts	9,815	19,525
Time deposits	—	524,157
Current accounts in foreign currency	1,338	1,084
Total cash at banks	11,153	544,766
Liquidity fund	38,106	491,419
Collateral	15,810	15,810
Cash on hand	6	6
Total Cash and cash equivalents	**65,075**	**1,052,001**

Cash and cash equivalents invested at 31 December 2022 in time deposit and liquidity funds, mainly referred to a portion of the cash received from Exor Nederland on the partial reimbursement of its share premium. The decrease in 2023 is due to the investments carried out during the year.

The associated credit risks has been mitigated by allocating the funds across leading financial institutions.

15. Equity

Share capital

In March 2023, Exor completed the cancellation of 7,007,464 ordinary shares held in treasury, which had been acquired as part of the 2018-2020 buyback program and the first tranche of the 2022-2024 buyback program. 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.

At 31 December 2023 the total issued capital of Exor N.V. was equal to Euro 7,328,612, divided into 233,992,536 ordinary shares, each with a nominal value of Euro 0.01 and 124,717,163 Special Voting Shares A, each with a nominal value of Euro 0.04.

At 31 December 2023 Giovanni Agnelli B.V. owns 86.86% 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 2023 Exor's equity does not include any legal, statutory or non-distributable reserves, except for the fair value and the cash-flow reserves.

€ thousand	31/12/2023	31/12/2022	Change
Capital Reserves	1,239,868	1,239,868	—
Earnings reserves and other reserves:			
Retained earnings	6,375,105	6,463,023	(87,918)
Share based compensation reserve	68,249	50,801	17,448
Total earnings reserves and other reserves	6,443,354	6,513,824	(70,470)
Fair value reserve	78,939	(133,761)	212,700
Cash-flow hedge reserve	(8,646)	(5,241)	(3,405)
Total reserves	**7,753,515**	**7,614,690**	138,825

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	31/12/2023	31/12/2022
Equity attributable to owners of the parent in the consolidated financial statements	**23,268**	**20,627**
Difference between the carrying amounts of investments and the corresponding equity at year-end, net of consolidation adjustments	(13,152)	(9,158)
Change in other comprehensive income reserve in the consolidated financial statements	3,041	1,203
Share of the profit of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(4,232)	(4,350)
Other adjustments	(16)	(848)
Equity in the company financial statements	**8,909**	**7,474**

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	2023	2022
Net profit attributable to owners of the parent in the consolidated financial statements	**4,194**	**4,227**
Share of the profit of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(4,232)	(4,350)
Dividends received from consolidated companies and companies accounted for by the equity method	2,523	839
Adjustments of gains/losses on disposals and impairments and reversals of investments	(170)	(304)
Other adjustments	(16)	(8)
Net profit in the company financial statements	**2,299**	**404**

Treasury stock

At 31 December 2023 Exor holds the following treasury stock:

		Amount		% of class
	No. of shares	**Per share (€)[1]**	**Total (€ thousand)**	
Balance at 31 December 2021	**9,291,244**	**32.03**	**297,572**	**3.860**
Buyback Exor 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**
Buyback Exor shares	3,174,389	77.41	245,723	
Buyback Exor shares - tender offer	8,873,452	84.52	749,999	
Exercise of stock options	(144,149)	0.00	(1)	
Cancellation of treasury shares	(7,007,464)	56.76	(397,719)	
Balance at 31 December 2023	**18,022,847**	**63.82**	**1,150,280**	**7.700**

1. Considering only the treasury shares bought back in the context of the different programs, the average carrying value per share is €79.99.

At 31 December 2023, the company held in total 18,022,847 ordinary shares in treasury (7.7% of ordinary issued share capital).

In February 2024, Exor completed the cancellation of 13,008,289 ordinary shares held in treasury, which had been acquired as part of the Tender Offer announced in September 2023 (for a total of 8,873,452 ordinary shares) and the 2022-2024 share buyback program (for a total of 4,131,837 ordinary shares), bringing the total number of ordinary shares in the share capital of Exor to 220,984,247.

16. 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, with an average exercise price of €32.38 per share. The number of stock options outstanding at 31 December 2023 is 2,771,722, of which 2,183,903 are exercisable.

Changes during 2023 and 2022 were as follows:

	2023		2022	
	Number of options	**Weighted average exercise price (€)**	**Number of options**	**Weighted average exercise price (€)**
Outstanding at the beginning of the year	**2,909,886**	**32.38**	2,937,135	32.38
Granted during the year	—	—	—	—
Forfeited during the year	—	—	—	—
Exercised	(138,164)	—	(27,249)	32.38
Expired	—	—	—	—
Outstanding at the end of the year	**2,771,722**	**32.38**	2,909,886	32.38
Exercisable at the end of the year	**2,183,903**	**—**	1,734,248	—

No cost has been recognized in 2023 and 2022 for the Stock Option Plan Exor 2016.

Exor LTI plan
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, 1 November 2022 and 1 January 2023. The weighted average fair value of the awards that were issued in 2022 was €71 for the PSUs and €59.45 for the RSUs.

Under the same Plan, at 1 July 2023 PSUs and RSUs were granted to the Chief Executive Officer, selected employees of companies in the Holdings System and selected suppliers. PSU vesting will take place in 2026, while the RSUs vest upon a time-based service requirement in 3 tranches from 30 June 2024 to 30 June 2026. 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 2023 was €96.30 for the PSUs and €80.78 for the RSUs.

For more information on the performance conditions attached to the PSUs see Note 24 of the Consolidated Financial Statements.

Exor LTI 2022
The following table reflects the activity of PSUs and RSUs under the Exor LTI 2022 plan during the year ended 31 December 2023:

	2023		2022	
	Outstanding PSU Awards	Outstanding RSU Awards	Outstanding PSU Awards	Outstanding RSU Awards
Balance at the beginning of the year	**581,597**	**25,401**	**—**	**—**
Granted	398	399	581,597	25,401
Forfeited	(632)	(632)	—	—
Vested	—	(8,387)	—	—
Balance at the end of the year	**581,363**	**16,781**	**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	2023	2022
Total expense	42,785	42,804
Expense recognized in the year	14,482	7,204
Unrecognized expense	21,100	35,600

Exor LTI 2023

The following table reflects the activity of PSUs and RSUs under the Exor LTI 2023 plan during the year ended 31 December 2023:

	2023	
	Outstanding PSU Awards	Outstanding RSU Awards
Balance at the beginning of the year	**—**	**—**
Granted	167,648	10,846
Forfeited	—	—
Vested	—	—
Balance at the end of the year	**167,648**	**10,846**

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	2023
Total expense	17,021
Expense recognized in the year	2,967
Unrecognized expense	14,054

The cost for the year recorded in the share based compensation reserve for awards granted in 2023 and 2022 amounts to €17,449 thousand including €7,399 thousand classified as compensation to the Chief Executive Officer, €1,302 thousand as personnel costs and €4,075 thousand as cost of services, as part of commercial agreements with certain suppliers. The cost relating to the key employees of other companies in the Holdings System for €4,673 thousand was recognized as an increase in the carrying amount of the investment in Exor Investments Limited.

17. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate		Nominal value	Balance at (€/000)	
							31/12/2023	**31/12/2022**
08-Oct-14	08-Oct-24	100.09	Annually	Fixed 2.500%	€	500,396	**503,162**	**503,001**
07-Dec-12	31-Jan-25	97.84	Annually	Fixed 5.250%	€	100,000	**104,536**	**104,302**
22-Dec-15	22-Dec-25	100.78	Annually	Fixed 2.875%	€	450,000	**450,651**	**450,839**
20-May-16	20-May-26	99.65	Semi-annually	Fixed 4.398%	€	170,000	**154,448**	**159,957**
18-Jan-18	18-Jan-28	98.52	Annually	Fixed 1.750%	€	500,000	**504,336**	**503,399**
29-Apr-20	29-Apr-30	98.49	Annually	Fixed 2.25%	€	500,000	**501,757**	**500,895**
19-Jan-21	19-Jan-31	99.09	Annually	Fixed 0.875%	€	500,000	**499,520**	**498,892**
09-May-11	09-May-31	100.00	Semi-annually	Fixed 2.800%	(a)	¥10,000,000	**64,549**	**71,658**
14-Oct-19	14-Oct-34	100.00	Annually	Fixed 1.750%	€	500,000	**481,846**	**480,252**
15-Feb-18	15-Feb-38	98.18	Annually	Fixed 3.125%	€	200,000	**202,166**	**201,988**
Total							**3,466,971**	**3,475,183**
– Current portion							**537,328**	**37,111**
– Non-current portion							**2,929,643**	**3,438,072**

a) 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 (0.5x) 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. The Company complied with these covenants during the year under review.

Finally, a change of control of Exor would give the bondholders the right to ask for early redemption of the bonds.

The changes in non-convertible bonds is as follows:

€ thousand	2023	2022
Total at 1 January	**3,475,183**	**4,068,938**
Cash flows, net	33	(602,942)
Foreign exchange effects	(12,619)	3,907
Loss on partial bond cancellation	—	—
Other changes	4,374	5,280
Total at 31 December	**3,466,971**	**3,475,183**

The analysis of the non-convertible bonds by due date at 31 December 2023 and 2022 is as follows:

€ thousand	31/12/2023	31/12/2022
Due within one year	537,328	37,111
Due between one and five years	1,757,643	1,209,199
Due beyond five years	1,172,000	2,228,873
Non-convertible bonds	**3,466,971**	**3,475,183**

18. Bank debt and commercial paper

€ thousand	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	Non current		Current	
Bank Debt	—	150,000	215,159	—
Total at 31 December	**—**	**150,000**	**215,159**	**—**

On 29 September 2021 Exor entered into a committed credit facility (term loan) for €150 million expiring on 29 September 2024. At 31 December 2023 the facility was fully drawn and included in the current liabilities, while fully repaid in February 2024.

At 31 December 2023 Exor has committed credit lines in Euro of €450 million, of which €350 million expiring after 31 December 2024, as well as uncommitted credit lines of €515 million drawn for €65 million.

At 31 December 2022 Exor had committed credit lines in Euro of €450 million expiring after 31 December 2023, as well as uncommitted credit lines of €565 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 2023.

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 2023.

On 9 November 2023, Standard & Poor's communicated that it had upgraded Exor's long-term corporate credit rating to A- from BBB+, maintaining a "stable" outlook. The short-term rating of Exor is A-2.

The changes in current and non-current bank debt are as follows:

€ thousand	2023	2022
Total at 1 January	**150,000**	150,000
Cash flows	65,159	—
Total at 31 December	**215,159**	**150,000**

19. Other financial liabilities

€ thousand	31/12/2023	31/12/2022
Cross currency swap	27,376	17,116
Lease liabilities	738	147
Other	259	907
Fees and commission on undrawn credit lines	161	146
Total at 31 December	**28,533**	**18,317**

20. Trade payables to third parties

These amount to €5,780 thousand (€24,839 thousand at 31 December 2022) and refer to trade payables to suppliers due within one year.

21. 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**	**31/12/2023**
Assets at fair value					
Financial investments at FVTOCI	10	3,252,593	—	670,216	3,922,809
Financial investments at FVTPL	13	49,286	—	—	49,286
Non-current loan at FVTPL		—	—	9,548	9,548
Liquidity Funds	14	38,106	—	—	38,106
Total assets		**3,339,985**	—	**679,764**	**4,019,749**
Liabilities at fair value					
Other financial liabilities	19	—	27,376	—	27,376
Total liabilities		**—**	**27,376**	**—**	**27,376**

€ 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	13	1,670,766	—	—	1,670,766
Non-current loan at FVTPL		—	—	9,500	9,500
Liquidity Funds	14	491,419	—	—	491,419
Total assets		**2,350,999**	**—**	**653,009**	**3,004,008**
Liabilities at fair value					
Other financial liabilities	19	—	17,116	—	17,116
Total liabilities		**—**	**17,116**	**—**	**17,116**

In 2023 the investment in Neumora has been reclassified from Level 3 to Level 1 following the IPO of the company.

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:

€ thousand	Note	At 31 December 2023 Carrying amount	At 31 December 2023 Fair value	At 31 December 2022 Carrying amount	At 31 December 2022 Fair value
Financial assets					
Debt securities at amortized cost	11	24,689	25,130	28,127	27,659
Other financial assets		456	456	490	490
Total assets		**25,145**	**25,586**	**28,617**	**28,149**
Financial liabilities					
Non-convertible bonds	17	(3,466,971)	(3,258,284)	(3,475,183)	(3,029,383)
Bank debt and commercial paper	18	(215,159)	(215,159)	(150,000)	(150,000)
Other financial liabilities	19	(1,157)	(1,157)	(1,201)	(1,201)
Total liabilities		**(3,683,287)**	**(3,474,600)**	**(3,626,384)**	**(3,180,584)**

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 2023 equal to €63,967 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 2023 Level 1	Level 2	Level 3	Fair value	At 31 December 2022 Level 1	Level 2	Level 3	Fair value
Financial assets								
Debt securities at amortized cost	25,130	—	—	25,130	27,659	—	—	27,659
Other financial assets	456	—	—	456	490	—	—	490
Total assets	**25,586**	**—**	**—**	**25,586**	**28,149**	**—**	**—**	**28,149**
Financial liabilities								
Notes	(3,194,317)	(63,967)	—	(3,258,284)	(2,951,918)	(77,465)	—	(3,029,383)
Bank debt	(215,159)	—	—	(215,159)	(150,000)	—	—	(150,000)
Other financial liabilities	(1,157)	—	—	(1,157)	(1,201)	—	—	(1,201)
Total liabilities	**(3,410,633)**	**(63,967)**	**—**	**(3,474,600)**	**(3,103,119)**	**(77,465)**	**—**	**(3,180,584)**

22. Information on financial risks

Credit risk

The maximum nominal exposure to credit risk to which Exor is exposed at 31 December 2023 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 2023 and 2022 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.

The maturity of the financial liabilities and the amount of the available credit lines are provided in note 17 and 18, respectively. Management believes that the funds currently available, together with the funds that will be generated from operating and financing will enable Exor to satisfy its requirements resulting from its investing activities to fulfil its obligations to repay its debts at their natural due date.

Market risk

Exor is principally exposed to currency, interest rate and price risks.

Currency risk

At 31 December 2023 a portion of receivables from third and related parties is denominated in US dollar (€9 million) and in HK dollar (€90 million) respectively, a portion of cash and cash equivalents in US dollar (€1 million) and a portion of financial investment at FVTOCI in US dollar (€852 million) and GBP (€38 million). Such assets are converted into euro based on the exchange rates as per balance sheet date.

At 31 December 2022 a portion of receivables from third and related parties is denominated in US dollar (€9 million) and in HK dollar (€68 million) respectively, a portion of cash and cash equivalents in US dollar (€193 million) and a portion of financial investment at FVTOCI in US dollar (€620 million) and GB pound (€42 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 (€64 million at 31 December 2023; €71 million at 31 December 2022) which carries a fixed rate in yen of 2.80%, the note in US dollar issued in 2016 for $170 million (€154 million at 31 December 2023; €159 million at 31 December 2022) which carries a fixed rate of 4.398% and has a term of 10 years and the US dollar loan granted by Exor Nederland at Libor plus 20 bps (€177 million at 31 December 2023; €202 million at 31 December 2022).

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 US dollar would be €1,061 thousand higher or €868 thousand lower, the financial receivables in HK dollar would be €9,983 thousand higher or €8,168 thousand lower, the investment at FVTOCI in US dollar would be €94,691 thousand higher or €77,474 thousand lower, the investment at FVTOCI in GB pound would be €4,258 thousand higher or €3,484 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 US dollar 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 2023 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 €202,872 thousand higher or lower.

23. Related party transactions

With regard to the year 2023, 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 2023 related party transactions mainly include the following receivables and payables.

€ thousand	At 31 December 2023	At 31 December 2022
Loan granted to GEDI S.p.A. - Principal	130,000	105,000
Financial receivables from related parties - Non current	**130,000**	**105,000**
Loan granted to Exor S.A. (interest at Euribor plus 200 bps)	1,801,341	1,132,227
Loan granted to Full More Group (interest at HKD Hibor plus 200 bps)	89,847	68,318
Loan granted to GEDI S.p.A. (interest at Euribor plus 225 bps)	9,126	1,670
Receivables from The Economist for dividend declared	4,027	—
Loan granted to Tag Holding	3,006	—
Financial receivables from related parties - current	**1,907,347**	**1,202,215**
Financial receivables from related parties	**2,037,347**	**1,307,215**

€ thousand	At 31 December 2023	At 31 December 2022
Financial payables to Institut Merieux	555,556	555,556
Loan granted by Exor Nederland (interest at USD Libor plus 200 bps)	176,528	201,757
Financial payables to related parties	**732,084**	**757,313**

€ thousand	At 31 December 2023	At 31 December 2022
Payable for services received from subsidiaries for accounting, IT and consulting related to investments	5,279	24,559
Board Member payables	500	280
Trade payables to related parties	**5,779**	**24,839**

The economic effects of related party transactions in 2023 and 2022 are as follow:

€ thousand	2023	2022
Interest expenses on payables to Exor Nederland	(4,407)	(6,272)
Total financial expenses from related parties	**(4,407)**	**(6,272)**
Interest income on loan granted to Exor S.A.	59,217	6,237
Interest income on loan granted to GEDI S.p.A.	7,540	2,090
Interest income on loan granted to Full More	4,182	595
Interest income on loan granted to Tag Holding	6	—
Total financial income from related parties	**70,945**	**8,922**

€ thousand	2023	2022
Board member compensation	13,407	4,644
Consulting services from subsidiaries related to investments	10,486	22,006
Other services from subsidiaries	4,204	908
Accounting and IT services from subsidiaries	2,831	2,372
Donation to Fondazione Giovanni Agnelli	—	10,000
Total purchase of goods and services	**30,928**	**39,930**

€ thousand	2023	2022
Other services to subsidiaries	553	177
Board membership fees waived	208	213
Total revenues from related parties	**761**	**390**

24. Earnings per share

Earnings per share information is provided in Note 13 to the Consolidated Financial Statements.

25. Audit fees

Audit fee information is provided in Note 36 to the Consolidated Financial Statements.

26. Remuneration

Information on the remuneration of the members of the board of directors is included in the Remuneration Report sections (page 171) of the Board Report.

27. Commitments and contingencies

Nil at 31 December 2023 and 2022.

28. Subsequent events

Exor has evaluated subsequent events through 10 April 2024, which is the date the financial statements at 31 December 2023 were authorised for issuance, and determined that there were no such events requiring recognition or disclosure in the financial statements.

10 April 2024

The Board of Directors

Nitin Nohria

John Elkann

Tiberto Ruy Brandolini D'Adda

Ginevra Elkann

Alessandro Nasi

Melissa Bethell

Marc Bolland

Laurence Debroux

Sandra Dembeck

Axel Dumas

Exor N.V. – Other information

Independent Auditor's Report

The report of the Company's independent auditors, Deloitte Accountants B.V., 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.

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INDEPENDENT AUDITOR'S REPORT

To: the shareholders and the audit committee of Exor N.V.

Report on the audit of the financial statements for the year ended 31 December 2023 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 December 2023 of Exor N.V., based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Exor N.V. as at 31 December 2023, and of its result and its cash flows for the year ended 31 December 2023 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:

1. The consolidated and company statement of financial position as at 31 December 2023.
2. The following statements for the year ended 31 December 2023: the consolidated and company income statement, the consolidated and company statements of comprehensive income, the consolidated and company statement of changes in cash flows, and the consolidated and company statement of changes in equity.
3. The notes comprising material accounting policy information 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, 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 was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 350 million. The materiality is based on approximately 5% of profit before tax. 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 EUR 17,5 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 at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Exor N.V.

Our group audit mainly focused on significant group entities. Our assessment of entities that are significant to the group was done as part of our audit planning and was aimed to obtain sufficient coverage of the risks of a material misstatement for the significant account balances, classes of transactions and disclosures that we have identified. In addition, we considered qualitative factors as part of our assessment.

For the selected component audit teams, the group audit team provided detailed written instructions, which, in addition to communicating our requirements of component audit teams, also detailed significant audit areas, including awareness for risks related to management override of controls and revenue recognition. Furthermore, we developed a plan for overseeing component audit teams based on its relative significance and specific risk characteristics. Our oversight procedures included a combination of live and virtual meetings with the component auditor, including working paper reviews. We also reviewed component audit team deliverables to gain a sufficient understanding of the work performed based on our instructions. The nature, timing and extent of our oversight procedures varied based on both quantitative and qualitative considerations.

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 financial statements.

Audit approach 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 the entity 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 the supervisory board exercises oversight, as well as the outcomes. We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others 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 in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified management override of controls as a presumed fraud risk. Our audit procedures to respond to these fraud risks include, amongst others, detailed testing of journal entries and top-side adjustments based on supporting documentation. We have used data-analytics to perform a selection of journal entries based on risk-based characteristics to address the identified fraud risk.

Additionally we performed, amongst others the following procedures:

- 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.
- We considered available information and made enquiries of relevant key management personnel, the Executive Officer, Non-Executive Directors, Internal Audit, Audit Committee and regional management.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.
- We evaluated whether the judgments and decisions made by the Board of Directors in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. The estimates and assumptions that might have a major impact on the financial statements are disclosed in accounting policies – use of estimates of the financial statements.
- For significant transactions during the year we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Our procedures did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with amongst others, management, group legal counsel, and those charged with governance, reading minutes.

We involved our forensic specialists in this evaluation. Please refer to our audit approach on fraud risks related for more information about this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the entity's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Executive Board and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the Board of Directors related to going concern under the prevailing standards are outlined in the “Description of responsibilities regarding the financial statements” section below. In fulfilling our responsibilities, we performed procedures including evaluating management’s assessment of the Company’s ability to continue as a going concern and considering the impact of financial, operational, and other conditions. Based on these procedures, we did not identify any reportable findings related to the entity’s ability to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

1. Accounting and Valuation of investments

Description

Exor N.V. invests in various companies in both public and private sectors. The accounting method related to these investments is dependent on several characteristics. Per December 31, 2023 as per note 16 an amount of EUR 15 billion is carried at equity method and as per note 17 an amount of EUR 10 billion at fair value in the balance sheet.

With reference to the equity investments, management assesses at each reporting date whether impairment indicators are identified. If management identifies internal or external indicators of impairment, 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 indicators of impairment and to the forecast of the future performance.

With reference to the investments valued at fair value, as per note 32 and an amount of EUR 6 billion is related to investments for which no quoted prices in active markets are available. Valuation techniques for these investments can be subjective in nature and involve various assumptions regarding pricing factors. Specific areas of audit focus include the valuation of fair value Level 2 assets and Level 3 assets where valuation techniques are applied in which unobservable inputs are used.

Because of the size of the 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.

How the key audit matter was addressed in the audit

We have performed the following audit procedures subject to the materiality of the specific investment:

- We evaluated the accounting of the investments based on the specific characteristics and determined the appropriate classification.
- Equity investments:
  - We performed and independent analysis to evaluate the existence of possible impairment indicators.
  - With the assistance of our fair value specialists, we analyzed the methodology and techniques applied by management to perform the impairment testing, reperformed computations, analyzed the reasonableness of key indicators included in cash flow projections, developed an independent estimate of the recoverable amount and compared our estimate to management's estimate. We also performed sensitivity analysis where appropriate.
- Investments valued at fair value:
  - We obtained a confirmation from the third-party custodians as of December 31, 2023 to confirm the existence of the individual assets.
  - We confirmed with the respective fund managers/custodians their preliminary estimate of the funds 'Net Asset Value at December 31, 2023 or at an earlier data as applicable.
  - We traced the fair value at December 31, 2023 to publicy available sources (quoted prices in active markets).
  - We evaluated management's ability to estimate fair value by comparing fund managers's preliminary estimates of the funds' Net Asset Value to subsequent audited financial statements, performing back testing.
- We assessed the completeness and accuracy of the disclosures relating to investments to assess compliance with disclosure requirements included in EU-IFRS.

Observation

The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures did not result in any reportable matters.

2. Direction, supervision and review of the work performed by Deloitte & Touche S.p.A.

Description

Exor N.V. is an international group of companies and is statutory seated in The Netherlands. As a result, the Company is required to issue financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code. Deloitte Accountants B.V. has been appointed as the Company’s auditor for fiscal year 2023.

As part of our audit of these financial statements, we have engaged Deloitte & Touche S.p.A. to audit the Company’s financials in accordance with EU-IFRS.

Following the NV structure of the group, we as Deloitte Accountants B.V., are required by International Standard on Auditing 600 to direct, supervise and review the work that was performed by Deloitte & Touche S.p.A. Since this forms a significant part of our audit, we have identified this as a key audit matter.

How the key audit matter was addressed in the audit

We have performed the following audit procedures:

- We, together with our specialists involved, issued written instructions to the audit team of Deloitte & Touche S.p.A. We reviewed and discussed the audit team's deliverables to ensure the work was performed in accordance with our instructions;
- In addition, we exercised direction, supervision and review on the work performed by the audit team of Deloitte & Touche S.p.A. throughout all stages of the audit by means of remote meetings, site visits as well as physical and remote file reviews. During these interactions, we were involved in the direction, supervision and review of audit procedures, such as but not limited to risk assessment, evaluating the company's internal control environment, (fraud) risk assessment, substantive audit procedures on significant and higher risk areas and concluding audit procedures; and
- We have joined several meetings between the audit team of Deloitte & Touche S.p.A. and management of Exor N.V. on significant accounting and audit matters, including audit committee meetings.

Observation

The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures did not result in any reportable matters.

Report on the 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 other information 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.Click here to enter text.

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 all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 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.

Management is responsible for the preparation of the other information, including the Board of Directors Report in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Audit Committee as auditor of Exor N.V. in the general meeting held in second quarter of 2022, as of the audit for year 2023 and have operated as statutory auditor ever since that financial year.

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 Format (ESEF)

Exor N.V. has prepared its 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 XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package of 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 one 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 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 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 the 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.Click or tap here to enter text. 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 frameworks 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 assignment 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 judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to 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 the company to cease to continue as a going concern.
- 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.

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.

We communicate with those charged with governance 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 identified 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 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 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, 12 April 2024

Deloitte Accountants B.V.

M.R. van Leeuwen