Fedrigoni Group

Annual Report **2024**

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1 OUR GROUP IN 2024

Dear Stakeholders,
as we reflect on the past year, we recognize the significant challenges and achievements that have shaped our 2024. Despite a complex and volatile global environment, Fedrigoni has proved remarkable resilience and adaptability. Our commitment to our long-term strategy and our ability to navigate through uncertainty have been key.
2024 saw a first half of the year with a good recovery and a second half with renewed volatility, due to the combination of an unfavourable macroeconomic environment and a slowdown in the end markets we serve, such as luxury and wine. Nonetheless, our team's discipline and agility allowed us to move forward in the execution of our strategic plan while safeguarding our short-term economic performance, and this led us to end the year with adjusted sales revenues of 2.076 billion euros (+14.8% over 2023) and pro-forma adjusted EBITDA of 380 million euros (+12.5% over 2023) also thanks to the acquisitions completed during the year.
In fact on the M&A front, we closed four deals aimed at expanding our product portfolio and strengthening our global footprint in strategic markets: acquisition of a specialty papers plant in China, formerly part of the Arjowiggins Group; minority stake in the start-up SharpEnd as part of the company's focus on digitized product offerings; acquisition of certain assets of Mohawk, the second largest specialty papers player in North America; and acquisition of Poli-Tape, a producer of graphic materials for visual communication. We also finalized the exit from the office paper business to focus Fabriano on value-added markets, such as art & drawing, stationery and security papers, while minimizing the impact on the people involved thanks to the cooperation with the Ministry of Enterprises and Made in Italy, the Marche Region and the trade unions.

Looking ahead to 2025, the first quarter was marked by soft demand due to the ongoing global macroeconomic instability. Regarding US Administration announcement on the import-export tariffs, fortunately the core of Fedrigoni's activities in North America is largely supported by U.S. manufacturing operations: we can count on a self-adhesive site in North Carolina (from Acucote's acquisition in 2021), an RFID manufacturing facility in North Carolina (built greenfield in 2024), and a specialty paper manufacturing plant in New York State (from the acquisition of certain assets of Mohawk). We are evaluating potential actions to reduce the impact of tariffs on finished goods from Europe. Finally, a volume impact could come, largely symmetric among market players, from a generalized recession that a persistent trade conflict may cause. This is something very difficult to estimate at this stage which we will keep monitoring very closely. In this context of high volatility, we are implementing countermeasures on volumes and cost's structure to ensure some growth both on top and bottom line.
Although the general uncertainty, Fedrigoni pursues its path of transformation and innovation to provide customers with increasingly sustainable and high-performing solutions. Within this framework is the latest investment announced at the end of February as part of our corporate venture capital program. We invested a minority stake in Papkot, a start-up which developed the first large-scale paper coating technology that provide high-barrier, fully recyclable and biodegradable fiber-based solutions eliminating plastic from single-use packaging.
This investment is part of our Sustainability journey which continues to permeate Fedrigoni's entire strategy. Our ESG agenda towards 2030 is especially focused on reducing greenhouse gas emissions, optimizing our products according to eco-design and a circular approach, sustainable sourcing, and responsible management of natural resources to improve biodiversity. Our fact-based approach is third-party certified: in 2024 we achieved a 10-point improvement in the S&P Global Corporate Sustainability Assessment, EcoVadis Platinum Rating, and CDP recognition for our environmental stewardship. Furthermore, the Science Based Targets initiative (SBTi) approved our new emission reduction targets.
To conclude, I want to express my deepest gratitude to our incredible team of over 6,000 people worldwide. Their passion and dedication have been the driving force behind Fedrigoni's ability to overcome challenges and achieve remarkable progress. I would also like to thank our strategic suppliers, who stand by us in our journey of continuous improvement and innovation. And, most importantly, I am profoundly grateful to our customers across all continents. Your trust and constant feedback are invaluable to us, and we will continue to cherish and build upon them to remain your partner of choice everywhere in the world.

Marco Nespolo
CEO Fedrigoni Group

OUR GROUP

Founded in 1888 in Verona, Italy, Fedrigoni has become synonymous with excellence in the world of labels and self-adhesive materials, premium papers for luxury packaging, and other creative solutions, RFID/NFC technology. With approximately 6,000 employees across 28 countries and a portfolio of 25,000 products, Fedrigoni operates in 132 countries worldwide. At the heart of the ongoing Elevating Creativity purpose is a commitment to sustainability on a global scale. "Making Progress" is the company approach, grounded in transparency, objective data, and third-party certified results. Fedrigoni goal is to continuously progress across the entire value chain by setting high standards for collective, responsible growth while ensuring that business benefits both people and the planet.

In 2024, Fedrigoni executed strategic acquisitions, including Politape and Mohawk. Since the acquisition of Tageos in 2022, we have experienced remarkable growth, with sales quadrupling compared to 2022. This expansion has underlined the synergies between our diverse business units, with Tageos now emerging as one of the key growth drivers within the Group. We are continuing to invest in enhancing capacity, reinforcing our strong position in both the RFID and specialty papers sectors.

As part of our ongoing strategic refinement, Fedrigoni has exited the office paper business in 2024 to focus Fabriano on value-added markets (art & drawing, stationery and security papers), as outlined in our industrial plan.

In 2024, Fedrigoni closed the year with **Pro Forma Sales Revenues** of euros 2.076 billion and pro-forma adjusted EBITDA of 380 million euros (+12.5% over 2023).

Despite a tumultuous global environment marked by geopolitical tensions, energy and raw material price hikes, and unstable market conditions, Fedrigoni demonstrated remarkable resilience. The global market in 2024 remained volatile, with the ongoing Russia-Ukraine conflict, unrest in the Middle East, and economic uncertainties exacerbating challenges. Rising tariffs and unfavorable macroeconomic conditions, especially in Latin America, have added to the turbulence. Additionally, despite a resilient luxury sector, consumer demand softened across several regions, and our customers have faced difficulties forecasting and adapting to unpredictable market conditions.

Fedrigoni's approach to these challenges is one of agility and discipline. The key to success is maximizing every opportunity with flawless execution while staying committed to rigorous financial management. As we move forward, our aim is to strengthen our position as a sustainable leader in the industry, working with stakeholders who share our vision for creating a positive impact on people, businesses, and the environment.

Our future growth is anchored in adaptability, disciplined financial management, and a commitment to sustainability, ensuring continued success for our customers, partners, and employees worldwide.

CORPORATE BODIES

Board of Directors
Reference is made to the board of directors of Fiber JVCo S.p.A, holding company of Fedrigoni S.p.A.

Ivano Sessa
Chair of the Board
& Partner at Bain Capital

Marco Nespolo
Chief Executive Officer
& Board Member

Piero Leporelli
Board Member
& Principal at BC Partners

Maurizio Mussi
Board Member
& Partner at Bain Capital

Stefano Ferraresi
Board Member
& Partner at BC Partners

Giacomo Massetti
Board Member & Managing
Director at Bain Capital

Falco Sebastian Pichler
Board Member & Managing
Director at BC Partners

Michaela Castelli
Board Member
& Chairman at Nexi

Andrea Bertoni
Board Member
& Principal at BC Partners

Board of Statutory Auditors of Fiber JVCo S.p.A

Andrea Vagliè, Chairman
Antonio Ferragù, Standing Auditor
Francesco Facchini, Standing Auditor
Federico Ragazzini, Supply Auditor
Massimiliano Altomare, Supply Auditor

External Auditors of Fedrigoni S.p.A.

Deloitte & Touche S.P.A , Independent Auditor

2024 GROUP TURNOVER & BUSINESS PROFILE

SELF-ADHESIVE MATERIALS

- Premium self-adhesive labels in roll format and offset sheets.
- Graphics film materials for advertising & promotion, signage, architecture, transportation, and automotive.
- Specialty Tapes solutions for automotive, transportation, appliances, electronics, building & construction and general industrial
- Brand Protection

SPECIAL PAPERS

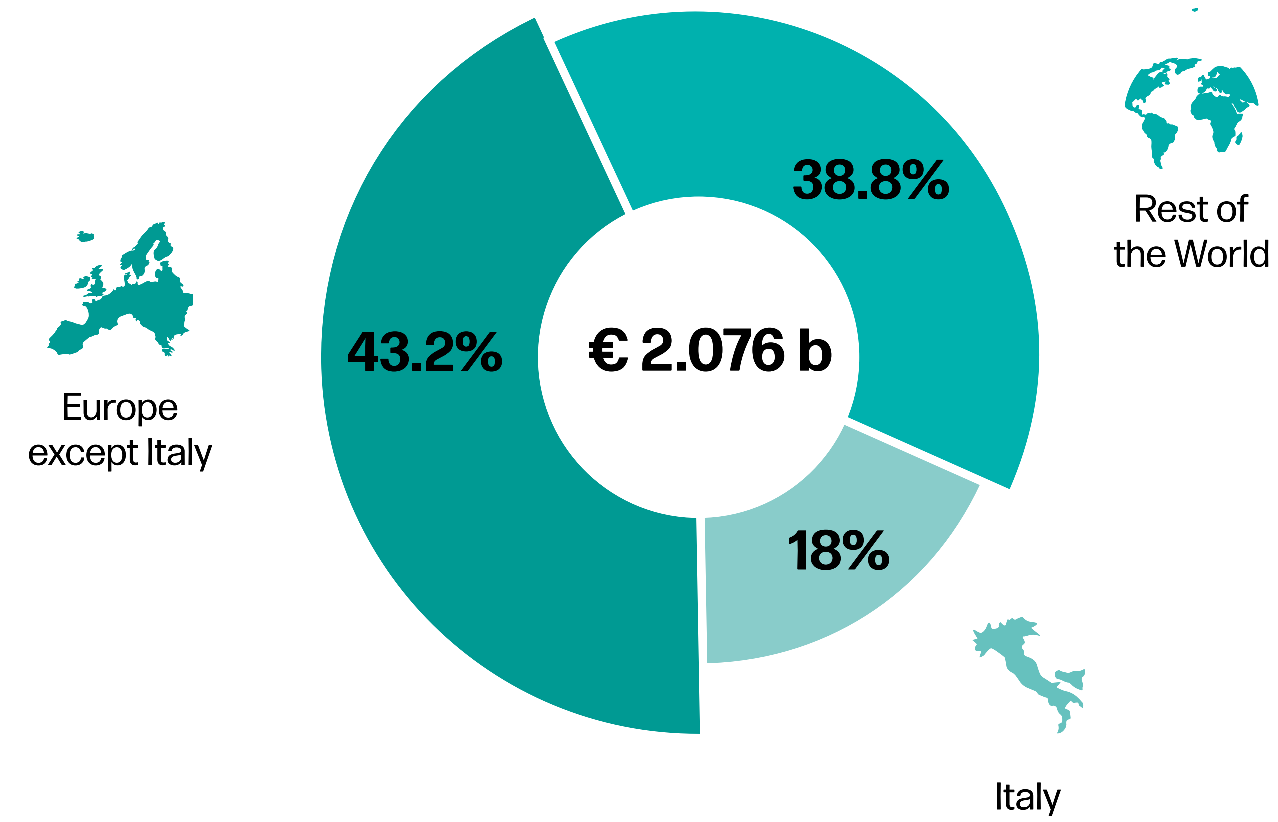
- Luxury Packaging
- Fine printing, Digital printing, Publishing, Corporate Identity
- Technical Papers (RFID and smart papers, special papers replacing plastic, playing cards, gift cards, and paper for labels)
- Art & Drawing
- School & Stationery
- Brand Protection
- Security Papers

HIGH-TECH RFID (UHF) AND NFC PRODUCTS

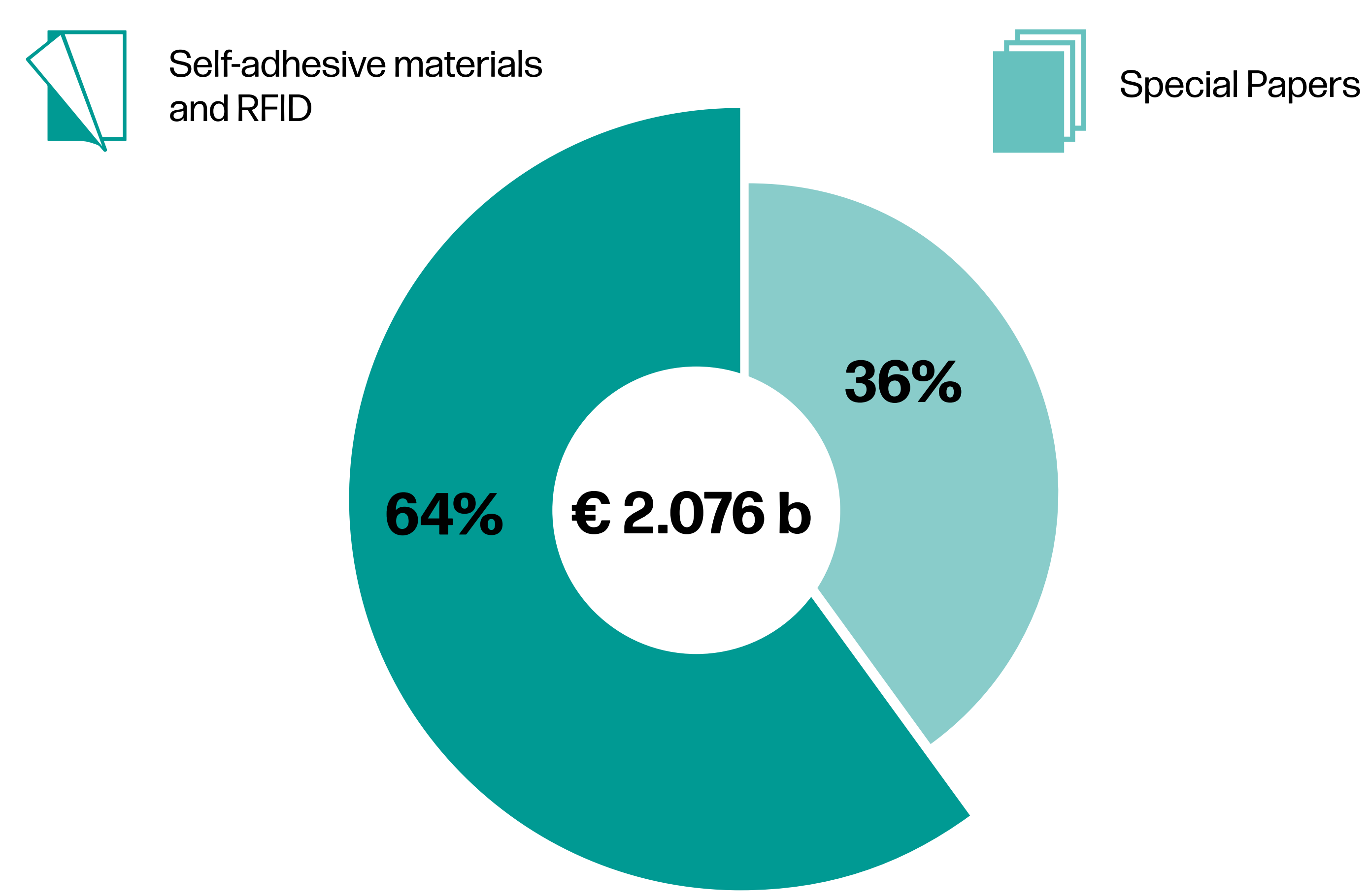
- High-performance, premium-quality RFID inlaysand tags in UHF (RAIN RFID) and HF (NFC) frequency bands
- Battery-free RAIN RFID sensor inlays and tags powered by Tageos.

Source
Financial Statement 2024 (excluded Office business):
Adjusted Sales Revenues €2.076 Billion
Pro Forma Adjusted EBITDA: €380 Million

Pro Forma Sales Revenues by geography



Pro Forma Sales Revenues by business



LEADING POSITION

LEADING POSITION IN ATTRACTIVE PREMIUM NICHE MARKETS

Product offering targeted primarily to attractive end markets.

Self-adhesive materials

End Market: Wine and Spirits, Home and Personal Care, Premium Food, Pharma.

1 **Global** Wine

3 **Global** Self-adhevises

Special Papers

End Market: Luxury packaging (rigid carton and shopping bags) and Creative Communication

1 **Global** Luxury packaging

1 **Europe** Fine Paper

Art & Drawing

End Market: Students, Artists, Hobbyists

2 **Global** Art & Drawing

RFID

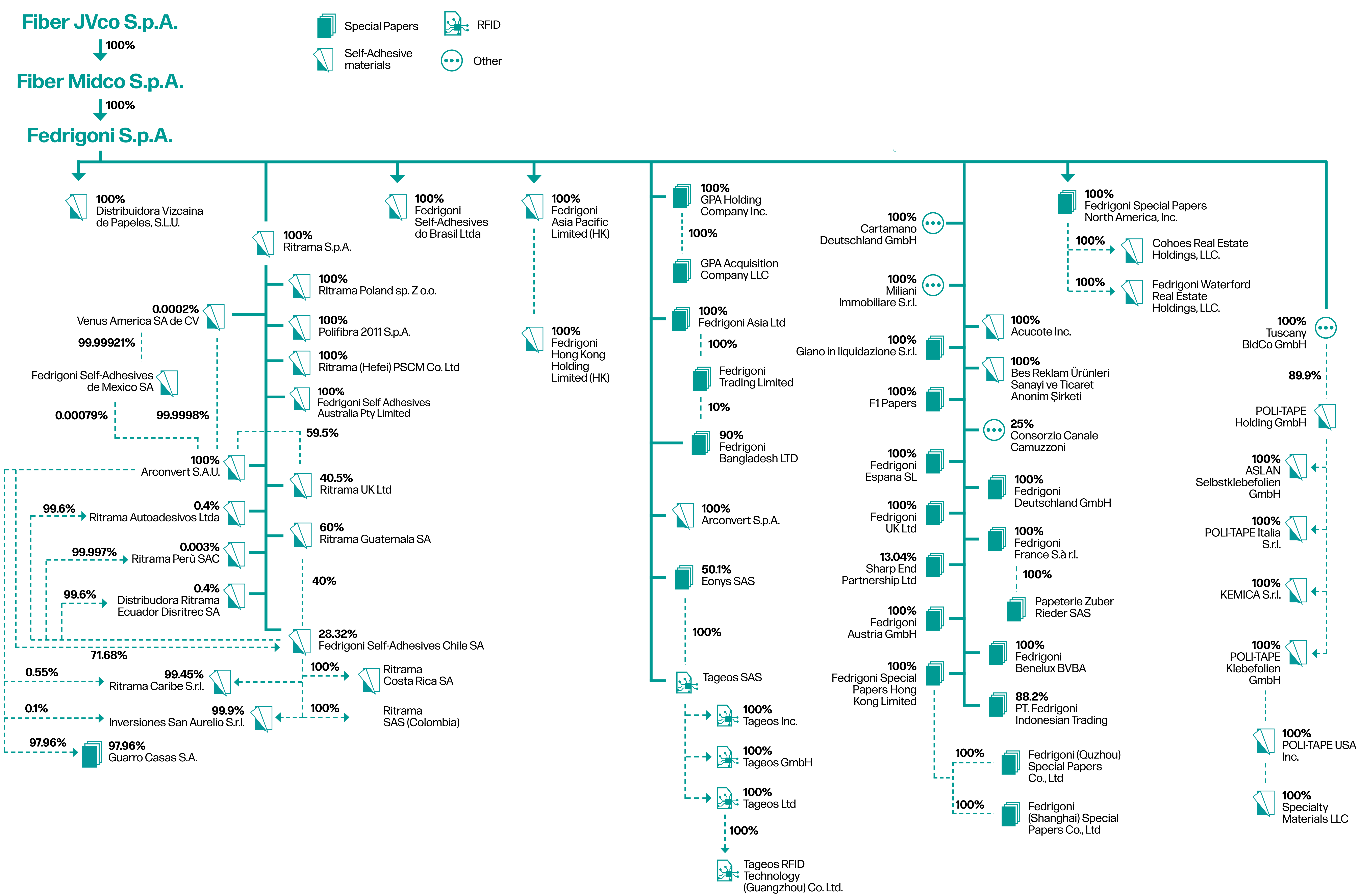
End Market: Apparel and Footwear, Food and groceries, Automotive, Aviation, Healthcare and Pharma, Logistics, Industrial Manufacturing, Public Transportation and Ticketing

TOP 5 **Global**

THE GROUP STRUCTURE

UP TO DECEMBER 2024

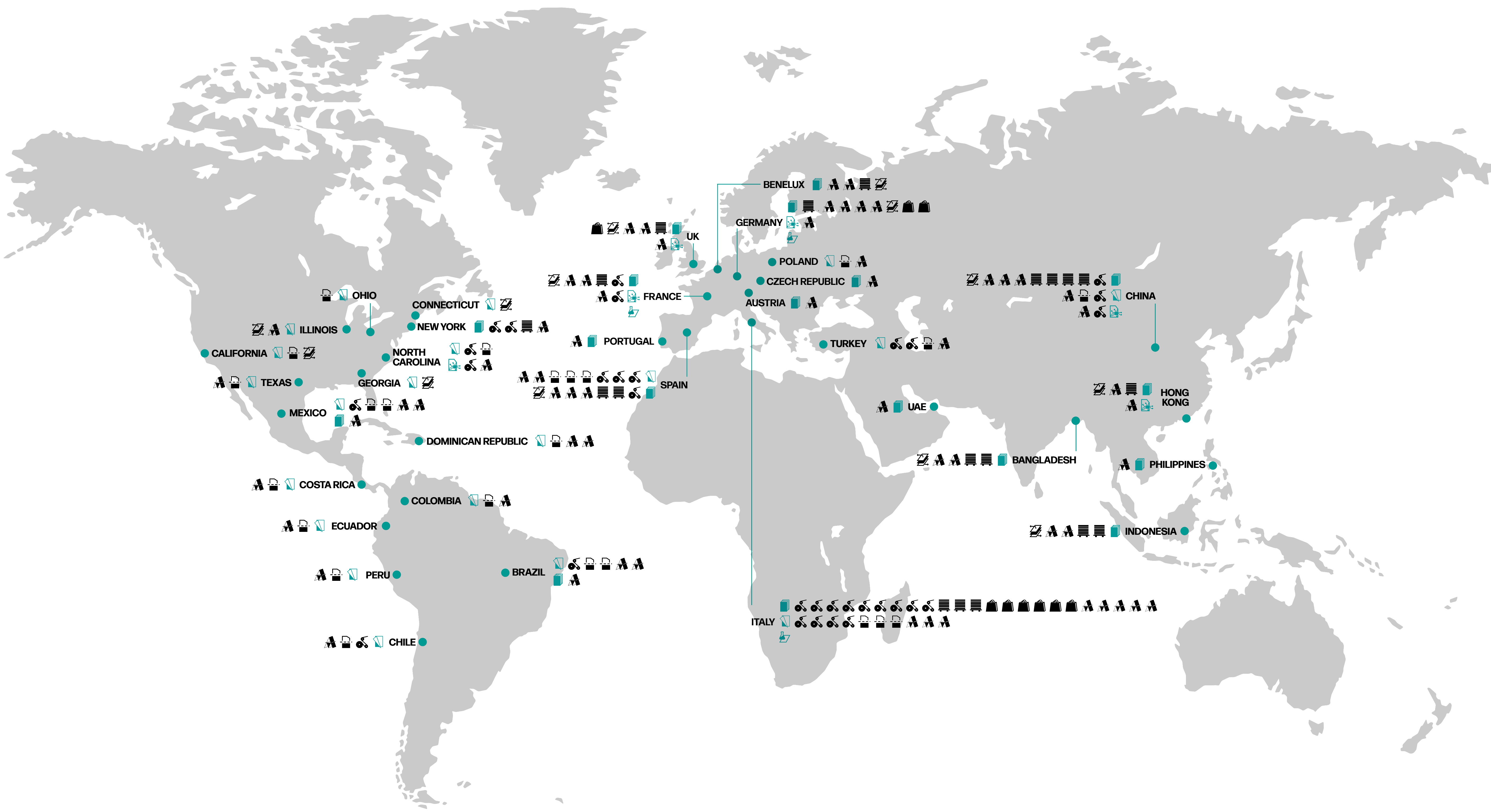
*This chart also includes non-consolidated entities (e.g. Tageos).



WHERE WE ARE

UP TO DECEMBER 2024

*This chart also includes non-consolidated entities (e.g. Tageos).



SPECIAL PAPERS
- 14 PRODUCTION SITES
- 20 WAREHOUSES
- 34 OFFICES
- 11 DISTRIBUTORS
- 9 BOUTIQUES

SELF-ADHESIVE MATERIALS
- 15 PRODUCTION SITES
- 25 SLITTING CENTERS
- 22 OFFICES
- 5 DISTRIBUTORS

RFID
- 3 PRODUCTION SITES
- 6 OFFICES

3 INNOVATION CENTERS

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OUR PURPOSE

Fedrigoni is committed to elevate the creativity of designers, printers and converters with innovative solutions and products. We make materials a source of creative possibilities for brands everywhere. Serving leading industries constantly drives us to actively enhance quality & innovation. We pursue the goal of being the reference partner for our customers, providing the best range of products and services in the world of premium paper, luxury packaging, self-adhesive materials, as well as RFID-based product solutions.

OUR BEHAVIORS

Fedrigoni Behaviors are our guiding light, informing every decision we make. They serve as daily reminders of how Fedrigoni conducts business, how our leaders guide, and how we place our people, partners, and customers at the heart of our decisions.

STRIVE FOR EXCELLENCE

Drive to excel by raising the bar, making well considered decisions and getting things done.

- Drive and initiative
- Deliver results
- Think clever

FOSTER PARTNERSHIP

Connect the broader community and enable people growth.

- Work together
- Champion customer focus
- Develop others

EMBRACE TRANSFORMATION

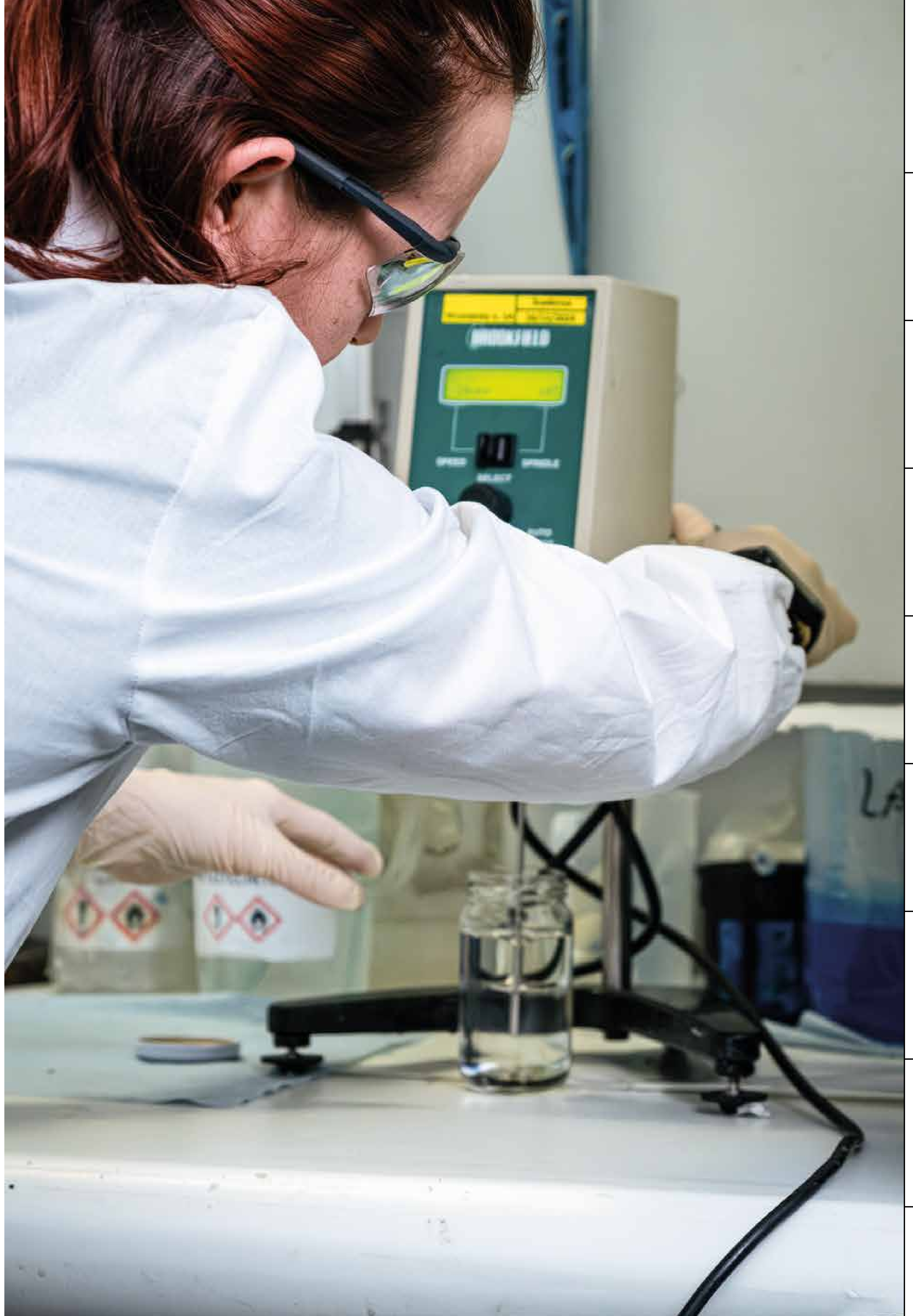
Promote opportunities to accelerate Fedrigoni transformation.

- Maximize business opportunities
- Cultivate agility
- Growth mindset

ESG & INNOVATION

Innovation at Fedrigoni is not just about new products, it's a comprehensive strategy aimed at creating value across all business units. Our innovation purpose is driven by the need to generate new insights, develop capabilities, explore emerging technologies, and enhance technical knowledge within an **open innovation ecosystem**. Our innovation areas are strategically aligned with our sustainability goals, focusing on increasing the use of recycled materials, alternative fibers, and compostable solutions. We are **pioneering new processes**, such as substituting single-use plastic with paper-based products, developing recyclable packaging solutions, and working towards a transparent, sustainable supply chain. Each step we take in innovation is aimed at **reducing our environmental footprint**, from product end-of-life considerations to achieving carbon-neutral products.

We are building a robust innovation ecosystem that connects us with universities, research centers, strategic suppliers, and startups. Our **Fedrigoni Innovation Powerhouse** serves as a hub for technological advancements, where we actively scout new solutions, conduct product development tests, and work alongside universities and research institutions. Through collaborations with OEMs, converters, and certification bodies, we validate concepts directly with users and test technologies for industrial scale-up.



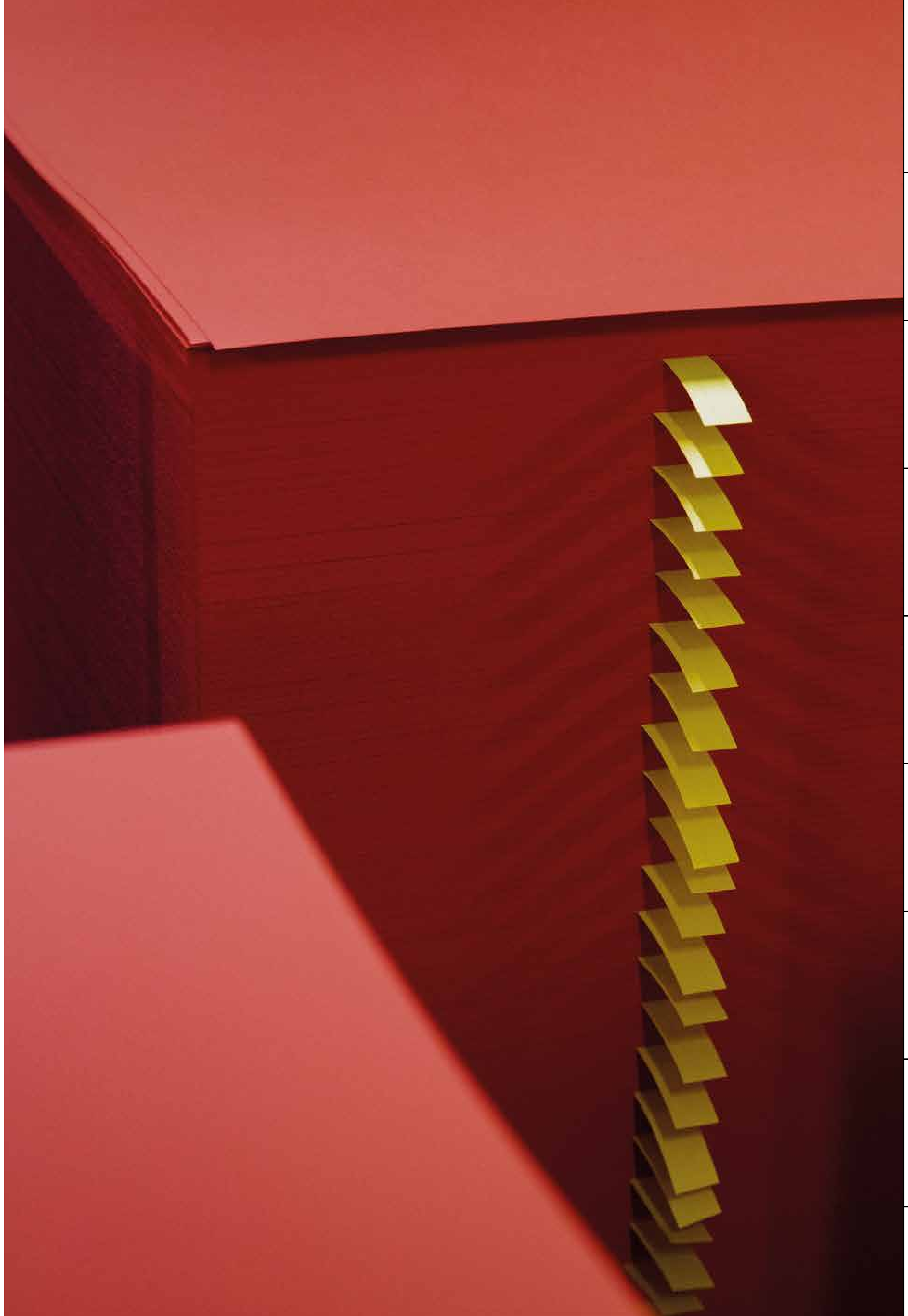
OUR PRODUCTS

Founded in 1888 in Verona, Italy, Fedrigoni is today synonymous with excellence in the world of labels and self-adhesive materials, specialty papers for packaging and creative communication, as well as RFID-based product solutions. With nearly 6,000 people in 28 countries and 78 facilities including production sites, cutting and distribution centers, the Group sells and distributes more than 25,000 products in 132 countries.
The two primary divisions of our Group—the Special Papers Business Unit and the Self-Adhesives Business Unit—provide customers with the highest quality products and unmatched expertise in the market. RFID and NFC technologies add further value to both our business sectors, enabling customers to track and trace products throughout the supply chain, protect their brand, verify product authenticity and prevent counterfeiting, while enabling enhanced customer experiences.
The integration of specialty papers, self-adhesive materials, and RFID/NFC technologies drives consistent innovation across industries, offering advanced, customized product solutions for our clients. We are committed to becoming an "Industry Champion" by making bold industrial decisions focused on the circular economy and eco-design.

SPECIALTY PAPERS

High-quality papers are produced by Fedrigoni in Italy from eight plants, as well as in Spain, France, the USA, and China. We offer a diverse range of papers in various weights and colors, transforming visions into tangible creations. Technical expertise, a high level of service, continuous innovation, and a commitment to sustainability open a world of bespoke shapes, sizes, textures, and applications that enhance creativity and support the achievement of ambitious designs. With innovative materials and global service, ideas are transformed into unique experiences for luxury and premium publishing. Hundreds of unique colors and over 6,000 paper solutions are available.

The offering of the Fedrigoni Special Papers division encompasses all acquired brands (Fedrigoni, Fabriano, myCordenons, Magnani, Guarro Casas, Éclose, Zuber Rieder, Arjowiggins China, Mohawk) and is organized around **four main pillars**:



LUXURY ECOSYSTEM
A wide range of specialty papers for top brands in the luxury sector for packaging and communication.

CREATIVE COMMUNICATION
Vertical for premium applications in publishing and printing, both traditional and digital.

TECHNICAL SOLUTIONS
All the most innovative solutions from RFID to smart papers, from special papers that replace plastic in many applications to playing cards, gift cards, and paper for labels.

ART AND DRAWING
Synonymous with high-quality papers, our leading brands offer products for drawing, writing, painting, printmaking and security. We uniquely produce paper using all three processes: handmade, mould-made, and fourdrinier-made papers, fostering creativity and expression through innovative, all-Italian production.

SELF-ADHESIVE MATERIALS

Fedrigoni Self-Adhesives offers the most extensive selection of premium self-adhesive labels and materials on the market and is currently the global leader in the high-end wine label sector. With 15 production facilities and 25 slitting and distribution centers globally, we serve diverse markets both in the labelling and graphics industry, ranging from food to pharmaceuticals; from home & personal care to beverage; from advertising to promotion and vehicle wrapping. Our commitment to excellence is reflected not only in the quality and innovation of our products, but also in the level of service we provide for our clients. Thanks to a highly developed manufacturing, commercial and distribution network, we ensure a strong and widespread presence in key markets around the world. This capillarity enables us to respond quickly to customer needs, offering tailored solutions, timely deliveries, and dedicated support at every stage – from project conception to final application. The result is a reliable, efficient, and customer-centric service that adds real value to every partnership. Our offering is structured around three core pillars:

ROLL AND SHEETS LABELS

The Roll and Sheets Labels business unit offers a comprehensive portfolio of self-adhesive solutions designed to meet the needs of a wide range of industries for labeling and promotional applications, including pharmaceuticals, home & personal care, wine and spirits, gourmet food, premium cosmetics and stickers, toy and window stickers.

GRAPHICS

An extensive range of self-adhesive solutions for graphics applications, specifically developed for cars and vehicles wrapping, plotter cutting, large format digital and screen printing for advertising and promotional purposes.

SPECIALTY TAPES

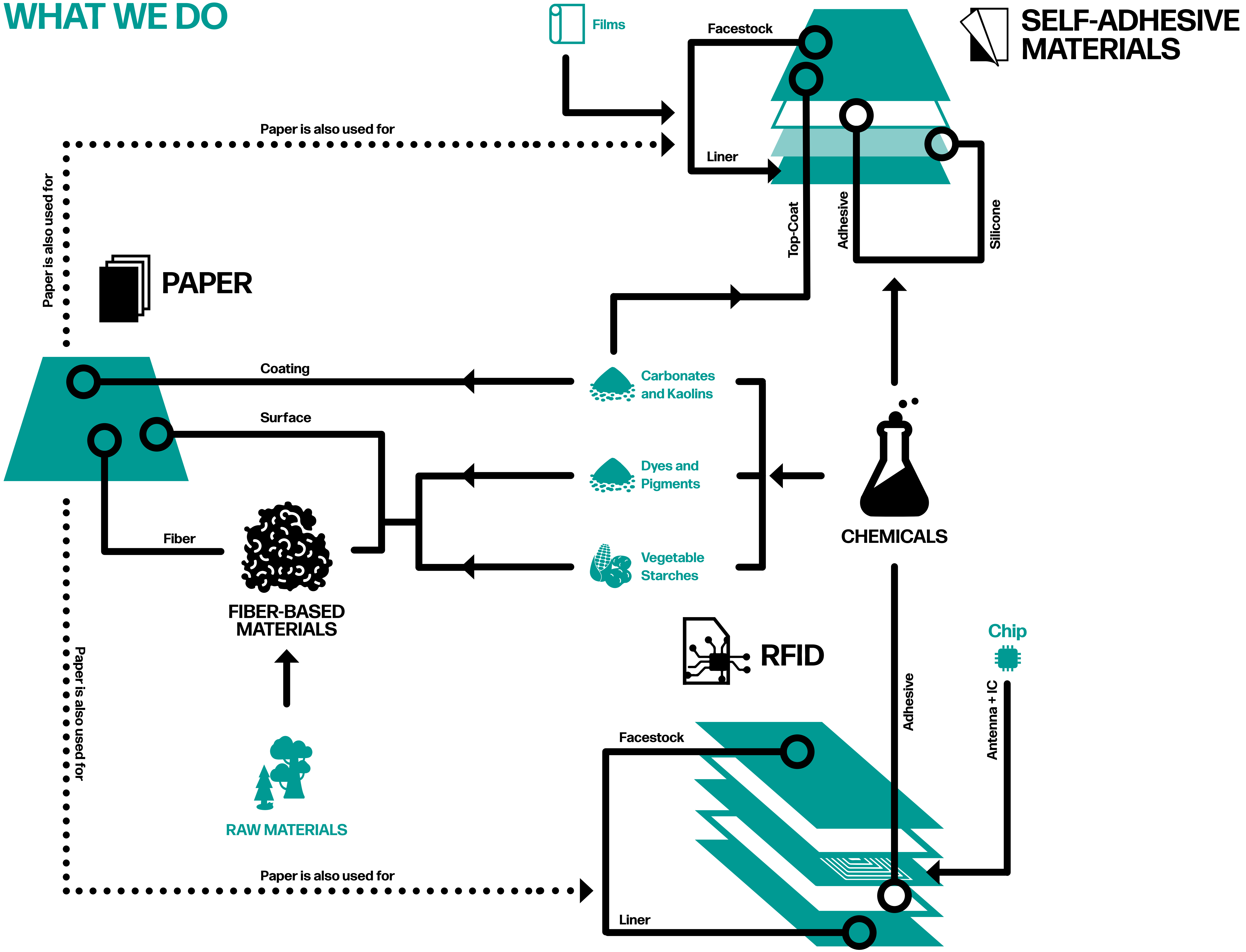
Double and single-sided adhesive tapes for industrial applications, serving almost every industry for bonding, mounting, fixing and joining applications.

RFID

Radio Frequency Identification (RFID) is a wireless, non-contact technology that uses radio frequency waves to transfer data, **bridging the gap between the physical and digital worlds and enabling the "Internet of Things."** An RFID system typically consists of a tag, a reader, and software. The tag, often compact and battery-free, transmits data, including its unique digital identity, to dedicated readers in business applications or to smartphones in consumer applications. RFID operates through two primary radio frequency bands: UHF (ultra-high frequency) and HF (high-frequency) including NFC (Near Field Communication), which support a broad range of use cases such **as tracking products across complex supply chains, preventing counterfeiting, and enhancing customer experiences.**

RFID offers significant advantages in supply chain efficiency, logistics management, and brand protection. It also creates new opportunities for enriched customer interactions. Through RFID, products and their packaging can be uniquely identified, with key data collected throughout the supply chain. This also facilitates comprehensive visibility and monitoring of crucial sensor parameters, such as temperature for perishable goods. The benefits of RFID extend beyond the point of sale, allowing for personalized consumer engagement and efficient "end-of-life" product management.

WHAT WE DO



Films
Facestock
SELF-ADHESIVE MATERIALS
Paper is also used for
Liner
Paper is also used for
PAPER
Top-Coat
Adhesive
Silicone
Coating
Carbonates and Kaolins
Surface
Dyes and Pigments
CHEMICALS
Fiber
Vegetable Starches
FIBER-BASED MATERIALS
RFID
Chip
Paper is also used for
Adhesive
Antenna + IC
Facestock
RAW MATERIALS
Paper is also used for
Liner

OUR VALUE CHAIN

1 PROCUREMENT

Acquisition of both raw materials to turn into semi-finished products and semi-finished products to be processed.

2 INBOUND LOGISTICS

Inbound logistics, starting from the transportation of raw material to us by the supplier and including functions such as receiving, warehousing, and inventory management.

3 OPERATIONS

Operations, including processes for converting raw materials into a finished product.

4 OUTBOUND LOGISTICS

Outbound logistics, including activities to distribute a semi-finished product to the converter, printer, others.

5 CONVERTING

Converting and printing of our products into packaging, labels, and other goods.

6 SELLING

The final product is ready to be sold to the end consumer.

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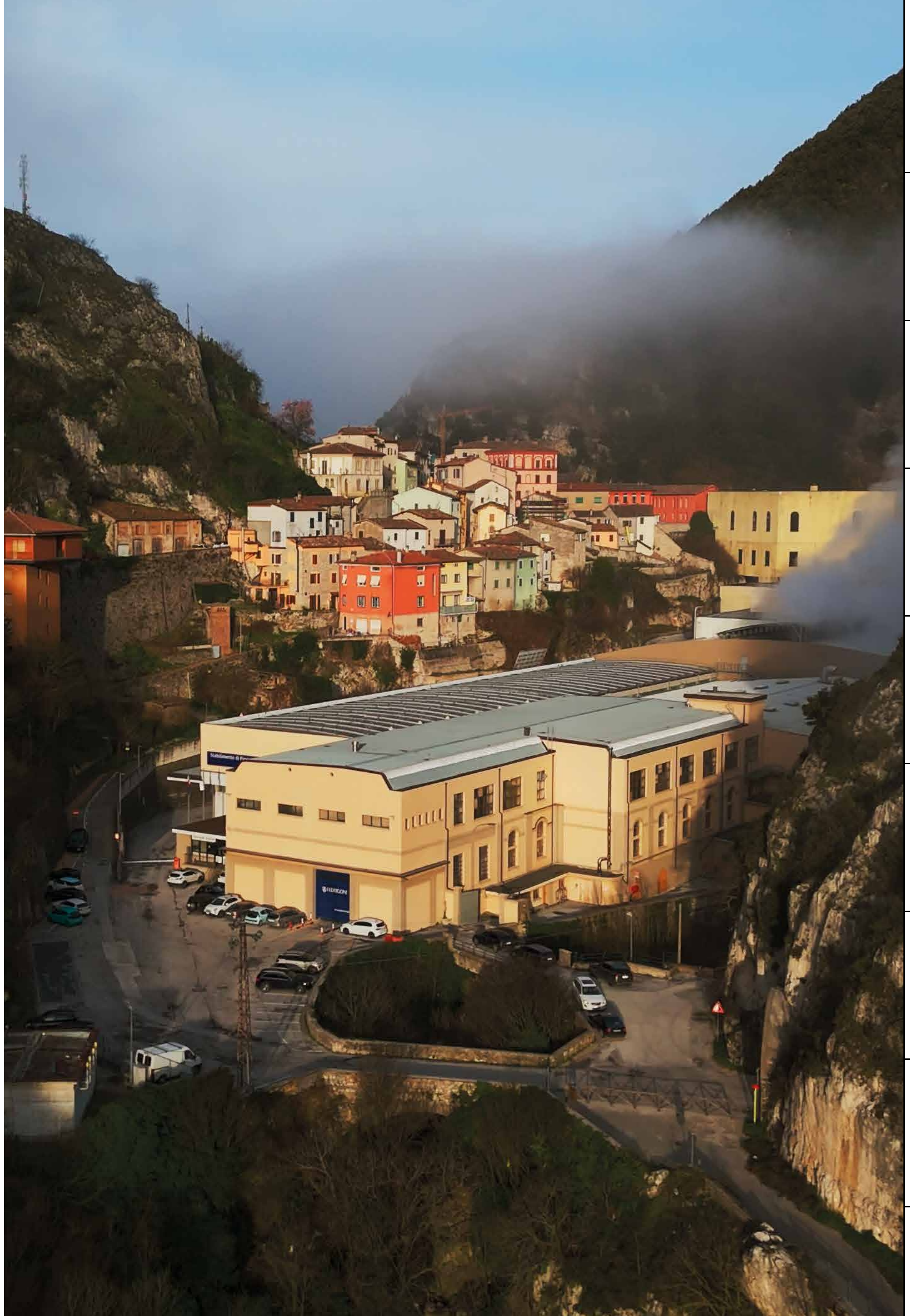
MAKING PROGRESS APPROACH

In Fedrigoni Group, we strive to elevate creativity for brands, creatives, converters, and printers. We adopt a **measurable** approach, built on strong foundations of compliance, sustainable and innovative business practices. We aim to make progress every day among the **entire value chain**, by setting together the new standards for a collective **responsible growth** for people and the planet.

SUSTAINABILITY GOVERNANCE

The newly established **Sustainability & Innovation function** is led by the Executive Vice President of RFID & Innovation and Chief Sustainability Officer, reporting directly to the CEO. This team is responsible for driving the implementation of the ESG 2030 Plan, aligning sustainability and innovation efforts with the Group's long-term objectives. The integration of sustainability and innovation under a single governance framework is a strategic move to **ensure a cohesive and forward-thinking approach**. These two areas are inherently interconnected: both are crucial for product development and permeate all teams and business functions. By uniting them, we create a **holistic strategy** that fosters synergies and accelerates the achievement of our ESG targets. On the sustainability front, the team is committed to embedding Environmental, Social, and Governance (ESG) factors into every aspect of the business, advancing our commitments and anticipating future challenges in line with our **2030 goals**. On the innovation side, the focus is on **creating value** for sustainable growth across all business units. This involves exploring new technologies, scouting emerging ventures, and strengthening technical capabilities within an open innovation ecosystem, ensuring that **innovation** serves **as a key driver** for both business success and sustainability.



HUMAN RIGHTS

Our commitment to respecting human rights is integral to every aspect of our operations, impacting our employees, contractors, suppliers, and local communities. Human rights are **a cross-cutting issue** that involves both our internal teams and external business partners, particularly our suppliers. It encompasses not only social aspects but also environmental considerations. At Fedrigoni, respecting human rights and ensuring a safe, healthy, just, and equitable working environment across the entire organization are fundamental principles.

Our actions align with key international frameworks, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the principles of Free, Prior, and Informed Consent (FPIC).

In 2022, Fedrigoni conducted its first **human rights assessment** to verify protection levels at its production plants. The due diligence process follows the UN Guiding Principles on Human Rights (UNGP):

- Risk Mapping
- Prevention and Mitigation
- Monitoring and Communication

The initial risk mapping covered all production sites and found **no human rights violations** but identified improvement areas in plants representing 21% of the Group's employees. Many of these plants are recent acquisitions still aligning with the Group's policies. Risk mapping is also done for new acquisitions and reviewed annually.

In 2023, Fedrigoni established a **mitigation and remediation procedure**, applicable to all sites, outlining guidelines and timelines for assessment, prevention, and remediation actions on human rights. Comprehensive assessments occur every three years, while annual internal audits focus on specific sites and topics. Additional mitigation includes disseminating the Code of Conduct and training on grievance mechanisms. If human rights violations occur, remediation actions include financial or non-financial compensation and punitive sanctions. **In 2024, there were no human rights violations caused or contributed by Fedrigoni.**

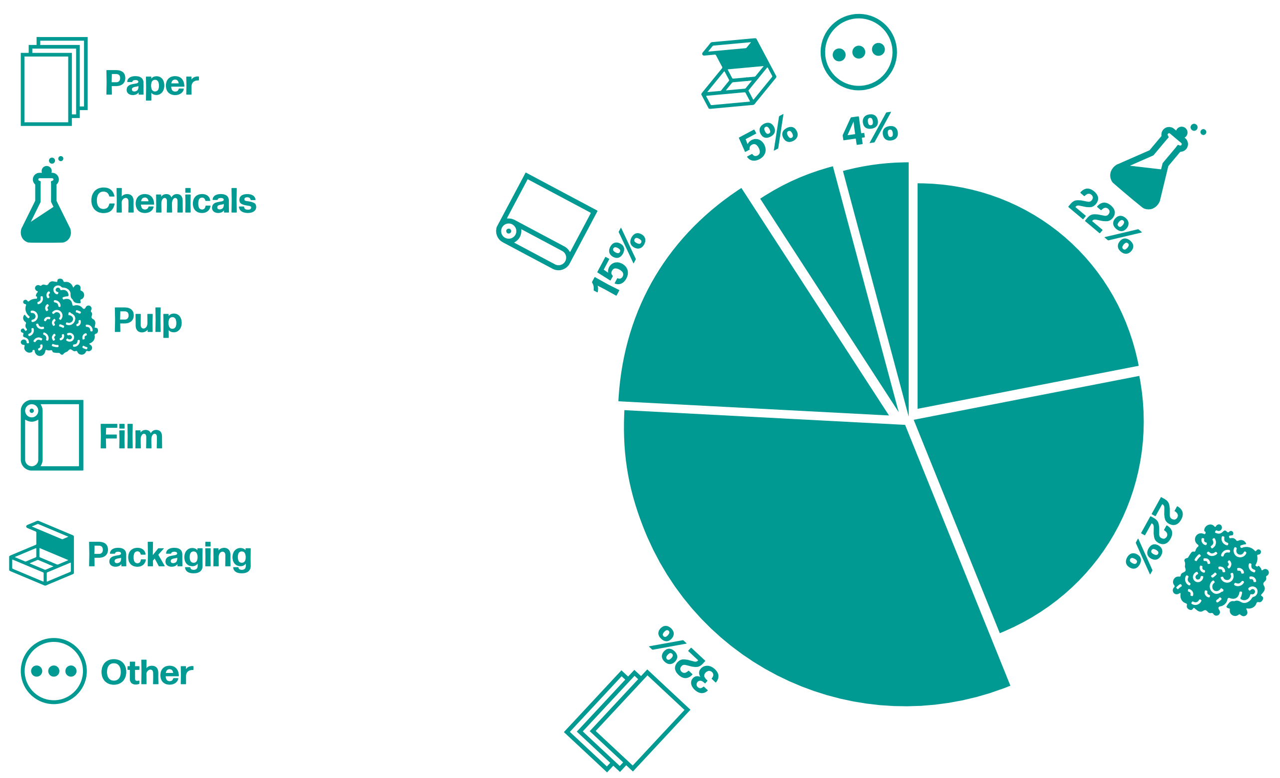
SUSTAINABLE PROCUREMENT

In 2024, we collaborated with 843 suppliers, with total expenditures on direct materials amounting to €979 million. Regarding sustainability, **93.6%** of these expenditures were associated with suppliers holding a valid sustainability score within the last 24 months (target of 95% by 2030).

Expenditure by type of supply	2024	2023	2022
Chemicals	22%	22%	24%
Pulp	22%	20%	22%
Paper (face and liner)	32%	36%	32%
Film (face and liner)	15%	15%	15%
Packaging	5%	4%	5%
Other	4%	3%	2%
Total	**100%**	**100%**	**100%**

Expenditure by geographical area (plant of consumption)	2024	2023	2022
Europe	81%	82%	82%
South America	12%	11%	9%
North America	5%	5%	7%
Asia	2%	2%	2%
Total	**100%**	**100%**	**100%**

EXPENDITURE BY TYPE OF SUPPLY IN 2024



SUPPLIER CODE OF CONDUCT

All of our suppliers are required to adhere to our Supplier code of conduct. In 2025, the activity is extended to the suppliers of companies acquired in 2024. The Supplier Code of Conduct includes specific requirements regarding Environmental, Social and Governance (ESG) topics.
Our aim is to keep it updated and consistent based on the evolution of external and internal factors.

SOURCING POLICY

Our sourcing policy outlines key aspects such as the implementation of a periodic review mechanism for supplier performance, an overview of our supplier screening approach, the presentation of our ESG KPIs, and the definition of high-risk suppliers along with their improvement plans.

SUPPLIER'S ESG RISK SCREENING

We define supplier ESG risk screening as a systematic desk analysis assessing the potential negative impact of suppliers on environmental, social, and governance (ESG) aspects. This evaluation is conducted using a dedicated tool and methodology.
We conduct a specific ESG risk screening of suppliers, considering factors such as country, industry sector, and commodity, while also assessing the supplier's business relevance to our company. The screening covers key ESG areas, including: Forced Labour, Freedom of Association, Health, Safety & Hygiene, Child and Young Workers, Regular Employment, Wages, Working Hours, Discrimination, Gender, Business Ethics, Biodiversity, Energy & Emissions, Water, and Waste & Pollution.

SUPPLIER ASSESSMENT AND DEVELOPMENT

Our Board of Directors oversees and approves the supplier ESG program, which includes the identification, assessment, and planning of corrective measures to enhance the sustainability of our supply chain. The Executive Committee is responsible for defining the suppliers' ESG program and operational guidelines.
To support this process, we primarily use the **EcoVadis platform** for the following purposes:

- **Supplier desk assessment** with systematic verification of evidence: the "CSR ratings" enable a third-party assessment of a supplier's "ESG merit";

- **Remote Supplier support** on implementation of corrective, improvement actions and capacity building on ESG topics, this includes recommendations on specific improvement plans in order to improve their score and the access to Ecovadis academy, for supplier training purpose;
- Supplier access to **ESG benchmarks** against industry peers.

Additionally, we launched **in-depth technical support programs** to enhance suppliers' ESG capabilities and performance.

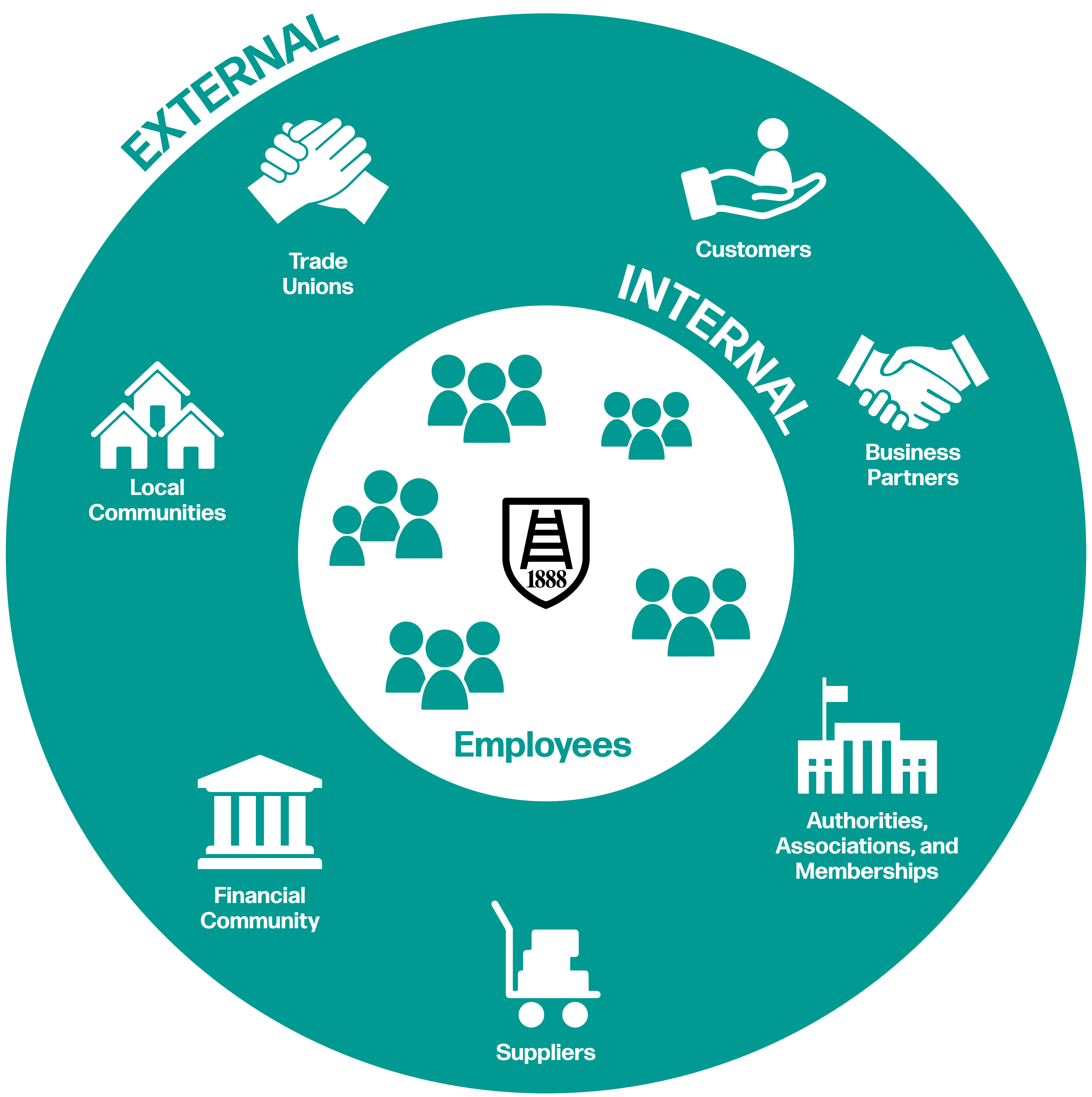
ON-SITE AUDITS

Starting in 2024, we joined the **Sedex platform** as a tool to request suppliers to conduct and share ethical audits at their sites.
As of 2024, **14 ethical audits** have been conducted at supplier sites by an independent accredited auditing body (third-party assessment), covering 36% of cumulative direct material expenditures. When non-conformities are identified, **corrective actions** are promptly agreed upon and implemented **in collaboration with the suppliers**.

TRAINING & WORKSHOPS

We continue to organize **roundtables with suppliers** to promote their participation in our **Sustainability Program**, highlighting the benefits of the initiative. As part of our regular engagements with strategic suppliers, ESG topics are systematically included in meeting agendas. In 2024, a key focus was the European Deforestation-Free Products Regulation (**EUDR**), while **energy transition** has been a recurring topic in our joint action plans since 2022. To strengthen ESG expertise, the entire procurement team participated in the **EcoVadis Academy**, receiving training on both general ESG topics and sustainable procurement practices. In 2024, the **Procurement team completed 414 courses, totaling 281 hours of ESG training**. This training continues in 2025.
Additionally, in 2024, we introduced a Management by Objectives (MBO) incentive, linking 5% of MBO for the entire Procurement Team to the achievement of specific sustainability targets, in addition to the Group's broader ESG targets.

OUR STAKEHOLDERS

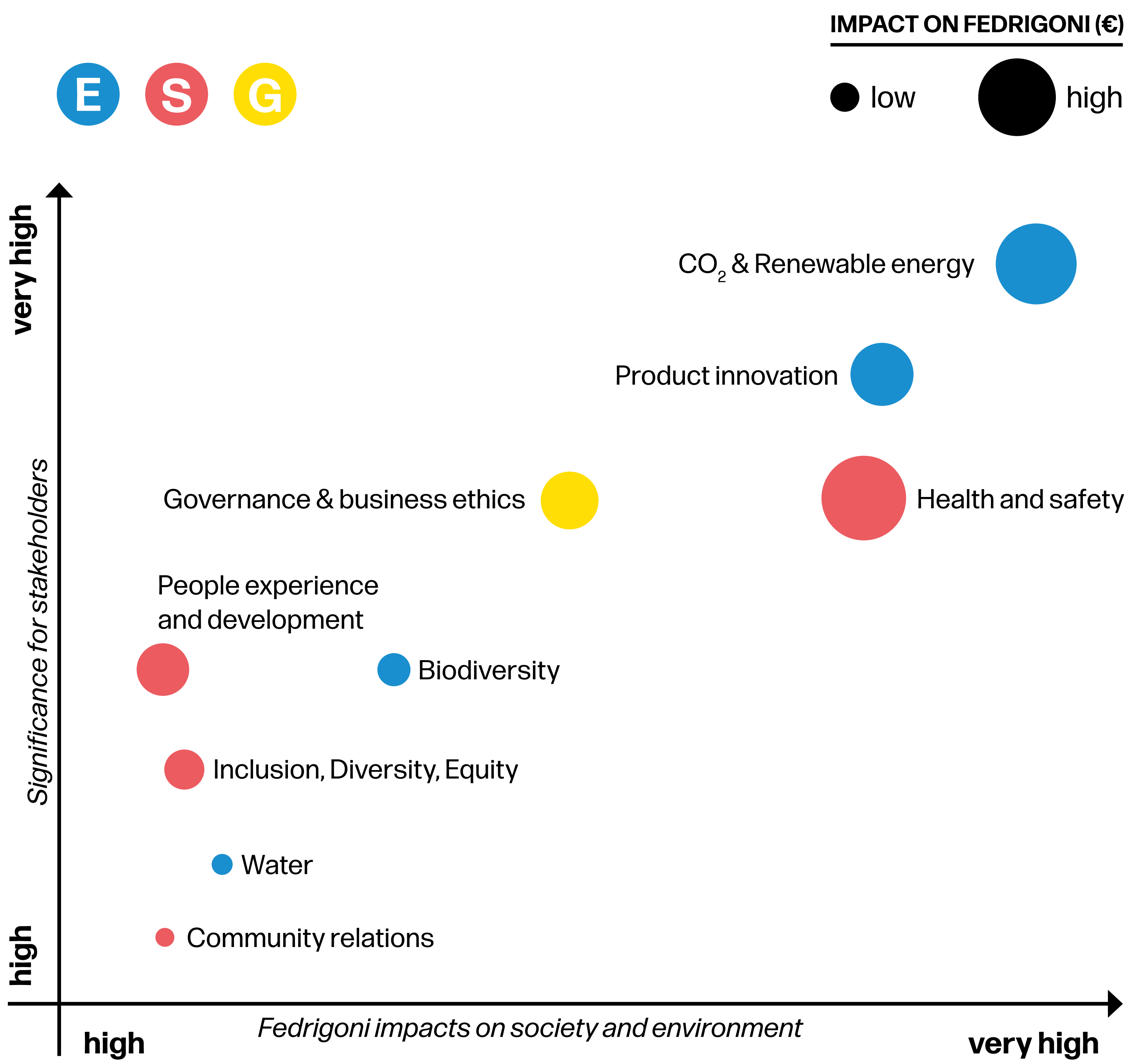


MATERIALITY ANALYSIS

Since 2022, our materiality analysis has integrated the requirements of the GRI Standards with some of the Double Materiality framework included in the CSRD. The analysis encompasses:

- **An "inside-out"** assessment of the impacts generated by the Group's activities and value chains on society and the environment, evaluating each impact based on severity and likelihood.
- **An "outside-in"** analysis of each topic, considering both actual and potential financial risks and opportunities. For the risk assessment, we relied on our Enterprise Risk Management framework.
- **Stakeholder perspectives**, ranking each topic based on its relevance to our stakeholders' business decisions.

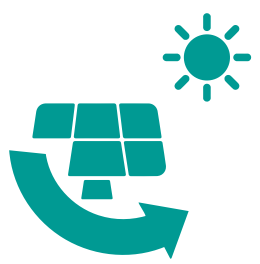
In 2024, we updated the analysis, and the results reaffirmed our **2030 ESG priorities**.



The Materiality Analysis, in combination with the SDG Action Manager tool by UN Global Compact allowed us to identify Sustainable Development Goals (SDGs) on which we want to make the difference:

ESG PILLARS

Our sustainability strategy is built around five key pillars, developed after identifying the most material topics for Fedrigoni. Each pillar is broken down into specific objectives, ensuring a clear and focused approach to make continuous progress.



1. ENABLE THE ENERGY TRANSITION

We have a strong decarbonization path to ensure a significant reduction in emissions along the lifecycle of our products, through less use of fossil fuels by 2030, aiming to achieve full carbon neutrality by 2050.

2. RETHINK ECODESIGN AND CIRCULAR APPROACH

We aim to challenge industrial practices by embracing innovation towards circular economy principles and ecodesign. Our focus is to ensure optimal end-of-life solutions and reduce the carbon footprint of our products, utilizing alternative materials and making our processes more efficient.

3. PRESERVE NATURE

Beyond addressing carbon emissions, we strive to reverse biodiversity loss throughout our operations and supply chain. We source only raw materials from responsibly managed forests and are committed to achieving Net Zero Deforestation by 2030. We focus on enhancing water use efficiency and treatment quality, eliminating the use of all hazardous substances in our processes and products.

4. MAKE OUR PEOPLE GROW & ENGAGE LOCAL COMMUNITIES

We care for our people by fostering a culture of health and safety in the workplace and we are dedicated to accelerating talent while providing equal opportunities for everyone. We enable Fedrigoni people to grow and make a difference. We also aim to create shared value within the local communities where we operate, making a lasting impact through everything we do.

5. LEAD ON BUSINESS ETHICS AND HUMAN RIGHTS

We go beyond regulations, ensuring that our decisions reflect a strong sense of responsibility. We are committed to continuously improving our processes, and to engaging suppliers and business partners to foster a culture of integrity and accountability towards the whole value chain. Safeguarding human rights is at the core of everything we do, and it extends to all areas of our operations: our people, contractors, suppliers, and local communities.

2030 ESG TARGETS & 2024 RESULTS

ENVIRONMENT

325 kt CO_2e 2024

395 kt 2019 — **209 kt** 2030

By 2030, -47.1% of absolute **SCOPE 1 AND 2 GHG EMISSIONS** (Kt CO_2e)

1224 kt CO_2e 2024

1481 kt 2019 — **1074 kt** 2030

By 2030, -27.5% of absolute **SCOPE 3 GHG EMISSIONS** from purchased goods and services, fuel and energy related activities and end of life treatment of sold products (Kt CO_2e)

95% 2024

30% 2023 — **100%** 2030

By 2030, 100% of recyclable **SPECIAL PAPER PRODUCTS** with a third-party recyclability certification

30% 2024

17% 2023 — **100%** 2030

By 2030, 100% of our **SELF-ADHESIVE STANDARD PRODUCTS PORTFOLIO** available in a solution enabling recyclability or reuse of packaging (recyclable, compostable, wash-off)

16,953 Ml 2024

16,500 2022 — **14,900** 2030

By 2030, 10% reduction in **WATER WITHDRAWAL** by 2030 (Ml)

92.4% 2024

80% 2019 — **100%** 2030

By 2030, 100% of **WASTE** sent for recovery instead of landfill

SOCIAL

28% 2024

22% 2020 — **35%** 2030

By 2030, 35% of managerial positions held by **WOMEN**

10 2024

21 2020 — **3** 2030

By 2030, -85% of **INJURY** frequency rate

30% 2024

9% 2020 — **100%** 2030

By 2030, 100% of people involved in **PERFORMANCE CONVERSATIONS**

Top 10% 2024

Top 25% 2020 — **Top 5%** 2030

By 2030, in the top 5% for **EMPLOYEE NPS** (eNPS) compared to other manufacturing companies

GOVERNANCE

93.6% 2024

50% 2020 — **95%** 2030

By 2030, 95% of **SUPPLIER SPENDING BASE** qualified also according to ESG criteria

56% 2024

1% 2021 — **100%** 2030

By 2030, 100% of people trained on our **CODE OF ETHICS**

MEMBERSHIPS

Since 2021 Fedrigoni has been part of the United Nation Global Compact, whose mission is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs through accountable companies and ecosystems that enable change.

We are a member of Ellen MacArthur Foundation, a non-profit organisation whose mission is to accelerate the transition to a circular economy.

Founded in 2020, it includes approximately 35 industry-leading companies representing the entire value chain that have come together to create a sustainable pressure sensitive labeling industry by offering solutions and providing education to enable matrix and liner recycling.

We are a member of a non-profit, cross-industry initiative advancing recyclability, bringing transparency to the origin of plastic waste and establishing a harmonized approach toward recycled plastic calculation & traceability in Europe.

We are a member of Assocarta, the trade organisation regrouping and working on behalf of the Italian Paper Industry representing pulp, paper and board manufacturing companies in Italy. Assocarta is a member of Confindustria and is the effective voice of the Italian paper industry towards the leading political and administrative institutions, including parliament, the Government, trade unions and other social partners. Under the umbrella of the Confederation of European Paper Industries (CEPI) Assocarta ensures a constant monitoring of EU policies and actions affecting the paper industry.

We are a member of Aticelca, the Association of technicians and experts working in the paper industry. Established in 1967, Aticelca aims to provide its members with technical and scientific know-how to enhance methods for papermaking and raw materials for paper industry. In particular Aticelca has developed the ATICELCA® 501 UNI 11743 method which, through an analysis that simulates in the laboratory the conditions under which paper is recycled in paper mills, allows the level of recyclability of any product made of paper and cardboard to be measured, including printed, glued or laminated products.

RATINGS

EcoVadis awarded us the Platinum Medal for the third consecutive year, placing us in the top 1% of companies in our industry worldwide with a score of 90/100. Since 2023, we have been recognized as a leader in the Carbon category, reflecting our GHG management and strong decarbonization efforts with approved science-based targets.

We improved our score by 10 points in the S&P Global Corporate Sustainability Assessment (CSA), reaching a score of 71/100, with a global ESG score of 74/100.

In 2024 we participated for the first time in the Carbon Disclosure Project (CDP) questionnaire as a public discloser, obtaining B rating in the Climate, Forests and Water security questionnaires.

GOVERNANCE PROGRESS OUR GROUP OU
ELEVATING SUSTAINABLY **ENVIRONMENTAL**
SOCIAL PROGRESS GOVERNANCE PROGRE
GROUP OUR IDENTITY ELEVATING SUSTAIN
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PROGRESS GOVERNANCE PROGRESS OUR
IDENTITY ELEVATING SUSTAINABLY **ENVIRO**

CO_2 & RENEWABLE ENERGY

TARGETS BY 2030

-47.1% of absolute scope 1 and 2 GHG emissions

-27.5% of absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities and end-of-life treatment of sold products

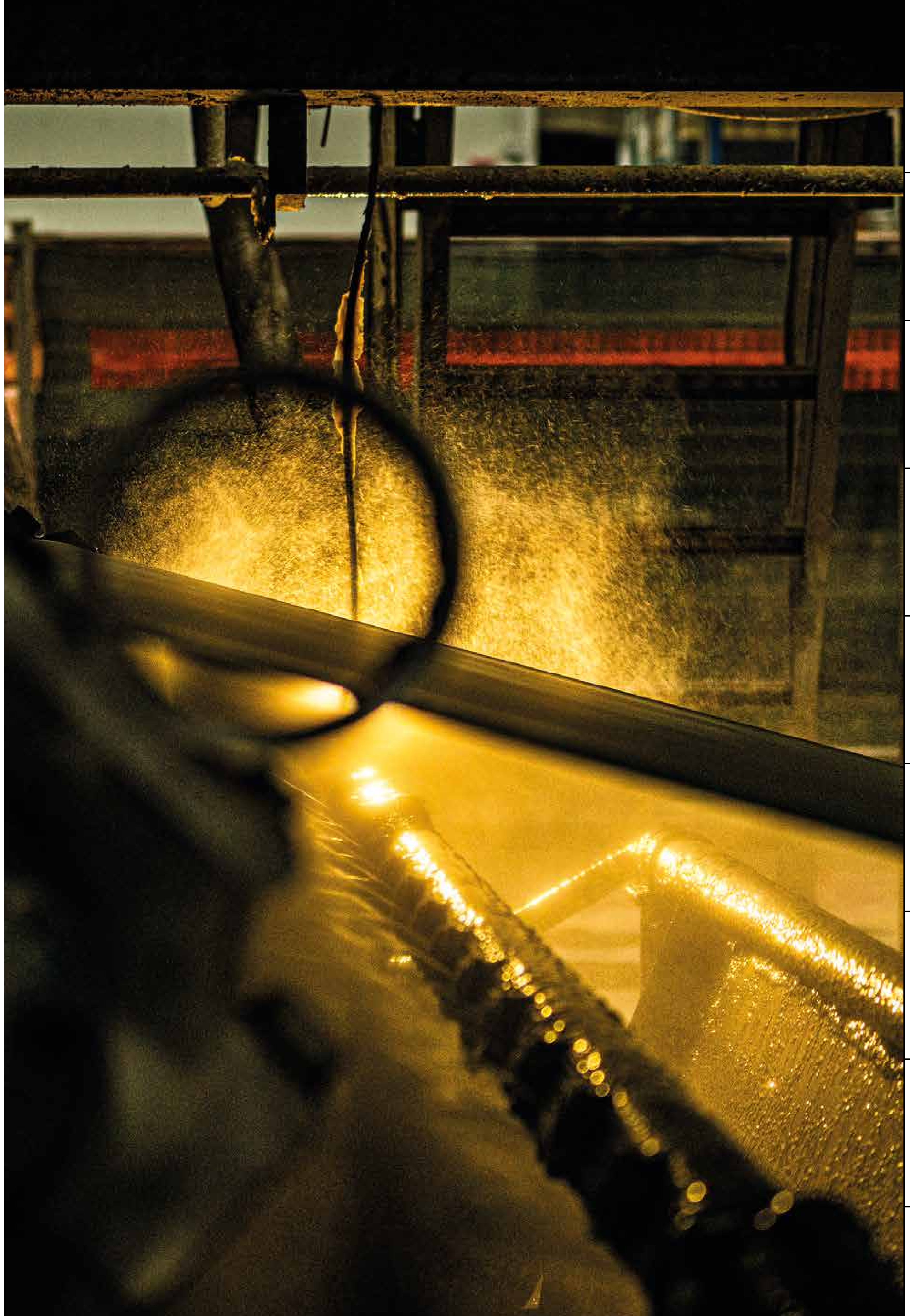
SDGs WHERE WE WANT TO MAKE A DIFFERENCE

8 DECENT WORK AND ECONOMIC GROWTH

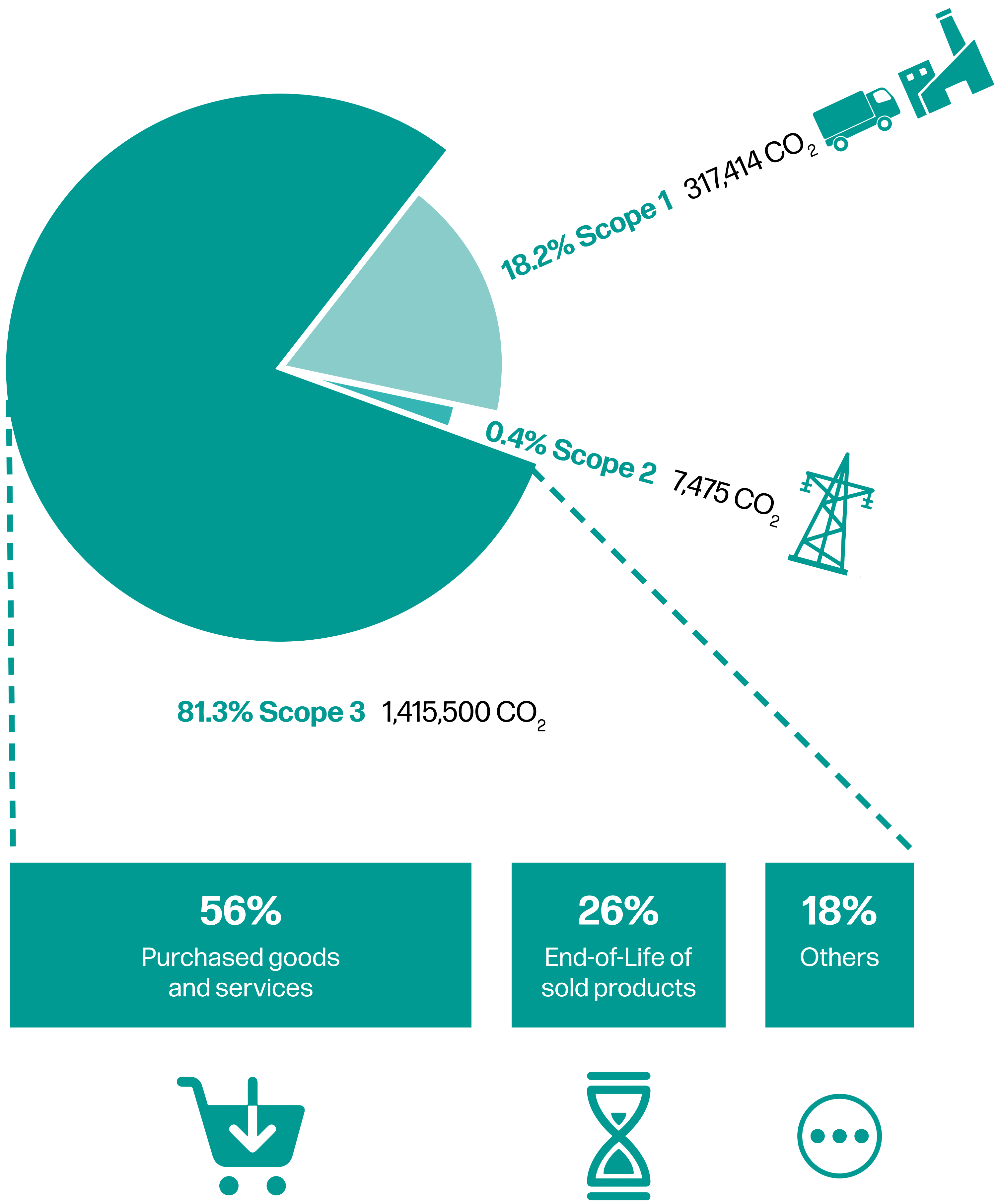
13 CLIMATE ACTION

In 2024, we developed our Group Decarbonization Plan, reinforcing our commitment to mitigating climate change and aligning with the Paris Agreement's goal of limiting global warming to 1.5°C.
The plan was built upon the results of our scenario analysis, with a particular focus on transition risks, ensuring a strategic and forward-looking approach and it was developed through active engagement with stakeholders across our value chain, particularly our suppliers. This plan includes a new target, approved by SBTi, to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 47.11% by 2030 compared to 2019, encompassing all new acquisitions. The plan was formally approved by the Board of Directors of Fedrigoni.
For Fedrigoni Special Papers, the most emission-intensive within the Group, we conducted a plant-by-plant analysis to identify potential levers for replacing natural gas. Two key actions were identified to achieve significant emissions reductions in two production plants:

1. A partnership with a supplier to purchase biomethane, replacing a portion of the natural gas used.
2. A project to enhance renewable energy generation from a hydroelectric power plant.



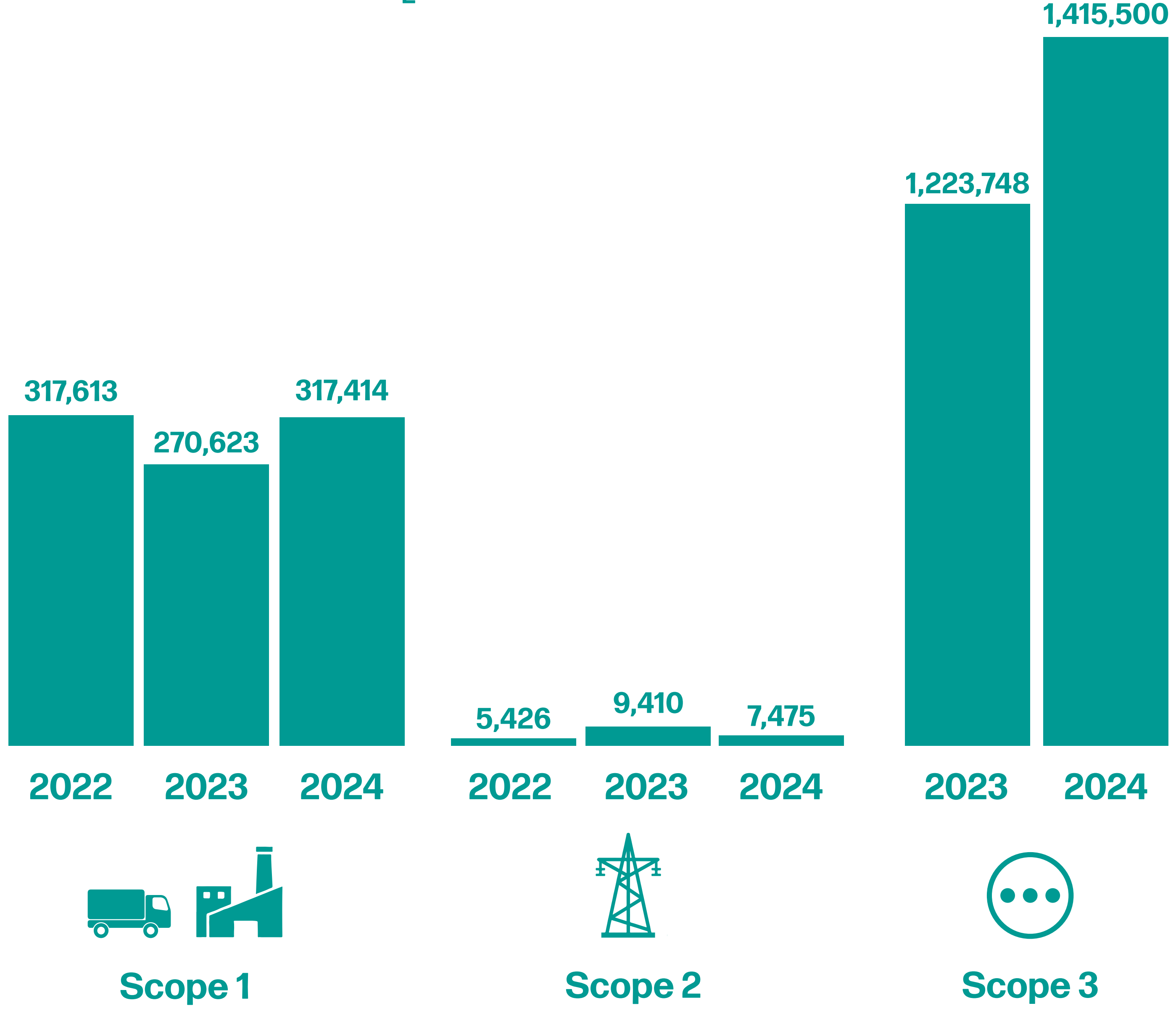
For Fedrigoni Self-Adhesives, the primary objective is to increase the percentage of renewable energy purchased from the grid.
A new target has been set for **Scope 3 emissions, approved by SBTi, aiming for a 27.5% reduction in absolute GHG emissions** from purchased goods and services, fuel and energy-related activities, and the end-of-life treatment of sold products.



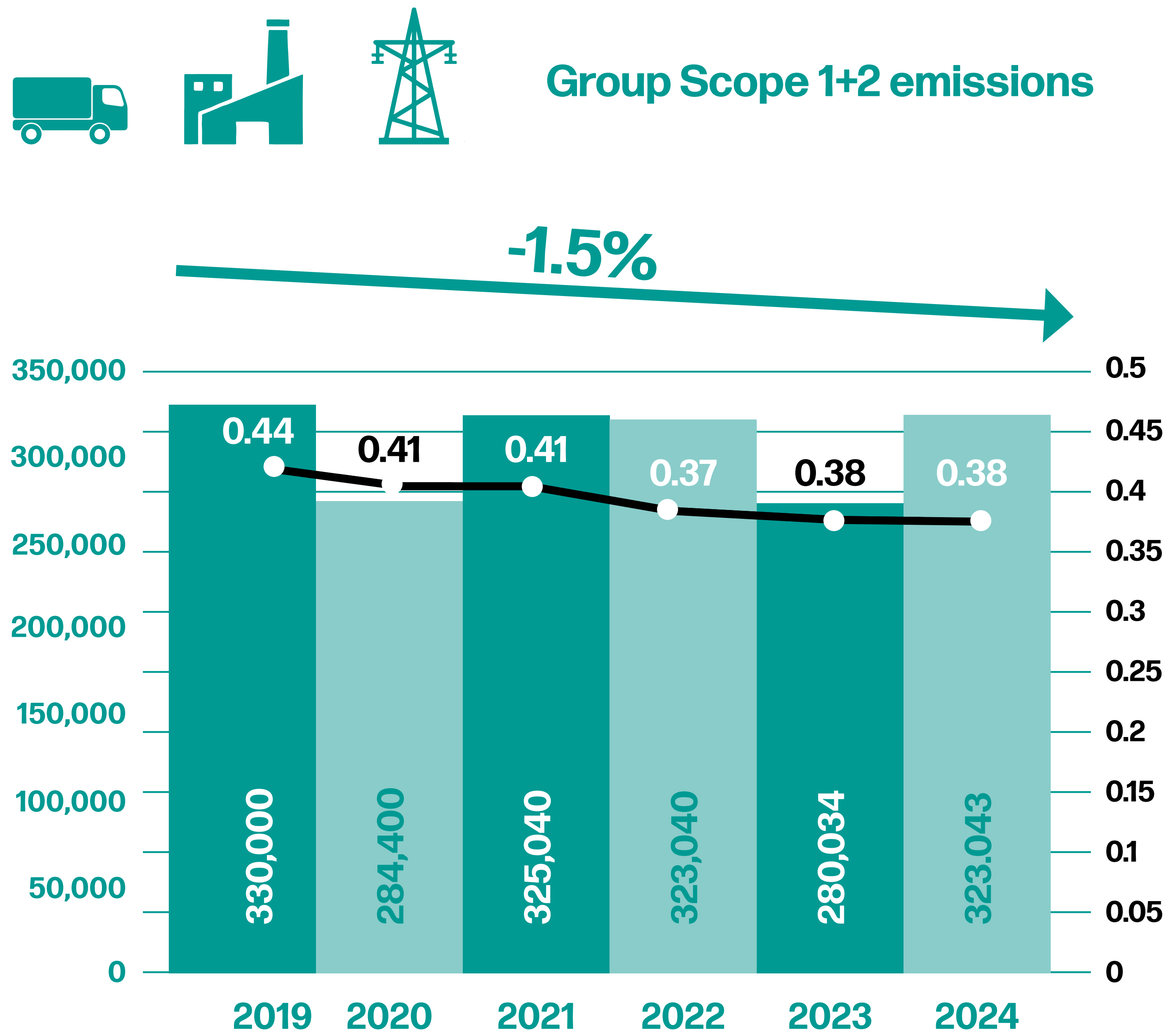
Regarding climate change adaptation, we developed a Climate Change Risk Assessment (CCRA), aiming at evaluating the resilience of the business and its financial exposure over different timeframes, encompassing both the potential consequences of climate-related threats and the strategies for adaptation or mitigation. The results obtained from the analysis of physical and transitional risks played a crucial role in the identification of potential adaptation strategies, which have been developed in response to the risks that have been deemed as most critical. These scenarios laid the groundwork, offering an indispensable comprehension of prospective trajectories within energy markets, climate dynamics, and social transformations.

In 2024 we updated and published our Environmental Policy, that includes actions related to climate change and defines roles and responsibilities about it. The Environmental Policy was approved by the Board of Directors.

Scope 1, 2, and 3 CO_2 emissions



The percentage of Scope 1 GHG emissions from regulated emission trading schemes was 84% in 2024. No GHG removals and GHG mitigation projects financed through carbon credits were carried out in 2024.



Absolute CO_2 Scope 1+2 emissions decreased by 1.5% versus the 2019 baseline against an increase in volumes of approximately 14.8%, mainly thanks to energy efficiency and purchase of electricity from renewable sources. Moreover, our CO_2 intensity rate, calculated as absolute CO_2 emissions per tons produced, decreased by 14.7% from 2019 at Group level.

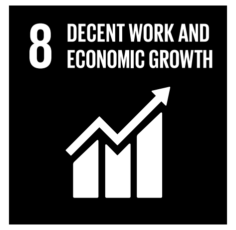
PRODUCT INNOVATION

TARGETS BY 2030

100% of our products designed for optimal end-of-life recycling and recovery

100% of waste sent for recovery

SDG WHERE WE WANT TO MAKE THE DIFFERENCE



END-OF-LIFE OF OUR PRODUCTS AND CIRCULAR ECONOMY

Our contribution to the circular economy is ensuring that our products, once they reach the end of their life, can be kept in use and disposed of properly. To this end, we have set a 2030 target: 100% of our products will be designed for optimal end-of-life recycling and recovery.
This target is built upon two sub-targets, tailored to our businesses and based on recognized external certifications:

Special Papers	100% of recyclable products with a third-party recyclability certification
Self-Adhesive materials	100% of our standard product portfolio available in a solution enabling recyclability or reuse of packaging (recyclable, compostable, wash-off)

In 2024, **more than 95%** of the Special Papers products have received a third-party certification of recyclability and **30%** of standard portfolio of self-adhesive products was available in a solution enabling recyclability or reuse of packaging.

UPCYCLING

Whenever a self-adhesive label is applied, glassine is usually discarded. However, it is a high-quality support, composed of very high-quality fibers with important mechanical characteristics. A waste of resources and value that prompted Fedrigoni Self-Adhesives to study solutions, which materialized with the range of **Re-Play** (launched during 2022). The siliconized glassine is, in fact, recovered and collected from the end users, thus involving the end customer in a circular process: the material re-enters the production phase as part of the composition of the paper stock, to create new high-quality face material. **A perfect example of upcycling, where material can have an enhanced second life compared to the first one**.

PLASTIC TO PAPER

One of our key innovation streams is focused on the substitution of plastic with paper-based solutions across a variety of new applications. We are concentrating on developing transparent and see-through papers, advanced barrier papers for both primary and secondary packaging, as well as hybrid substrates that offer enhanced mechanical properties. Additionally, we are exploring composite and multi-layer packaging, translucent materials, and molded packaging through thermophorming techniques. This initiative also extends to other areas such as paper-based disposables, reflecting our commitment to advancing sustainable alternatives to plastic in diverse packaging solutions.
In our graphics division we developed the new F-Print Natural Fibers, our PVC alternative reshaping the landscape of short-term indoor advertising. At the moment, on the market around 95% of these applications are made with monomeric PVC films and the remaining 5% are made with PO and PET films. Our product, developed by our R&D team, is made with a 100% post-consumer natural recycled fiber face. It offers a PVC alternative without compromising print quality, ensuring easy removal from substrates thanks to the ultra-removable adhesive.

LIFE CYCLE ASSESSMENT

In 2024, we developed a new LCA tool that expands the range of indicators beyond energy, water, and carbon footprints. This new tool allows us to evaluate additional environmental impact categories, including abiotic depletion, acidification, particulate matter, ecotoxicity, ozone depletion, photochemical ozone formation, human toxicity and ionizing radiation. Moreover, it integrates primary data received from our suppliers, enabling a more accurate and comprehensive analysis of our products' environmental footprint.
This methodology allows us to better understand which phases account for the most environmental impacts of our products. Both for Special Papers and Self-adhesive products most of the impacts are in our supply chain to produce raw materials and semi-finished products. That's why we are working very closely with our suppliers to receive raw materials and semi-finished goods with lower environmental impacts. To reduce the impact of our production process phase we are pushing energy efficiency at its maximum, assessing solutions to replace natural gas in our plants and purchasing renewable energy from the grid.

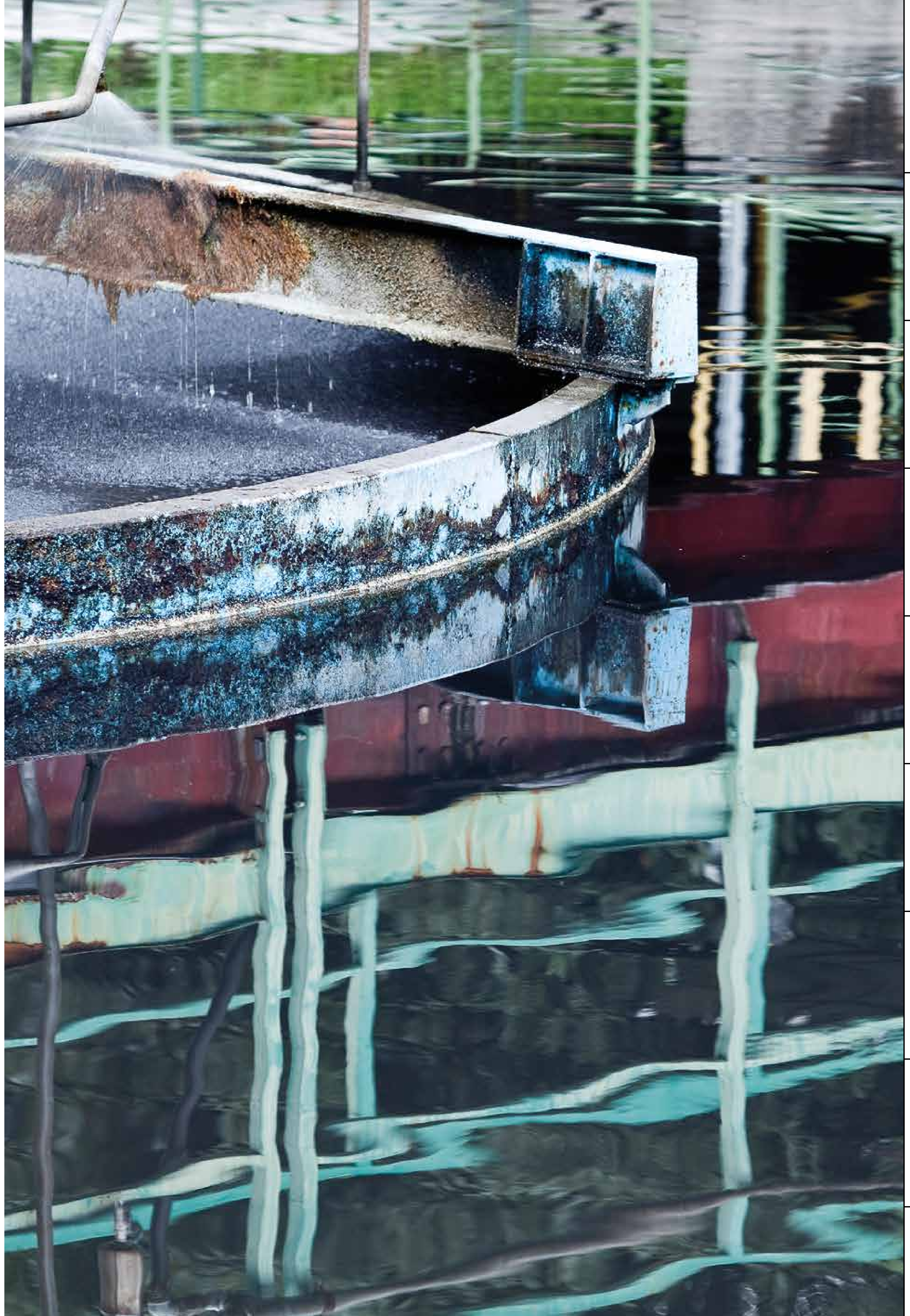
OPEN INNOVATION

In 2023, we inaugurated our **Innovation Center in Verona**, a 3,000-square-meter space designed to foster open innovation between companies and universities. This hub includes a Customer Experience Center and the Customer Academy, offering a platform for ideas and projects that will transform the industry. The Innovation Center features dedicated spaces for idea exchange, cross-pollination, and open innovation, where students, academies, graphic and marketing agencies, and creative professionals can collaborate and share knowledge.
A key element of the Innovation Center is its role as a hub for PhD students, facilitating academic collaboration and the materialization of open innovation. Currently, we manage ten active PhD programs in partnership with universities to develop research projects and identify new talents.
Fedrigoni embraces an Open Innovation model, working closely with universities and research centers to develop cutting-edge products. In 2024, we strengthened these partnerships to advance critical areas such as increasing the use of recycled materials, exploring alternative fibers, and enhancing compostability.
Ongoing PhD projects with leading universities are focused on innovative

solutions, such as extracting cellulose from food waste and using alternative celluloses. One notable project is exploring Microfibrillated Cellulose (MFC), a versatile material created by breaking down wood fibers into ultra-thin filaments. MFC has potential applications beyond traditional paper, including transparent paper applications, high-performance coatings, and advanced composites that can serve as sustainable alternatives to plastic. Biodegradable, renewable, and recyclable, MFC aligns with our commitment to sustainability and the shift towards more eco-friendly materials.

PARTNERSHIPS WITH INNOVATIVE STARTUPS

We acquired a minority stake in **Papkot**, a startup that has developed large-scale technology to coat paper with plastic-like properties, converting silicon and cellulose into a nanostructured material that eliminates plastic from single-use packaging. Papkot's proprietary coating platform offers high-barrier, fully recyclable, and biodegradable fiber-based solutions compatible with existing paper and packaging production processes. Papkot's advanced barrier technology ensures high resistance to water, grease, oil, and glycerol, while guaranteeing transparency and other customizable surface properties crucial for packaging applications. All solutions are fully recyclable and free from harmful chemicals (PFAS). Furthermore, in collaboration with Easysnap Technology and Mars Food & Nutrition's MasterFoods, Fedrigoni developed **Papersnap®**, a fully recyclable, paper-based squeeze-on tomato sauce pack. This innovation supports the global move from plastic to paper, reducing single-use plastics while maintaining product freshness and convenience. Papersnap® combines a high paper content with strong barrier properties and recyclability, illustrating how advanced materials can replace plastic packaging in a sustainable way.



BIODIVERSITY

TARGETS BY 2030

No net deforestation in our operations and supply chain
100% of pulp purchased with FSC® certification
Implementing initiatives to improve and restore biodiversity in our sites

SDG WHERE WE WANT TO MAKE THE DIFFERENCE

15 LIFE ON LAND

NO NET DEFORESTATION

CERTIFIED PULP

IMPROVE & RESTORE BIODIVERSITY

Fedrigoni's journey to address biodiversity concerns began in 2022 with our first Biodiversity Impact Assessment. Since then, we have made significant progress, implementing Group-wide policies, approved at the Board level, for key topics such as Human Rights, Emissions, Circularity, Waste, Water, Pollution, and Biodiversity.
In 2023, we partnered with a third party to carry out a project focused on traceability in our pulp supply chain and assessing biodiversity risks. As we do not own forests, our regenerative actions are concentrated within our pulp supply chain. We also began engaging our suppliers on their biodiversity strategies to collaborate on nature regeneration projects. The results of our Biodiversity Impact Assessment, along with the Biodiversity Risk Assessment of our supply chain, have been integrated into our Group Risk Management activities and materiality analysis.

In 2024, we continued our efforts to engage our pulp suppliers, evaluating their zero-deforestation commitments, traceability, and biodiversity efforts. We also focused on preparing for the upcoming European Union Deforestation Regulation (EUDR), which mandates that products sold in the EU must not contribute to deforestation or forest degradation. Fedrigoni is investing in understanding the EUDR details, working with suppliers to ensure compliance, implementing a Simplified Accounting System, and working on a detailed action plan to meet EUDR requirements.
Additionally, 100% of our paper mills are FSC CoC certified, and in 2024, **95.5%** of the pulp we purchased was FSC certified, with **4.5%** being FSC Controlled Wood.

WATER

TARGETS BY 2030

10% reduction in water withdrawal
95% of the annual water withdrawn returned to the environment in an environmentally appropriate condition
Zero cases of water pollution

SDG WHERE WE WANT TO MAKE THE DIFFERENCE

6 CLEAN WATER AND SANITATION

-10%
WATER WITHDRAWAL

+95%
RETURNED WATER TO ENVIRONMENT

0
CASE OF WATER POLLUTION

Water is a critical resource in paper production. At the end of the production process, approximately 95% of the water is returned to the environment after being recycled and purified to remove the organic and inorganic substances essential for the process. A small portion, around 6% of the total weight, remains in the paper sheet, and another small amount evaporates.
In the Self-Adhesive materials sector, water consumption has a significantly lower impact compared to paper production, primarily being used in washing stages during the manufacturing cycle.
We have set targets for both water withdrawals and discharges. To meet these goals, we:

- Optimize fiber recovery treatments to maximize water reuse throughout the production cycle.
- Monitor water consumption and take proactive measures to minimize waste.
- Use processes such as filtration, sedimentation, and flotation to treat water effectively.
- Manage risks related to regulatory changes, including water rates, extraction restrictions, discharge standards, and fees.

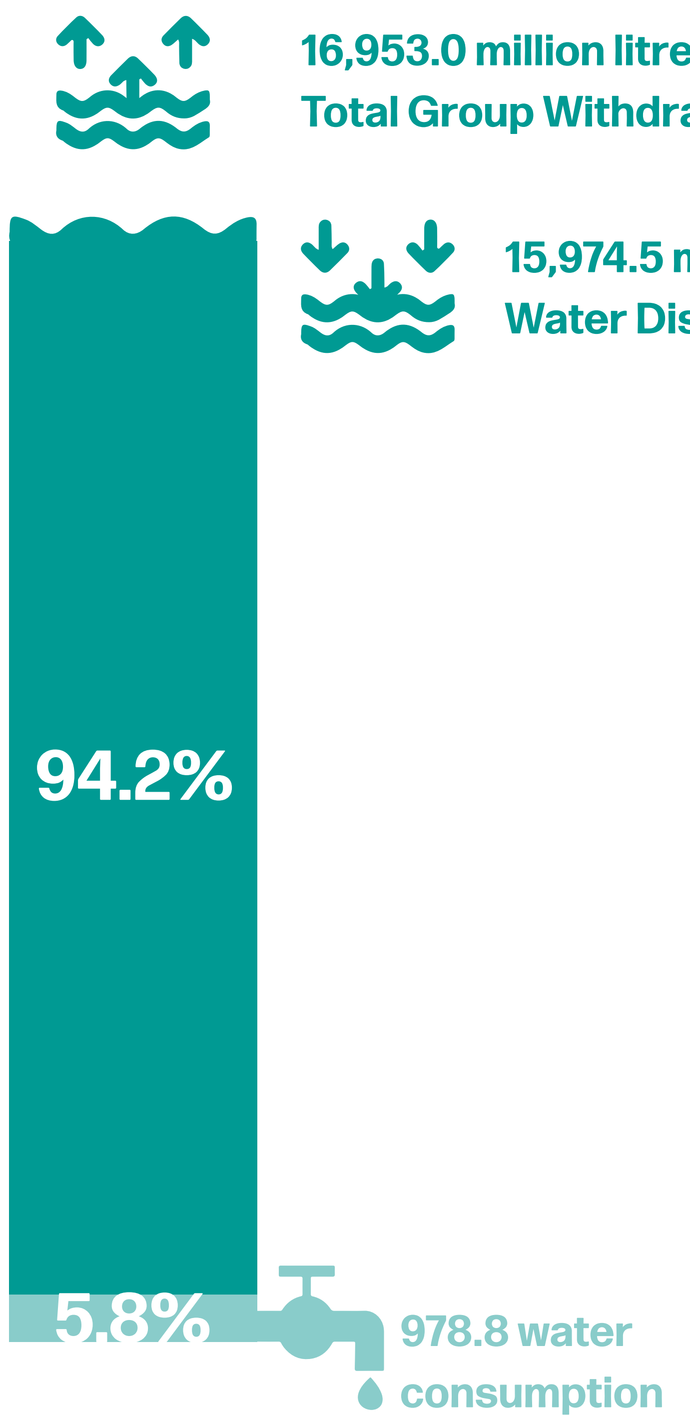
Additionally, there have been no water-related incidents with significant financial impacts (over €10,000) in the past four years.
In 2024, water withdrawal increased by 16%, mainly due to production increase.

100% OF OUR MILLS HAVE CHEMICAL AND PHYSICAL WATER TREATMENT AND 70% ALSO HAVE BIOLOGICAL TREATMENT

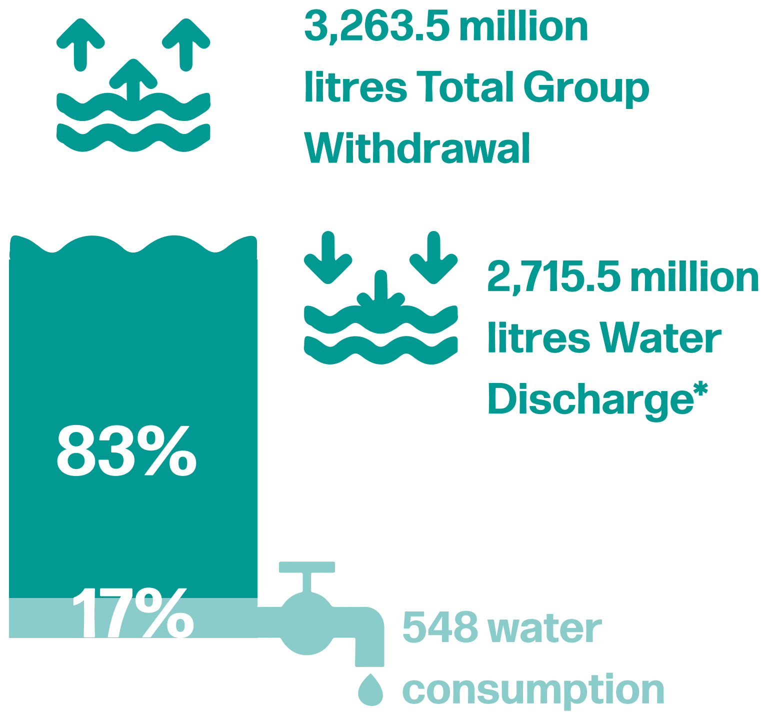
ZERO CASES OF WATER POLLUTION RECORDED, AND NO CONFLICTS WITH LOCAL COMMUNITIES OCCURRED

	2024		2023		2022	
Million Litres	Water stress areas	All areas*	Water stress areas	All areas*	Water stress areas	All areas*
Total Group withdrawal	3,263.5	16,953.0	3,302.3	14,612.1	4,399.3	16,547.2
Total Group water discharge	2,715.5	15,974.5	2,601.1	13,568.3	3,836.6	15,613.5
Total Group water consumption	**548.0**	**978.8**	**701.2**	**1,043.8**	**562.6**	**933.7**

2024 – All Areas



2024 – Water Stress Areas



*returned to the environment

SOCIAL PROGRESS

HEALTH AND SAFETY

TARGET BY 2030
-85% of accident frequency index

SDG WHERE WE WANT TO MAKE A DIFFERENCE

8 DECENT WORK AND ECONOMIC GROWTH

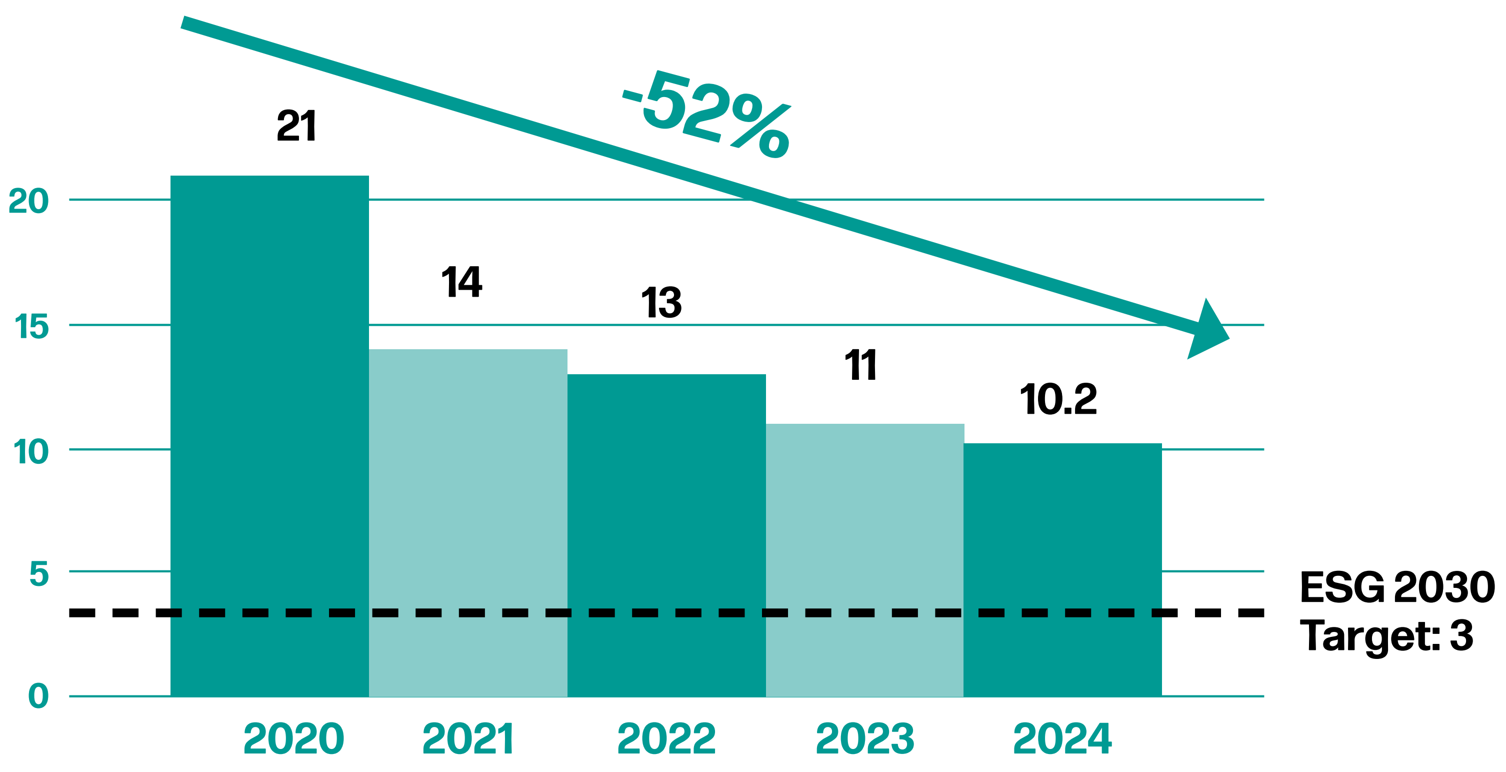
In 2024, we updated our **Health and Safety Policy**, which was approved by our Board of Directors. The policy emphasizes leadership as a key driver for fostering a safety culture, ensuring employees work safely and return home healthy.
Our **Sustainability Decalogue** supports the daily maintenance of safety standards and housekeeping at all our sites. Each plant operates with a Health and Safety management system focused on risk identification and assessment, with tailored action plans to minimize risks and reduce injuries. These plans include both internal inspections and third-party audits.
In the Fedrigoni Self-Adhesives Business Unit, we continued the "Gemba walks" initiative, an internal inspection program involving a checklist and employee engagement. Regular meetings with Health and Safety representatives from all sites help share best practices, while every operational committee and monthly management meetings begin with a safety review.
Through the **Near Misses procedure**, employees can report potential hazards that didn't result in injury, damage, or disruption. The **Safety Alerts** procedure encourages staff to suggest ways to prevent accidents.
All incidents, including injuries, safety reports, and near misses, are regularly analyzed to continuously improve our safety practices.

The table below shows trends of our data and indicators over the last four years.

		2024	2023	2022
Hours of training	Number	25,732	27,819	21,899
Hours of training / number of workers involved	Ratio	6.3	6.8	5.8
Near misses	Number	386	479	630
Of which resolved	*Ratio*	*98%*	*88%*	*87%*
Safety reports	Number	7,996	7,630	5,569
Of which resolved	*Ratio*	*88%*	*86%*	*87%*

In 2024, we recorded zero fatalities at employees and contractors' levels.

Total recordable injuries frequency rate



PEOPLE EXPERIENCE AND DEVELOPMENT

HOW WE ARE BUILDING A PERFORMANCE CULTURE AND ACCELERATING OUR PEOPLE GROWTH

At Fedrigoni, we have a strong ambition to amaze the world by transforming our industry, achieving new levels of innovation, elevating creativity, and building a sustainable future while growing rapidly. We strive to attract, engage, develop, recognize, and boost opportunities for everyone at Fedrigoni, empowering us all to collectively make a difference.

FOSTERING AND AMPLIFYING ENGAGEMENT THROUGH CONTINUOUS OPEN DIALOGUE

We want everyone to feel engaged and to have all the resources they need to work at their best, on the plant line, in the office and, more and more, on digital platforms. We have undertaken key initiatives, designed with the aim of fostering and amplifying engagement among our team members and rooted in the principle of continuous open dialogue with every individual in our organization.

Our **annual engagement survey** represents a tool that fosters open dialogue and collects feedback to understand how to continuously improve our employee experience and engagement. Based on this feedback, every year, we implement improvements at both global and local levels. In September 2024, the fifth annual engagement survey involved all employees. In the months leading to the launch, internally we started the "It all starts with YOU" campaign to encourage participation in the survey and to highlight how each perspective counts.

> Our aim is to achieve an **Employee Net Promoter Score** (eNPS) that ranks in the top 5% of manufacturing companies and top 10% of the Manufacturing True Benchmark. This year, we are proud to report an eNPS of 30, which, despite a 4-point decrease compared to last year, positions us within the top 10% of the Manufacturing (28 points).

The results were then shared company-wide and used to prepare a detailed action plan for 2025. The insights gathered from the 2024 survey reveal that, **across the organization, employees feel free to express their opinions within their teams, feel supported by their managers,**

and are comfortable having open discussions with them.
When analyzing strengths separately for office colleagues and plant workers, we identified a shared strength driving engagement: learning. **People are aware of the learning opportunities available and feel they are growing in their roles.**

ELEVATING OUR PEOPLE COMPETENCIES AND SKILLS ACROSS THE ORGANIZATION

At Fedrigoni, we create the conditions for everyone to thrive with their unique talent. We are committed to continuous learning and personal growth, launching targeted initiatives to support individual needs:

- Leadership Development
- People Management Programs
- Plant Shift Leaders' Development Initiative
- Individualized Language Learning
- Team-Specific Workshops
- Functional Upskilling Programs
- Coaching
- Mentoring
- Support and Cultural Onboarding for Newly Acquired Companies
- GenAI and Microsoft Copilot Adoption
- Supply Chain Upskilling and MAD Graduate Program
- WeekUP - more than 70 online and in person events
- Fedrigoni Up - our online self-paced learning platform

In 2024 training more than 1,700 colleagues and delivering more than 21,000 hours of non-mandatory instruction.

In June 2024, we launched **WeekUP**, a week-long initiative designed to foster a growth-oriented mindset and enhance learning and development within the organization. Training was facilitated by local HR Business Partners who had undergone a train-the-trainer program to ensure engaging and effective sessions.

Over five days, 71 workshops took place, with 33 conducted online via Teams in Italian, Spanish, and English, and 38 organized locally in offices and plants.

More than 900 colleagues from 15 countries participated in WeekUP, attending an average of 3.4 sessions each, totaling over 3,000 hours of learning.

The online workshops featured over **260 breakout rooms**, allowing colleagues from different teams and locations to exchange views and networking, increasing shared sense of belonging and connection across the globe.
WeekUP covered a range of topics, including *performance conversations, acceleration actions, skills of the future, the Fedrigoni learning landscape*.
The initiative aimed to shift traditional perceptions of development towards a more learner-centric experience, empowering individuals to take charge of their own growth.

RECOGNIZING OUR PEOPLE FOR THEIR CONTRIBUTION

We implement **an annual incentive system (MBO)** for key positions, based on financial indicators, qualitative indicators, and ESG objectives. Performance incentives for the rest of the population are provided through profit shares.
ESG ratings are a crucial part of the MBO for various teams, ensuring our commitment to ESG principles is grounded in real outcomes.

BOOSTING OPPORTUNITIES FOR EVERYONE TO COLLECTIVELY MAKE A DIFFERENCE

Our initiatives aim to empower our colleagues to achieve their goals and contribute to our company objectives. We encourage, support and foster internal mobility, also with our internal **Job Posting Platform, INK**.
Throughout 2024 we facilitated **172 in-house job changes**, expansions, relocations and filled open positions, a **+24% increase versus the previous year.**

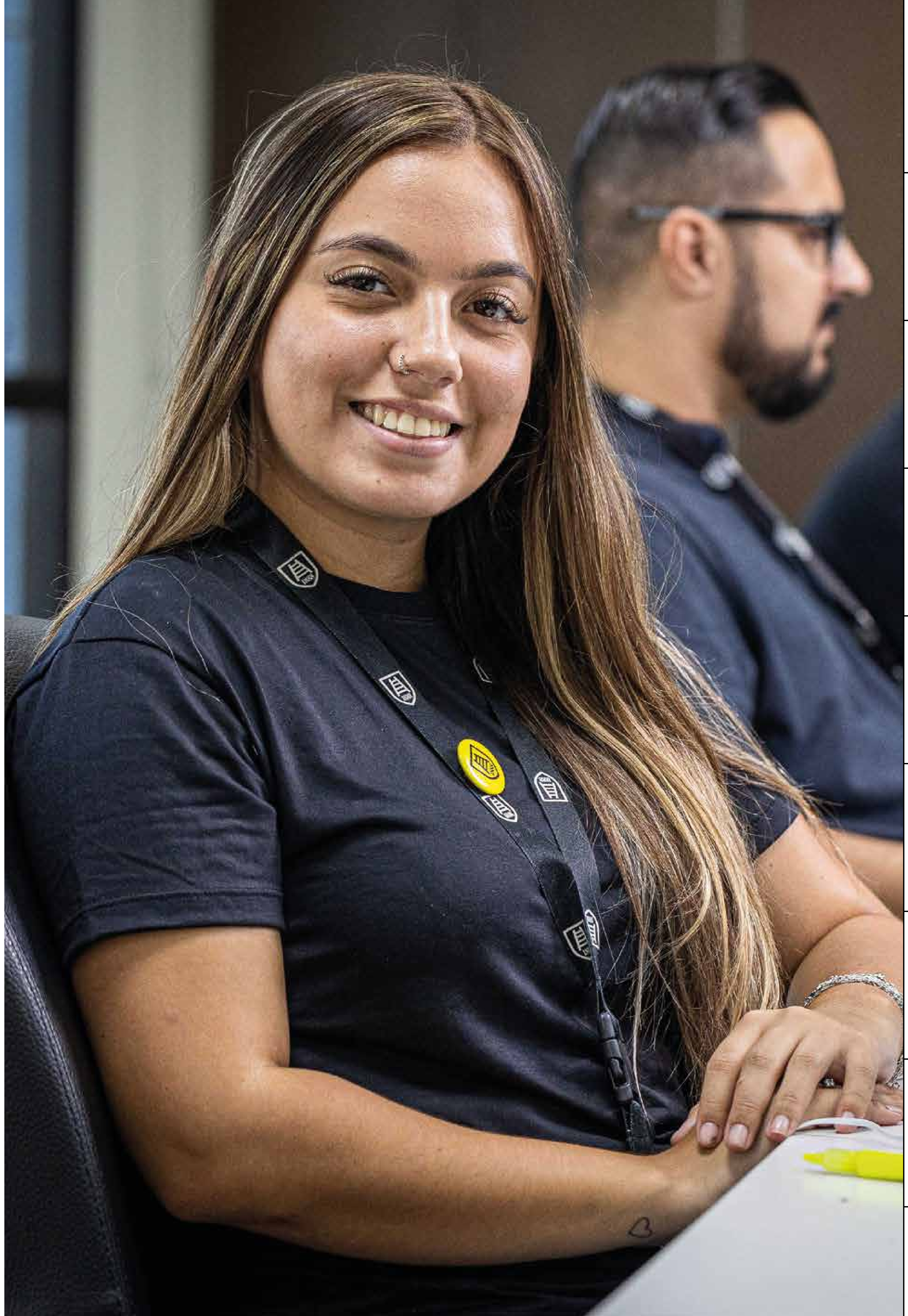
In June 2024, we celebrated the conclusion of the second edition of the **Next program**. This initiative, launched in 2022, saw **27 colleagues from 8 different countries collaborating for 9 months** in multidisciplinary international teams, working on high-impact business projects. In July, we opened the doors for the third group of Nexters, colleagues who have three to eight years of work experience and at least six months tenure in the company. October 2024 marked the start of the new edition with a 4-day workshop at our Innovation Centre in Verona, with a group **of 28 new participants coming from 7 different countries.**

In 2021 we launched the **'Performance Conversations'** to foster open dialogues for professional development. This tool drives individual growth and continuous learning through regular dialogue between managers and employees, enabling tailor-made development plans for all. It is now available to all employees, with active promotion, resources and training moments dedicated to desk workers. The conversation and acceleration actions that result from them, are tracked via our HR Management System, Workday. **In 2024, 82% of our colleagues in offices participated in these conversations.**

SPREADING PERFORMANCE CULTURE AND BUILDING A PEOPLE GROWTH ACCELERATOR

In 2024, Fedrigoni kept working on strategic initiatives to attract and inspire people who could resonate with our culture and bring to the table a unique blend of relevant skills, a spirit of collaboration, and a driven and curious attitude, both future colleagues and existing teams.

- **Podcast**: In 2023 we launched 'Life at Fedrigoni: The Podcast' to showcase culture and people. We published 5 more episodes in 2024. The entire season was listened to over 1,800 times in 50+ countries.
- **LinkedIn**: We publish monthly content spotlighting people and culture. In 2024 we increased our audience to over 68,200 followers (+18%) and reached 470,000 members. We added a new tab to showcase all our initiatives related to sustainability and community engagement.
- **Instagram**: Our Instagram channel, @we_are_fedrigoni, is a people-centric channel showcasing our diverse teams and company experiences. As of December 2024, it has 2,494 followers and over 247 pieces of content.
- **Extraordinary Stories**: In 2023 we created the "Extraordinary Stories" platform to share narratives of our diverse team members across digital platforms. After interviewing colleagues from across the globe working in different functions, the conversations are shared on the blog on our website, celebrating their career journey. Throughout 2024, we've shared eleven more narratives.



Glassdoor: We enhanced our Glassdoor presence with the clear goal of ensuring transparency and local relevance in our communication. We're focusing on six key countries and working with local HR teams to provide a localized snapshot and an authentic image of daily life at our company.

Partnerships: We established long-term partnerships with local schools and international academic institutions to guide future generations. Our aim is **to make an impact by involving colleagues directly, sharing their capabilities, stories, and experiences, and welcoming students to our premises whenever possible**. As of December 2024, we've conducted mock interviews, drop-in sessions, and company visits, and actively participated in guest lectures, in-company trainings, business projects, round table discussions, and advisory boards, meeting more than 500 students both online and in person.

Career Website: Our career website, launched in June 2023, showcases our promise to our people, both present and future colleagues.

Workday: The Workday recruiting module supports us in streamlining our recruitment process and ensuring consistency in job postings. This has increased our visibility in the job market. We've trained our HR team on using this tool effectively and set up a thank-you message for applicants as well as custom feedback messages that are sent out to all not successful applicants.

INCLUSION, DIVERSITY AND EQUITY (IDE)

Here at Fedrigoni, we are on a journey to elevate inclusion, celebrate diversity and drive equity in our working environment, with our customers, our partners, our community and with our people. We believe Inclusion is what makes us learn from one another. Diversity is what brings better answers. Equity is how we make sure all our voices are heard.

Fedrigoni continues to collect feedback on Inclusion, Diversity, and Equity (IDE) through its annual **Engagement Survey**, which includes questions on *diversity, inclusiveness, belonging, and non-discrimination*. The survey helps gauge progress and identify areas for improvement. In 2024, the IDE topic was included for the third time, with 82% of respondents answering self-identification demographics questions, reflecting a 7% increase from the previous year.

A dedicated IDE project, 'IDEators,' was assigned to early-career colleagues as part of the 2023-2024 Next cohort. This project involved designing and initiating the IDE 2024 roadmap, boosting IDE awareness, and fostering a mindset of mobilization and ownership. The IDEators project was presented to the Fedrigoni Executive Committee in June 2024, highlighting initiatives like IDE Coffee Talks, which engaged around 200 participants across 17 sessions in 8 countries.

> The IDE roadmap evolved into the **FedrigoniBE** initiative, aimed at promoting *well-being, belonging, and uniqueness* among employees. This program focuses on physical, mental, emotional, and relational health, encouraging self-awareness and diversity. It was developed in response to employee feedback and aims to make well-being a key part of the company's identity. Key initiatives of the FedrigoniBE program include listening to employees, empowering them with knowledge and tools, and enabling them to be their best through various services. The program emphasizes managerial training, open communication, and the role of managers in boosting engagement and well-being. It will be officially launched in 2025 for all employees.

A **mental well-being** program will also be launched in 2025, providing psychological support services to employees in Spain and Italy.

SOCIAL DIALOGUE AND INDUSTRIAL RELATIONS

The Industrial Relations policy adopted by the Group is based on respect, constructive dialogue and mutual fairness, in full compliance with the art. 13 of the Fedrigoni Group's Code of Ethics which regulates relations with parties, trade unions and associations.

- In 2024, Mohawk, POLI-TAPE, and Arjowiggins China joined the Fedrigoni Group. The Company initiated constructive dialogues with local unions for these new entities.
- The Company exited the office paper business due to declining volumes, announcing the cessation of production on December 31, 2024. Union and institutional procedures were initiated to minimize impacts on people.
- In Guarro Casas, the continuous machine was shut down in September, managed through union negotiations and an agreement.
- The Company used the Ordinary Wage Guarantee Fund in all Italian plants due to a contraction in orders, signing union agreements to provide better conditions than those required by law.
- The Company ensures annual leave for employees' psycho-physical recovery and respects the weekly rest day.
- Negotiations began for the renewal of the Performance Bonus expiring on December 31, 2024, expected to conclude by Q1 2025.
- The National Agreement for Solidarity Leave in Italy was renewed for 2025-2027 to support employees in difficulty.
- The positive use of the Agile Work tool was reconfirmed, improving work quality, organizational effectiveness, and work-life balance.
- Constructive dialogue with union organizations was established, confirmed by the consolidation of the National Protocol of Industrial Relations in Italy.
- In 2024, 24 hours of local strike were recorded at the Giano Srl plants due to the office paper business closure.
- Discussions continued for the establishment of a European Works Council.

COMMUNITY RELATIONS

TARGET BY 2030
At least one initiative per year with local communities in each country where we operate to create shared value.

The initiatives we undertake with and for the local communities where we operate are integral to the sustainability journey, we've embarked on and align with the spirit of the 2030 Agenda, addressing key areas such as the environment, education, culture, community well-being, and innovation in our industry. From the Fedrigoni For program to our commitment to promoting art and culture through the Fedrigoni Fabriano Foundation and the Festival del Disegno, as well as our collaborations with universities, schools, and associations, we strive to make the impact of our projects more structured while actively engaging and involving all our people. In line with our Stakeholder Engagement policy, we developed a Community Consultation Framework in 2024 to prevent potential conflicts with local communities, ensuring transparent and ongoing communication.

Fedrigoni*, or also Fedrigoni For, represents our commitment to supporting concrete initiatives that can have a positive impact not only on business but also on the people and communities around us. Every year, each Fedrigoni employee can propose a nonprofit organization they would like to see supported by the Group throughout the year. Once the organization is chosen, we create a collaboration that leads to the creation of a handmade item, intended for all our colleagues around the world. In 2024 we chose to support the **KEDV Foundation**, an NGO dedicated to empowering women in Turkey. With over 30 years of experience, KEDV works to enable low-income Turkish women to change their lives, their communities, and the world around them.

Fondazione Gianfranco Fedrigoni-Fabriano (FFF). The Foundation, dedicated to Gianfranco Fedrigoni, was founded in Fabriano on March 8, 2011. Unique heritage in the world for the quantity of assets preserved - with over 500 square metres of archival assets and books belonging to the Archive of the Miliani Fabriano paper mills - it is the first Company archive in

Italy declared historically interesting with documents dating from 1782. The historical heritage also includes 2,212 Fabriano antique papers, a collection of papers dated from 1267 to 1798 by the filigranologist Augusto Zonghi (1840-1916), one of the most important in Europe acquired by the Foundation in 2016; and 10,000 tools to produce the hand-made and machine-made paper, commissioned by historical Made in Italy companies (e.g. FIAT, Liquore Strega, Fernet Branca, Stabilimento Ricordi). The annual Fedrigoni donation since 2024 it was fixed to 250,000 euros. Among the main initiatives of 2024 promoted by the Foundation,

- following the establishment of the **Paper Conservation and Restoration Laboratory in 2023** within the Foundation's premises, the birth of international projects and collaborations that led to the organization of a Conference, with the participation of leading specialists in the field, on 'The Use of Oriental Paper in the Restoration of Western Works of Art. Traditions and Techniques Compared in Fabriano' and an advanced training workshop on 'Traditional Japanese Techniques and Materials for the Restoration of Works of Art on Paper' carried out in collaboration with the Japanese Cultural Institute and the Central Institute for Restoration (ICR) of the Ministry of Culture;
- the editorial activity with the publication of **"C-ARTE. I segni della carta Fabriano nelle opere di Dante, Raffaello e Canova".** The new editorial project brings together the results of the researches carried out by the Foundation on the use of Fabriano paper by some of the most important international artists from the Middle Ages to the 20th century. An editorial commitment recognized that led the Foundation to receive the Honorable Mention of the prestigious Compasso d'Oro ADI award in 2024 for the first printed edition of the precious manuscript album "I segni delle antiche Cartiere fabrianesi di Augusto Zonghi " published in 2021;
- the workshop for curators of collections of drawings and prints from the world's most important museums (Metropolitan Museum of New York, British Museum of London, the Louvre Museum, National Gallery of Art) **"Touch/Retouched: Paper Across Time (1400-1800)"** carried out in collaboration with the Hertziana Library and the Central Institute for Graphics (ICG) of the Ministry of Culture.

Details on 2024 initiatives of Fondazione Fedrigoni Fabriano are available here: www.fondazionefedrigoni.it

GOVERNANCE PROGRESS OUR GROUP OU
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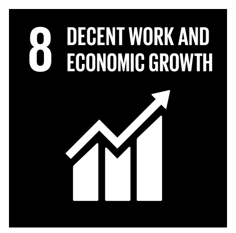
INTERNAL AUDIT, RISK & COMPLIANCE

TARGETS BY 2030

95% suppliers assessed according to ESG criteria

100% of people trained on our Code of Ethics

SDG WHERE WE WANT TO MAKE THE DIFFERENCE



We go beyond regulatory compliance, ensuring our decisions are driven by responsibility and ethics. We continuously improve our processes and collaborate with suppliers and partners to promote integrity, accountability, and transparency across the value chain.

In 2024, the **Internal Audit Risk & Compliance (IARC) Function** strengthened the Group's Internal Control System by improving processes and conducting audits to assess operational efficiency. We developed policies to enhance oversight and initiated the ISO 37001 certification for anti-bribery standards. IARC led change management initiatives to promote accountability, integrity, and continuous improvement, contributing to a more resilient and sustainable organization. These actions also boosted the Group's ESG performance, improving ratings in risk management, business ethics and materiality analysis.

ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management (ERM) is a core element of the Group's corporate governance and ensures a defined and proactive approach to managing strategic, operational, financial and compliance risks. Our ERM policy determines a framework for identifying, assessing and mitigating and reporting key risks in line with international best practice. It also strengthens governance by defining clear roles, responsibilities and oversight mechanisms that ensure transparency and accountability in risk management.

As the Group adopted a new **Strategic Plan 2025-2027**, the IARC Function conducted a comprehensive risk assessment to identify the main challenges in achieving the Plan's objectives. This process aimed to ensure that the Group's risk profile remains aligned with evolving macroeconomic, competitive, and regulatory dynamics. The risk assessment was carried out with the direct and active involvement of the Leadership Team, who participated in nine dedicated workshops to analyze and evaluate the key risks that could impact the successful execution of the strategic roadmap. The analysis revealed the emergence of new risks, the intensification of certain existing risks and a broader evolution of the Group's risk profile, reflecting significant changes in the external landscape. A total of 26 risks were mapped, 9 of which were identified as "top risks" based on a rigorous assessment that considered the likelihood of occurrence within the strategic plan horizon, the impact and the maturity of the existing risk management framework.

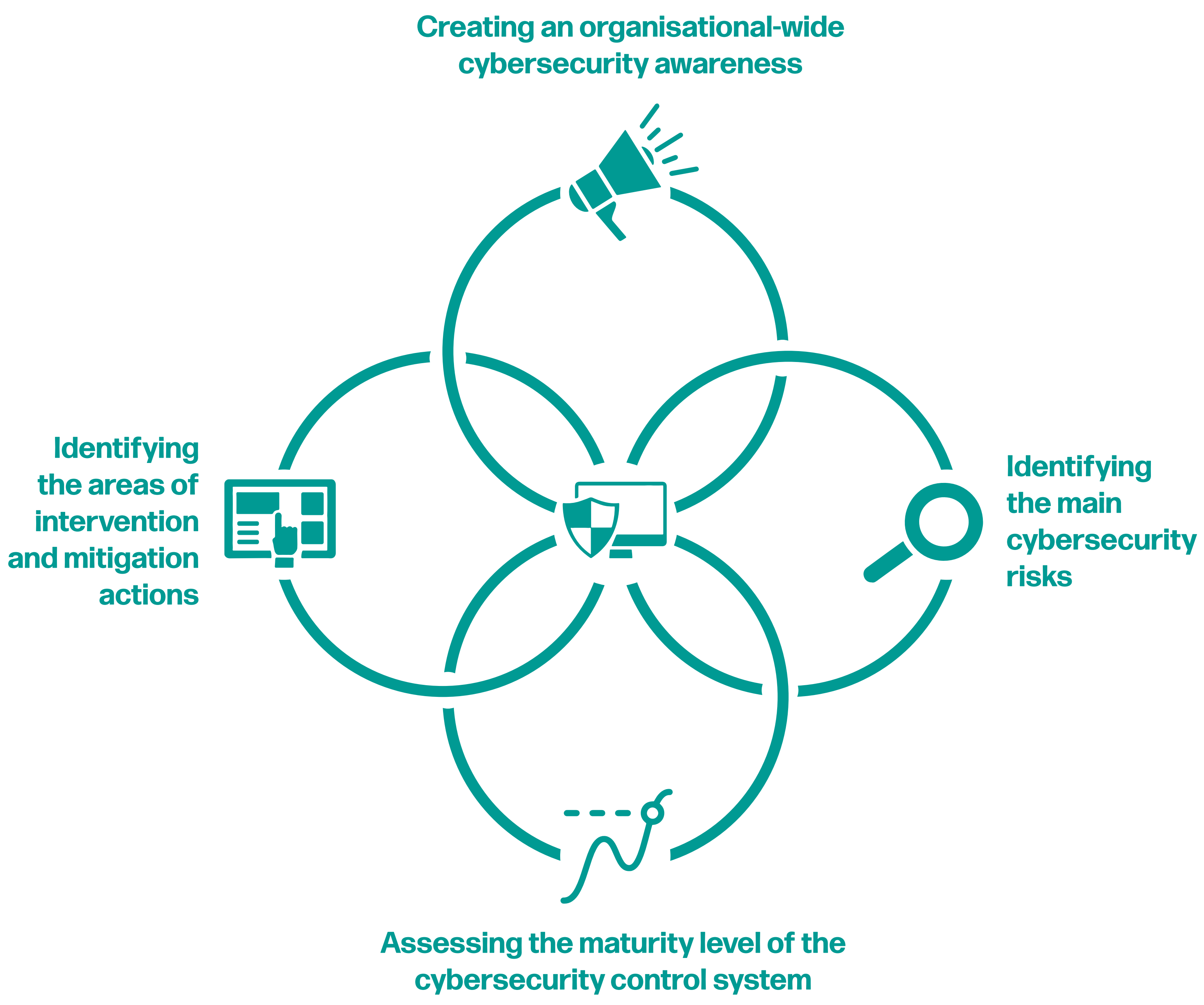
The risk assessment activity highlighted that the main challenges the Group will face in executing the Strategic Plan include:

- Cash and capital structure
- Group's leading position in core markets
- Evolution of ESG frameworks
- Cyber security

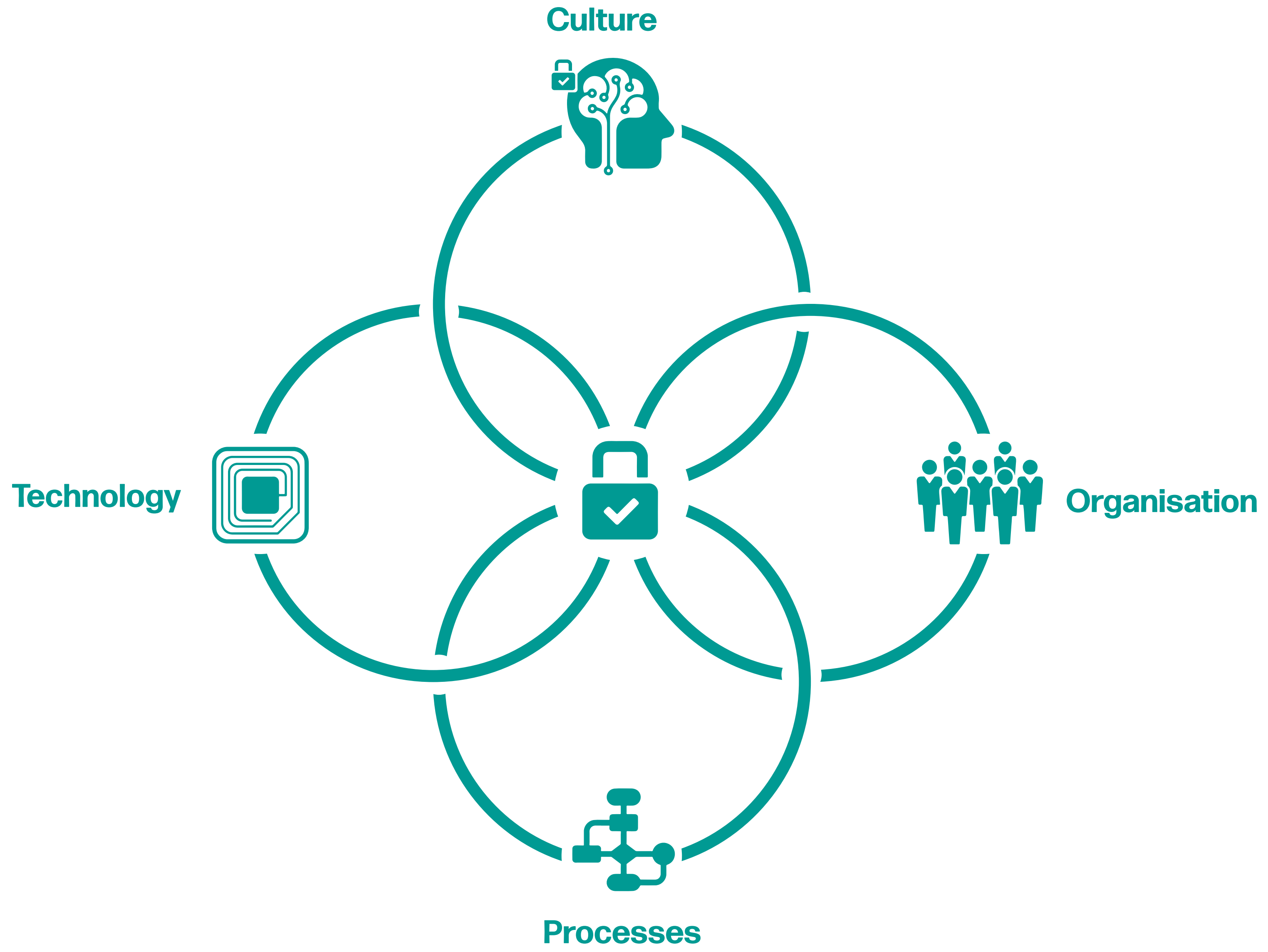
In accordance with our ERM Policy, the results of the risk assessment were reviewed and approved by the CEO following an in-depth evaluation by the Audit & Risk Committee. This process provided a comprehensive and forward-looking perspective on the Group's challenges, supporting proactive risk management and mitigation planning. By integrating risk assessment into strategic decision-making, this approach reinforces the Group's ability to anticipate and mitigate risks effectively, embedding a strong risk culture within governance, operational processes, and corporate decision-making.

CYBER SECURITY

Cybersecurity is a risk element that companies in all sectors face. Our focus on this issue has intensified in recent years, partly in response to the increasing complexity and frequency with which cyberattacks are being waged against national and international companies. We have in place a **cybersecurity strategy** with the following aims:



To cope with ever-increasing cyber risks, the actions of our cybersecurity reinforcement program are reviewed and adapted annually, and focus on **four main areas of action**:



ISO 37001 CERTIFICATION PROCESS

In 2024, Fedrigoni S.p.A. embarked on a significant journey to obtain ISO 37001 certification, the **internationally recognized standard for anti-bribery management systems**. This initiative demonstrates the Group's strong commitment to integrity, transparency and accountability, strengthening our corporate governance framework and aligning it with the best global practices.
In accordance with established standards and methodology, we conducted a comprehensive corruption risk assessment to identify and evaluate key bribery risks within our operations. Based on this assessment, we identified the processes where corruption risk might arise due to the nature of transactions, level of third-party interactions, and regulatory exposure. In relation to these processes, IARC carried out targeted testing activities in order to verify the effectiveness of existing controls. The results of these testing activities were reported and shared with the Audit & Risk Committee and the CEO, ensuring a transparent and data-driven approach to risk mitigation and compliance enhancement. As a part of this initiative, Fedrigoni S.p.A. has developed a robust **Anti-Corruption Management System (ACMS)**, fully in line with the requirements of ISO 37001, which includes:

- Anti-Corruption Management Manual: a comprehensive framework defining policies, procedures and responsibilities to mitigate bribery risks.
- Formal designation of the Anti-Corruption Function: The formal appointment of a dedicated function responsible for overseeing anti-corruption activities, ensuring governance and monitoring the effectiveness of the measures implemented.

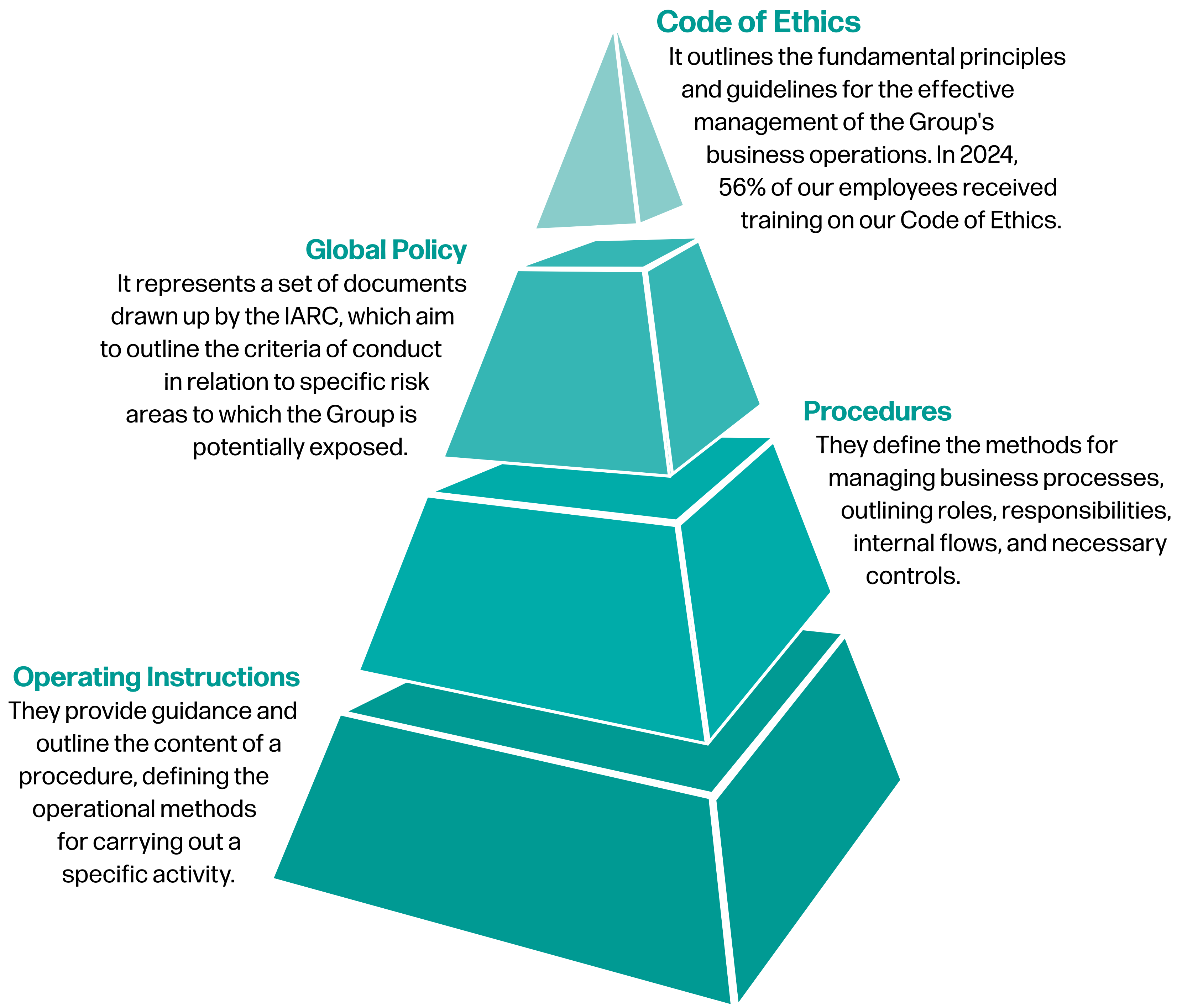
To ensure effective change management that strengthens the Internal Control System in the field of anti-corruption, the IARC function has carried out **extensive training and awareness programs**. These initiatives aim to embed a culture of integrity at all levels of the organization, providing employees and stakeholders with the necessary knowledge and tools to identify, prevent, and manage bribery risks effectively.
The ISO 37001 certification process, strongly endorsed by the Group CEO and the Board, represents a strategic milestone in our broader ESG governance framework. The certification, expected to be obtained in the first half of 2025, will further strengthen our credibility and position Fedrigoni as a benchmark in corporate integrity and compliance.

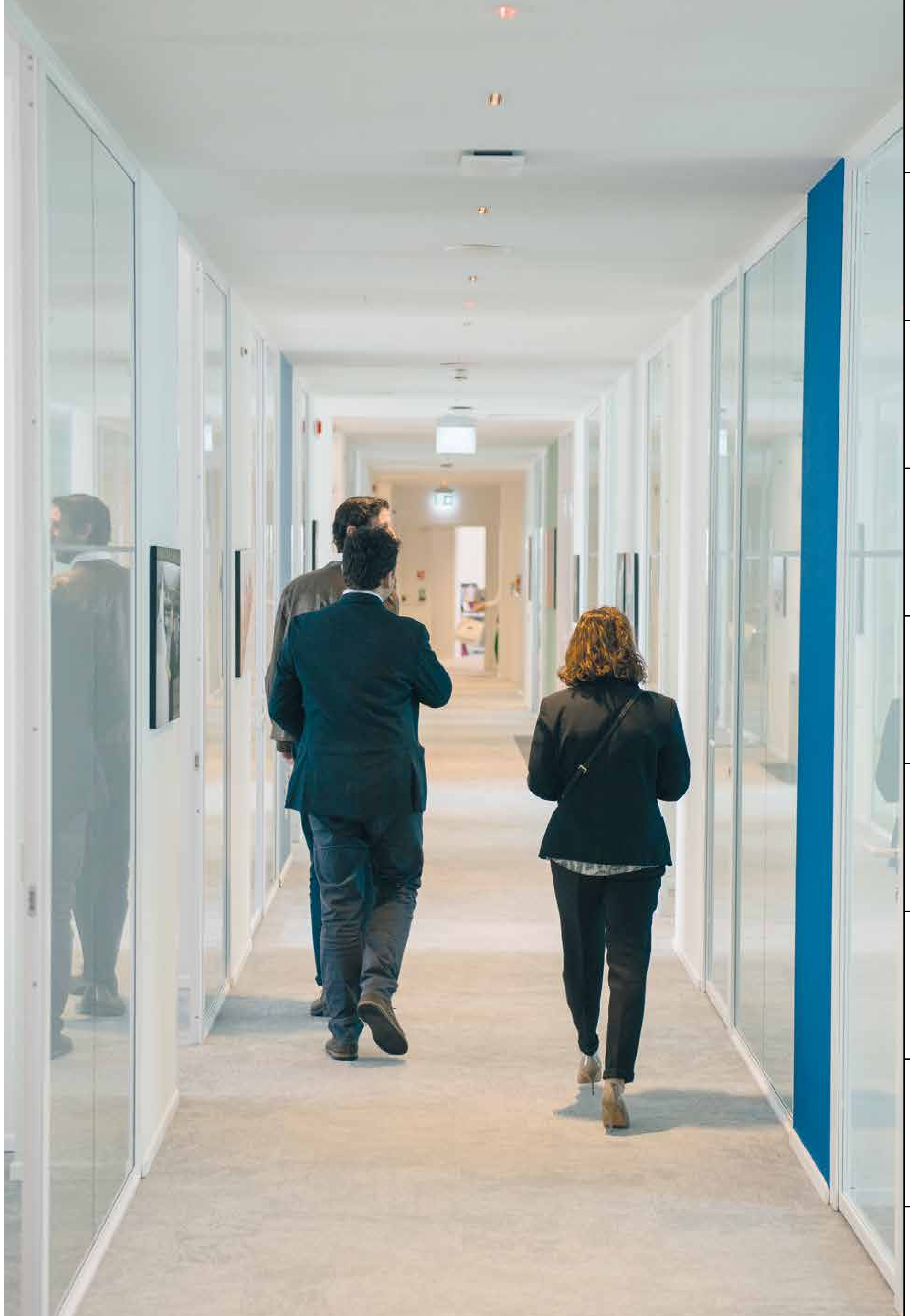
INTERNAL REGULATORY SYSTEM FRAMEWORK

In 2024, the IARC Function implemented the Internal Regulatory System Framework, an integrated model designed to enhance governance, ensure regulatory compliance, and strengthen the Internal Control System. This initiative aligns with our Group's commitment to excellence in corporate governance and adherence to best international practices, including ISO 37001 requirements. The framework establishes clear and standardized processes for the formalization, approval, publication, archiving, and updating of corporate documents, ensuring consistency and accessibility across the organization. Key benefits include:

- **Enhanced governance and control**
- **Standardization and efficiency**
- **Regulatory alignment**
- **Increased accessibility and awareness**

The implementation of this framework further strengthens our corporate governance model, supporting a proactive approach to compliance while embedding a culture of integrity and accountability across the organization.





CORPORATE LIABILITY

In 2024, Fedrigoni S.p.A. initiated updating its organizational model in accordance with the provisions of **Italian Legislative Decree No. 231/2001**. The activity is expected to be completed in early 2025 and represents a significant step towards enhancing the company's Internal Control System and strengthening its compliance framework. The Organizational Model update addresses the evolution of regulatory requirements and the identification of new sensitive areas, ensuring full alignment with best practices for crime prevention as defined by the Decree, while also serving as a strategic preparatory activity for compliance with the UNI ISO 37001 standard on Anti-Bribery Management Systems.
The risk assessment process follows a defined methodology based on interviews, gap analysis, and action planning, enabling the identification of sensitive activities, the evaluation of existing controls, and the definition of targeted improvements, with direct involvement of process owners to ensure an integrated and proactive risk mitigation approach within the updated **231 Model**.

WHISTLEBLOWING

We are committed to **maintaining a transparent and responsible corporate culture**, ensuring that employees and stakeholders can report concerns confidentially and without fear of retaliation in accordance with current regulation. To facilitate this, we provide multiple reporting channels, including a dedicated email inbox and a secure digital platform, allowing both identified and anonymous reporting. All reports are handled through a predetermined process, described in our **Global Whistleblowing Policy**, to ensure impartiality, diligence, and confidentiality.
Throughout the year, we received 6 reports through our whistleblowing channels. After thorough investigation and analysis, all 6 cases were found to be substantiated breaches of the **Code of Ethics**.
Our Group remains committed to fostering a speak-up culture, ensuring

that all reports are handled with confidentiality, impartiality, and diligence. To reinforce this commitment, we continue to invest in training and awareness initiatives, ensuring employees recognize the importance of ethical behavior and know how to report concerns safely and effectively.

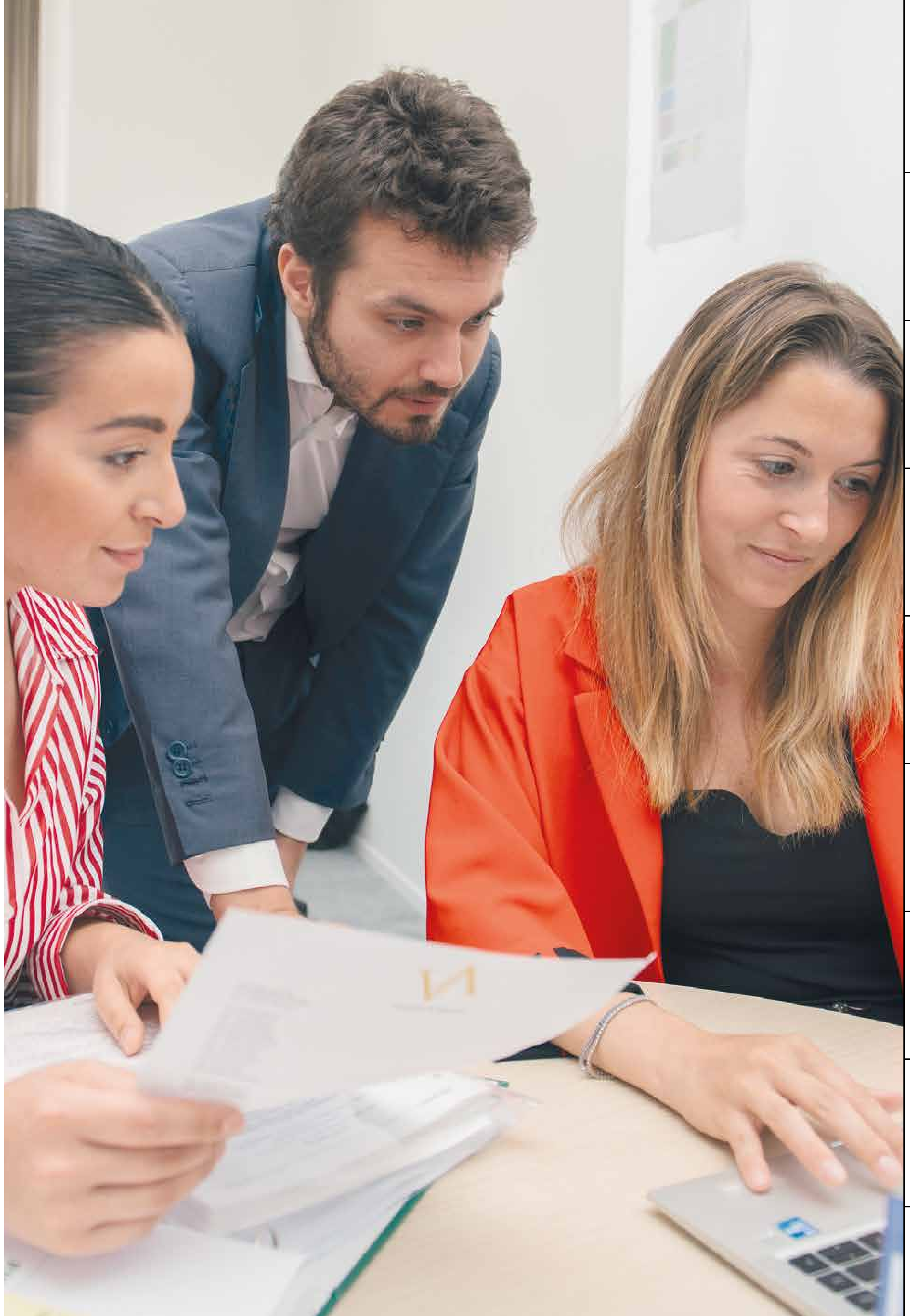
INTERNAL AUDIT

MANDATE AND INTERNATIONAL STANDARD

In accordance with the International Standards for the Professional Practice of Internal Auditing (IIA), the IARC Function submitted the **Audit Mandate** to the Audit & Risk Committee, defining its mission, scope, independence, responsibilities, and authority. In line with the objective of strengthening the Internal Control System and in adherence to international standards, the IARC Function has formalized the **Internal Auditing Procedure** in 2024, which was subsequently approved by the Audit & Risk Committee. This procedure defines the powers, objectives, and responsibilities of the IARC Function, establishing standardized guidelines for conducting audits with consistency, continuity, and stability across the organization, while detailing the methodology for planning, executing, and monitoring audit activities through a risk-based approach to ensure effective evaluation and improvement of risk management, internal controls, and corporate governance. Furthermore, it introduces mechanisms for transparent reporting to the top management and relevant governance bodies, reinforcing the company's commitment to a robust and reliable control environment.

AUDIT EXECUTION

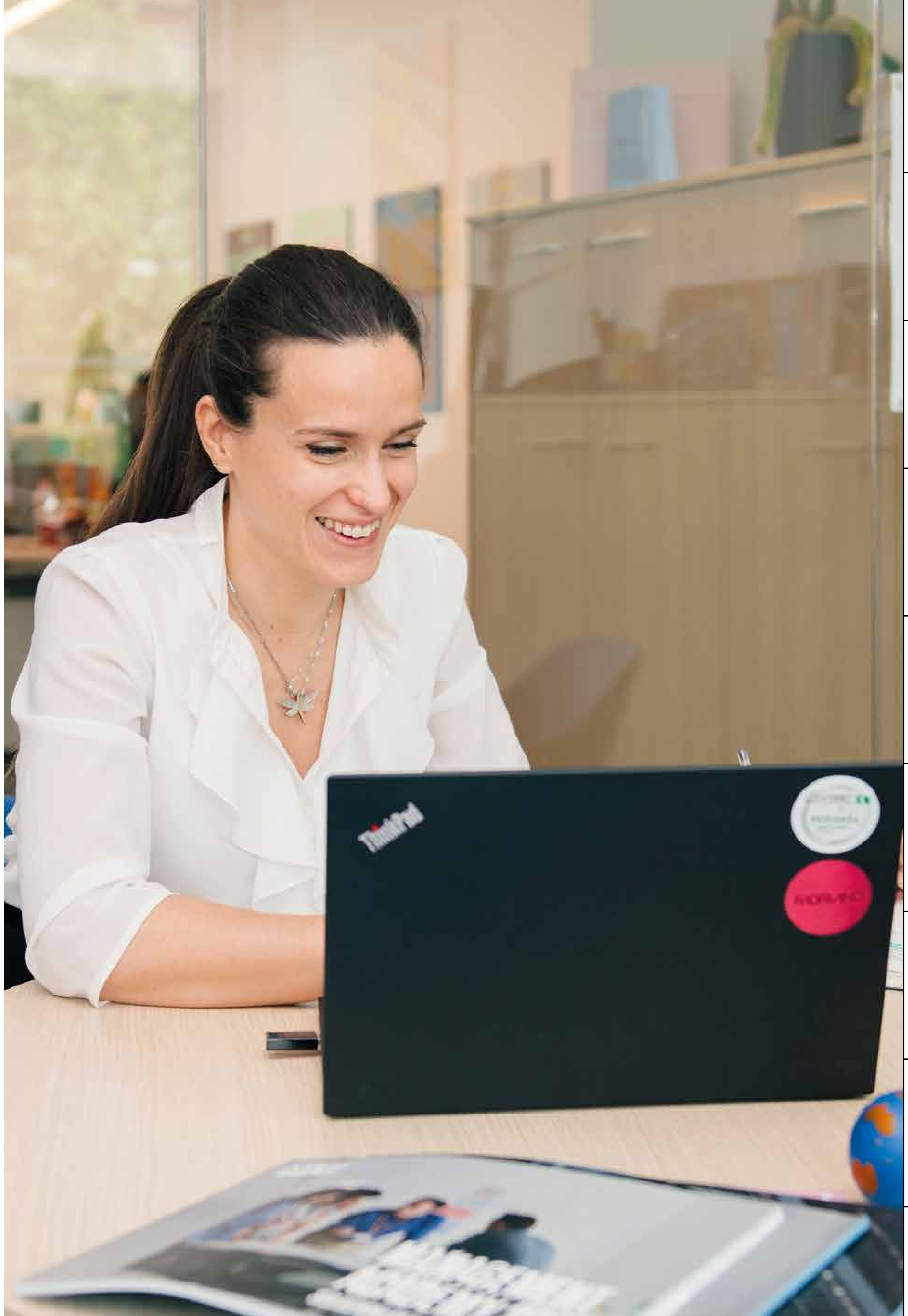
The 2024 Integrated Audit Plan was developed using a risk-based methodology to ensure an objective and data-driven selection of audit priorities. This approach evaluates each company's risk profile by considering multiple factors, including enterprise risk assessments, past audit outcomes, regulatory compliance risks, business complexity, financial indicators, and external risk factors. Companies with a higher overall risk profile were prioritized in the audit plan, ensuring a targeted and effective allocation of resources.
As a result, the IARC Function implemented an **Integrated Audit Plan**,



adopting a coordinated and risk-based approach that integrates internal audit, compliance, corporate liability controls (231 Model and ISO 37001), and anti-corruption measures. This methodology strengthened the Internal Control System, ensuring a comprehensive assessment of key risk areas, including fraud prevention and ethical business conduct.
In 2024, **10 audit activities** were carried out, exceeding the 9 initially planned, allowing for broader coverage across multiple geographical areas and business units. Audit activities were carried out in **more than 10 countries**, with a significant on-site presence to validate control implementation and engage directly with local management. The key focus areas included cybersecurity, sustainability, procurement, financial controls, compliance with regulatory frameworks, and anti-corruption policies. The results of these activities were presented to the CEO and the Audit & Risk Committee, to ensure the Group's commitment to the resolution of the action plan.
By leveraging a risk-based approach, Fedrigoni continues to enhance its internal control framework, ensuring regulatory compliance and supporting long-term business sustainability.

TRAINING

On a yearly basis, the IARC Function plans and delivers several training initiatives and awareness programs targeting all Group employees, reinforcing Fedrigoni's commitment to ethics, compliance, and responsible business conduct.
Mandatory training is delivered through a dedicated corporate platform, where employees are required to complete courses on the Code of Ethics, Corporate Liability (pursuant to Italian Legislative Decree 231/2001), and GDPR. These courses serve as a fundamental tool to **promote awareness of ethical business conduct, legal responsibilities, and data protection regulations**, reinforcing a culture of integrity, transparency, and accountability.
Alongside these mandatory courses, the IARC Function also planned and carried out several Compliance Workshops, both in person and via e-learning, involving employees at all levels, including white and blue-collar workers. These workshops focused on the principles outlined in the Code



of Ethics and the Group's Global Policies, addressing key compliance topics such as whistleblowing and anti-corruption. By providing real-world applications and case studies, these sessions helped employees gain a practical understanding of compliance requirements and ethical risk areas. Through these initiatives, we continue to strengthen its corporate culture, ensuring that all employees, regardless of role or seniority, are actively involved in fostering an ethical and responsible workplace.

COMMUNICATION

The IARC Function also carries out communication and information activities related to compliance topics through **periodic newsletters and ad hoc information** for the Leadership Team or selected groups of interested parties. In 2024, seven newsletters were addressed to strengthen sensitive topics related to Ethics and Compliance at Group or department level.
We promoted the **"Compliance Ambassadors Program"**, a training program aimed at fostering an enduring culture of Ethics and Compliance throughout the Group. The program involved strategically appointed ambassadors across our subsidiaries, who played a crucial role in promoting awareness and engagement on Ethics and Compliance topics. The ambassadors' mission remained centered on encouraging colleagues to engage with the Group Code of Ethics course, sharing Group's Global Policy-related infographics, coordinating compliance workshops, and serving as a link between remote geographies and the IARC function to ensure effective communication and localized insights.
Also, the Function promoted a compliance communication campaign aimed at spreading our Group's Global Policies into simplified infographics summarizing the key regulations. These infographics were strategically shared via the company's intranet platform and actively promoted by our committed compliance ambassadors. Leveraging their efforts, these infographics were prominently displayed throughout our facilities, including on screens in various plant locations, ensuring widespread visibility and understanding among employees.

OTHER ACTIVITIES

As regards compliance, the IARC Function manages different activities with varying levels of granularity, involving colleagues at different levels (from top management to blue collar), across different geographical areas. IARC also monitors, studies, and analyses the applicability of laws, measures, and directives relevant to the Group, serving as a filter for the organization by providing the business with operational guidelines, specific business support, compliance advice, a risk & compliance newsletter, and support to the international sanctions' regime.
The function has further strengthened its contribution by proactively assisting the business in identifying compliance and ethics risks and mitigating them through tailored solutions that improve governance and ensure regulatory compliance. In addition to its advisory role, IARC is actively involved in change management to ensure that compliance is fully integrated into strategic business initiatives.

FINANCIAL REPORT

INTRODUCTION

We present in this annual financial report (this "Annual Financial Report"):

1. certain financial and other information of Fedrigoni S.p.A. ("Fedrigoni") and its subsidiaries (the "Fedrigoni Group") as of and for the year ended December 31, 2024;
2. certain financial and other information of Fiber Bidco S.p.A. ("Fiber") and its subsidiaries (the "Fiber Group") as of and for the year ended December 31, 2023;
3. certain pro forma financial and other information as of and for the year ended December 31, 2024, and the year ended December 31, 2023, consisting of (i) certain financial and other information of the Fedrigoni Group as of and for the year ended December 31, 2024, plus (ii) certain financial and other information of the Fiber Group as of and for the year ended December 31, 2023. In 2023, we decided to explore the potential sale of a majority interest in the share capital of our fully owned subsidiary Giano in liquidazione S.r.l. ("Giano"), an Italian company operating in the Office paper business segment, a separate vertical within the Luxury Packaging and Creative Solutions. In December 2024, after several attempts, which did not lead to a feasible transfer of the Office business, the Group has decided to cease the operations of the Office paper business segment operated by Giano in this Annual Financial Report, given that, as of and for the year ended December 31, 2024 and as of and for the year ended December 31, 2023, the results of Giano are presented separately showing the effect of its contribution as discontinued operation;
4. Pro Forma Adjusted EBITDA, which consists of our Adjusted EBITDA, adjusted for certain specified items as set forth herein.

FEDRIGONI MERGER UPDATE

On December 4, 2024, Fiber Bidco S.p.A. merged into Fedrigoni S.p.A., with Fedrigoni S.p.A. being the surviving entity (the "Fedrigoni Merger"). The Fedrigoni Merger was undertaken pursuant to the provisions of Article 2501-bis and following of the Italian Civil Code.

THE ACQUISITION

On July 26, 2022, Bain Capital Private Equity signed a definitive agreement with BC Partners for the joint ownership of Fedrigoni Group (the "Acquisition"). The Acquisition closed on November 30, 2022, with the acquisition by Fiber Bidco of 99.99% of the share capital of Fedrigoni. At closing of the Acquisition, Bain Capital and BC Partners each owned, indirectly, a 45.6% stake in Fedrigoni, with the remaining 8.8% being held by certain management and minority co-investors.

KEY FINANCIAL INFORMATION

The following table provides an overview of the key results and certain information of (i) the Fedrigoni Group, for the year ended December 31, 2024, and (ii) the Fiber Group, for the year ended December 31, 2023.

(€ million)	Year ended December 31	
	Fiber Group	Fedrigoni Group
	2023	2024
Sales Revenues	1,735.3	1,890.6
Adjusted EBITDA[1]	281.9	288.3
Adjusted EBITDA Margin[2]	16.2%	15.2%
Normalized Capital Expenditures[3]	37.6	65.5
Adjusted Sales Revenues[4]		2,076.3
Pro Forma Adjusted EBITDA[1]		380.0
Pro Forma Adjusted EBITDA Margin[2]		18.3%
Pro Forma Net Financial Debt[5]		1,439.9
Pro Forma Cash Interest Expense[6]		105.6
Ratio of Pro Forma Net Financial Debt to Pro Forma Adjusted EBITDA		3,79x
Ratio of Pro Forma Adjusted EBITDA to Pro Forma Cash Interest Expense		3,59x

1 We define Adjusted EBITDA as net profit/(loss) before depreciation, amortization and impairment losses, income taxes, finance costs, finance income, results from discontinued operations, and certain income and costs that management does not consider to be representative of the underlying operations of the business because they either (a) relate to actions taken in relation to transformation projects in connection with certain acquisitions, (b) are not expected to recur within the next two years or (c) are costs associated with business combinations that are expensed as incurred. We define Pro Forma Adjusted EBITDA as Adjusted EBITDA, adjusted for certain specified items as set forth below.

Set forth below is a reconciliation of the net profit/ (loss) to Adjusted EBITDA and Pro Forma Adjusted EBITDA of, respectively, the Fiber Group for the year ended December 31, 2023, and Fedrigoni Group for the year ended December 31, 2024:

(€ million)	Year ended December 31,	
	Fiber Group	Fedrigoni Group
	2023	2024
Net profit/(loss)	(109.5)	(285.1)
Net profit from discontinued operations	2.0	29.2
Depreciation, amortization and impairment losses	112.7	127.0
Income taxes	(13.2)	20.3
Finance costs(*)	295.4	408.6
Income from equity-accounted investments in associates	6.9	(0.6)
Finance income	(39.2)	(53.1)
Non-recurring and certain M&A income and costs(A)	26.8	42.0
Adjusted EBITDA	**281.9**	**288.3**
Fedrigoni run rate cost savings(B)		54.9
Pro Forma Adjusted EBITDA		**343.2**
Tageos Acquisition and accounting adjustments(C)		21.2
Run rate cost savings related to the Tageos Acquisition(D)		0.2
Run rate cost savings related to the Guarro Acquisition(E)		0.4
Run rate cost savings related to the Fedrigoni Special Papers North America(F)		2.4
Poli-Tape Acquisition and accounting adjustments(G)		10.1
Run rate cost savings related to the Poli-Tape(H)		2.5
Pro Forma Adjusted EBITDA		380.0
Pro Forma Adjusted EBITDA		**337.7**

* *Please refer to the "Net Financial Income/(Costs)" section (page 14) for a detailed explanation of the one-time impact related to the refinancing of the 2022 Notes.*

(A) (A) Represents adjustments related to (a) in respect of the year ended December 31, 2024, (i) €23.9 million of reorganization and transformation projects related costs and accruals, gain/loss from asset acquisitions and disposals, and non-recurring costs (ii) €14.5 million of M&A fees related to the acquisition and early transformation of Fedrigoni Special Papers North America (resulting from the acquisition of certain assets of Mohawk Fine Paper Inc. ("Mohawk") and of Poli-Tape ("Poli-Tape Group") and (iii) €3.6 million for certain related party consultancy services connect with strategic projects definition and execution, and (b) in respect of the year ended December 31, 2023 (i) €21.8 million of reorganization and transformation project, gain/loss from asset disposals, and non-recurring costs (ii) €1.5 million of M&A fees and (iii) €3.5 million for certain related party consultancy services connect with strategic projects definition and execution.

(B) Represents the estimated run-rate effect on Adjusted EBITDA of cost savings that we identified and/or secured and that we expect to realize in the next 18 months and consisting of (i) cost savings of approximately €40.8 million per year arising from certain procurement initiatives, primarily including supplier negotiations, design-to-value and value engineering projects, (ii) cost savings of approximately €14.1 million per year arising from certain operational improvements driven by the reorganization and streamlining of our production process and footprint.

(C) On April 26, 2022, we entered into an agreement for the acquisition of Tageos SAS ("Tageos") (the "Tageos Acquisition"), a French company operating in the design, manufacturing and distribution of RFID inlays and tags, indirectly through the acquisition of a 50.1% interest in Tageos's holding company. The Tageos Acquisition adjustment represents the run-rate effect on Adjusted EBITDA of Tageos, as if Tageos had been acquired and consolidated into our results on January 1, 2024.

As of the date of this Annual Financial Report, Tageos is not consolidated into our results.

(D) Represents the estimated run-rate effect on Adjusted EBITDA of commercial synergies due to cross-selling of Tageos' RFID labels to Fedrigoni's customer base.

(E) Represents the estimated run-rate effect on Adjusted EBITDA of logistic synergies due to cross-selling of Guarro Casas S.A. ("Guarro") products to Fedrigoni's customer base. Guarro is a Spanish manufacturer of fine quality papers mainly for binding and creative applications which we acquired on October 19, 2022.

(F) On February 23, 2024, we acquired certain assets of Mohawk, a family-owned company that produces some of the best-know specialty papers for designers, brands and printers, establishing Fedrigoni Special Papers North America. The adjustment represents the estimated run-rate effect on Adjusted EBITDA of savings (both on procurement and operations) and commercial synergies linked to cross-selling of Fedrigoni Special Papers to the new customers' base.

(G) On June 28, 2024, we acquired an 89.9% stake in the German headquartered Poli-Tape, a group specialized in textile graphics, application tapes and sign & digital films. The adjustment represents the run-rate contribution to Adjusted EBITDA of Poli-Tape to the extent not already reflected in the Fedrigoni Group's Adjusted EBITDA, as if Poli-Tape had been acquired on January 1, 2024.

(H) Represents the estimated run-rate effect on Adjusted EBITDA of savings (mostly coming from identified initiatives on both procurement and operations) and, to a minor extent, commercial. synergies linked to cross-selling of Poli-Tape to the new customers' base.

(2) Adjusted EBITDA Margin represents Adjusted EBITDA divided by sales revenues for the periods presented. Pro Forma Adjusted EBITDA Margin is defined as Pro Forma Adjusted EBITDA divided by Adjusted Sales Revenues for the periods presented.

(3) Normalized Capital Expenditures is defined as investments in intangible assets and property, plant and equipment, net of disposals of property, plant and equipment and intangible assets and excluding Extraordinary Capital Expenditures, that are not incurred in the ordinary course of business. The Normalized Capital Expenditures to Sales ratio increased to 3.46% for the year ended December 31, 2024, from 2.17% for the year ended December 31, 2023.

The table below sets forth the calculation of Normalized Capital Expenditures relating to (i) for the year ended December 31, 2024, Fedrigoni Group's results, and (ii) for the year ended December 31, 2023, the Fiber Group's results

	Year ended December 31,	
	Fiber Group	Fedrigoni Group
	2023	2024
Investments in intangible assets	16.5	17.3
Investments in property, plant and equipment	58.0	56.8
Disposals of property, plant and equipment and intangible assets	(138.5)	(63.8)
Extraordinary Capital Expenditures (A)	101.6	55.2
Normalized Capital Expenditures	**37.6**	**65.5**

(A) Represents capital expenditures and disposals that are not considered by management to have been incurred in the ordinary course of business and includes items related to (i) the sale and lease back of certain plants previously owned and operated by Fedrigoni (the "Fedrigoni Group") across Italy, Spain and Germany (the "S&LB Transaction") (ii) the installation of new biological wastewater treatment system, and (iii) the installation of a major cogeneration turbine overhauling at plant based in Arco (Province of Trento)..

(4) Adjusted Sales Revenues represents sales revenues adjusted to include estimated net sales for the year ended December 31, 2024, generated by (i) Tageos, in an amount of €128.7 million, (ii) Poli-Tape, in an amount of €106.1 million and (iv) excluding net sales generated during the period by the Office paper business operated by Giano. Net sales of Tageos have been prepared in accordance with French GAAP and net sales of Poli-Tape have been prepared in accordance with German GAAP. French GAAP and German GAAP differ in certain respects from IFRS. As such, the adjustments representing the contribution of Tageos and Poli-Tape might have been substantially different if they had been aligned to, or prepared in accordance with, IFRS..

(5) Pro Forma Net Financial Debt represents non-current liabilities due to banks and other lenders plus current liabilities due to banks and other lenders, minus cash and cash equivalents, on an adjusted basis after giving effect to the Transactions as if they had occurred on December 31, 2024. Pro Forma Net Financial Debt includes (i) €665.0 million in aggregate principal amount outstanding under Fedrigoni S.p.A.'s (previously, Fiber Bidco S.p.A.'s) Senior Secured Floating Rate Notes due 2030 (the "FRNs") (ii) €430.0 million in aggregate principal amount outstanding under Fedrigoni S.p.A.'s (previously Fiber Bidco S.p.A.'s) Senior Secured Fixed Rate Notes due 2031 (the "SSNs"), (iii) €177.1 million of lease liabilities associated with the S&LB Transaction, (iv) €88.7 million of other lease liabilities (representing current and non-current leases, excluding the lease liabilities associated with the S&LB Transaction), (v) €90.0 in aggregate principal amount outstanding under the SACE Facility, (vi) €89.6 million of non-cash accelerated amortized costs related to the refinancing of the 2022 Notes, (vii) €27.6 million referred to the expected impact of the wind-down of Giano's Office business, not yet materialized and (viii) €60.8 million related to other debt less, (ix) €188.9 million of cash as of December 31, 2024. Pro Forma Net Financial Debt includes the impact of Tageos, which is €28.2 million net.

To illustrate the non-recurring impact of the issuance of the FRNs and the SSNs, the early redemption of the 2022 Fiber Floating Rate Notes and 2022 Fiber Fixed Rate Notes, as well as the M&A transactions we completed in the year ended December 31, 2024, and the estimated effect of the wind-down of the Giano's Office business, we include the following table representing our Pro Forma Net Financial Debt as of December 31, 2024, on a December 31, 2023 like-for-like basis, that is excluding (i) the cash and non-cash impact of the early redemption of the 2022 Notes, driven by the two refinancings, and (ii) the cash outflows related to the M&A transactions completed in the year ended December 31, 2024, (iii) the estimated cash/indebtedness impact of the disposal / winddown from the Office business:

	Year ended December 31,
	Fedrigoni Group
(€ million)	2024
Pro Forma Net Financial Debt	**1,439.9**
Refinancing - Early redemption costs (2022 Fiber Floating Rate Notes & 2022 Fiber Fixed Rate Notes)	(38.2)
Refinancing - Non-cash accelerated amortization (2022 Fiber Floating Rate Notes)	(71.8)
Refinancing - Non-cash accelerated amortization (2022 Fiber Fixed Rate Notes)	(17.8)
Repayment of Shareholder Loan (including interest)	(56.1)
M&A - Acquisition of certain assets of Mohawk and the acquisition of Poli-Tape Group	(196.8)
Office business wind-down	(27.6)
Like-for-like Pro Forma Net Financial Debt	**1,031.6**

(6) Pro Forma Cash Interest Expense represents the estimated cash interest expense of the Fedrigoni Group on an as adjusted basis for the year ended December 31, 2024, after giving pro forma effect to the issuance of the SSNs and the FRNs and their respective use of proceeds as if they occurred on January 1, 2024, and does not account for interest expense on the 2022 Notes redeemed during the period. Pro Forma Cash Interest Expense has been presented for illustrative purposes and does not purport to represent what our interest expense would have been had the offering of the SSNs and FRNs and their use of proceeds occurred on January 1, 2024, nor does it purport to project our interest expense for any future period or our financial position at any future date. The figure also includes the impact of Tageos, which is €0.8 million.

RESULTS OF OPERATIONS

FINANCIAL STATEMENTS

The following table provides an overview of the results of operations of Fedrigoni Group for the year ended December 31, 2024, and of Fiber Group for the year ended December 31, 2023.

(€ million)	Year ended December 31,	
	Fiber Group	Fedrigoni Group
	2023	2024
Sales revenues	1,735.3	1,890.6
Other operating income	133.3	152.3
Cost of materials	(999.6)	(1,107.1)
Cost of services	(332.0)	(383.0)
Cost of personnel	(262.4)	(323.8)
Other costs	(13.9)	(17.8)
Depreciation, amortization and impairment losses	(112.7)	(127.0)
Change in inventories of work in progress, semifinished goods and finished products	(12.4)	27.8
Cost of capitalized in-house work	6.8	7.3
Operating income	**142.4**	**119.3**
Financial income	39.2	53.1
Finance costs	(295.4)	(408.6)
Net financial income/(costs)	**(256.2)**	**(355.5)**
Share of profits of associates	**(6.9)**	**0.6**
(Loss)/Profit before tax	**(120.7)**	**(235.6)**
Income tax	13.2	(20.3)
Net profit/(loss) from continuing operations	(107.5)	(255.9)
Net profit/(loss) from discontinued operations	(2.0)	(29.2)
Net profit/(loss)	**(109.5)**	**(285.1)**
Net profit/(loss) attributable to owners of the parent	(109.6)	(285.2)
Net profit/(loss) attributable to minority interests	0.1	0.1

DISCUSSION OF THE GROUP RESULTS OF OPERATIONS

SALES REVENUES

Sales Revenues by Reporting Segment and Business Line

Sales revenues increased by €155.3 million, or 8.9%, to €1,890.6 million for the year ended December 31, 2024, from €1,753.3 million with respect to the twelve months ended December 31, 2023. The table below shows the total sales by reporting segment for the years ended December 31, 2024, and 2023 of, respectively, the Fedrigoni Group and the Fiber Group:

(€ million)	Year ended December 31	
	Fiber Group	Fedrigoni Group
	2023	2024
Luxury Packaging and Creative Solutions Segment	716.3	798.3
Fedrigoni Self-Adhesives/Labels Segment	1,046.8	1,139.4
Interdivision elimination	(27.8)	(47.1)
Sales revenues	1,735.3	1,890.6

Sales revenues in the Fedrigoni Luxury Packaging and Creative Solutions increased by €82.0 million, or 10.3%, to €798.3 million for the year ended December 31, 2024, from €716.3 million for the year ended December 31, 2023. This increase was due to an improved organic mix and to the positive contribution of the full consolidation of the Arjowiggins Group starting from December 2023 and of Fedrigoni Special Papers North America (which we established following the acquisition of certain assets of Mohawk) from February 2024.

Sales revenues in the Fedrigoni Self-Adhesives Segment increased by €92.6 million, or 8.1%, to € 1,139.4 million for the year ended December 31, 2024, from €1,046.8 million for the year ended December 31, 2023. This increase was primarily due to an organic increase in sales volumes and to the positive contribution of the full consolidation of Poli-Tape Group starting from end of June 2024.

Sales Revenues by Geographic Area

The following tables show our sales by country and respective reporting segment of the Fiber Group, for the year ended December 31, 2023, and of the Fedrigoni Group, for the year ended December 31, 2024.Sales revenues in Italy increased by €30.2 million, or 9.0%, to €364.8 million for the year ended December 31, 2023, from €334.6 million for the year ended December 31, 2022. This increase was primarily due to a recovery of sales in the Luxury Packaging and Creative Solutions Segment in the domestic market, partially offset by the exclusion of sales revenues generated from the office paper business operated by Giano S.r.l..

(€ million)	Year ended December 31	
	Fiber Group	Fedrigoni Group
	2023	2024
Italy	**364.8**	**370.9**
Luxury Packaging and Creative Solutions Segment (*)	193.1	203.3
Fedrigoni Self-Adhesives/Labels Segment (*)	180.7	181.8
Rest of Europe	**842.2**	**850.3**
Luxury Packaging and Creative Solutions Segment (*)	340.1	305.1
Fedrigoni Self-Adhesives/Labels Segment (*)	520.1	574.0
Rest of world	**528.3**	**669.4**
Luxury Packaging and Creative Solutions Segment (*)	183.1	289.9
Fedrigoni Self-Adhesives/Labels Segment (*)	346.0	383.6
Total	**1,735.3**	**1,890.6**

(*) Sales revenues by segment include interdivision sales.

Sales revenues in Italy increased by €6.1 million, or 1.6%, to €370.9 million for the year ended December 31, 2024, from €364.8 million for the year ended December 31, 2023. The domestic sales revenues for the year ended December 31, 2024, are substantially in line with the sales revenues generated for the year ended December 31, 2023.

Sales revenues in the Rest of Europe increased by €8.1 million, or 1.0%, to €850.3 million for the year ended December 31, 2024, from €842.2 million for the year ended December 31, 2023. This increase was mainly due to the positive contribution of the full consolidation of Poli-Tape Group starting from end June 2024.

Sales revenues in the Rest of World increased by €141.1 million, or 21.1%, to €669.4 million the year ended December 31, 2024, from €528.3 million for the year ended December 31, 2023. This increase was mainly due to (i) the positive contribution of the full consolidation of Arjowiggins China and its subsidiaries (together, the "Arjowiggins Group") starting from December 2023 and of Fedrigoni Special Papers North America from February 2024 into our Luxury Packaging and Creative Solutions segment ("LPCS") and (ii) higher sales volumes generated by the Fedrigoni Self-Adhesives segment ("FSA") in the Latin American region ("LATAM").

Other Operating Income

Other operating income increased by €19.0 million, or 14.3%, to €152.3 million for the year ended December 31, 2024, from €133.3 million for the year ended December 31, 2023. This increase was mainly due to (i) a one-time capital gain from a real estate sales and lease-back operation (the S&LB Transaction) and a one-time income from the acquisition of certain assets of Mohawk in the US, which we both classified as non-recurring and (ii) increased sales of energy as part of our ordinary energy/environmental related income.

Cost of Materials

Cost of materials increased by €107.5 million, or 10.8%, to €1,107.1 million for the year ended December 31, 2024, from €999.6 million for the year ended December 31, 2023. This increase was primarily attributable to (i) increased sales volumes (ii) the negative impact of inflationary trend on the costs of raw materials, mainly pulp, and (iii) the impact from the consolidation of the Arjowiggins Group from December 2023, the consolidation of Fedrigoni Special Papers North America from February 2024 and the consolidation of Poli-Tape Group from the end of June 2024. Costs of materials accounted for 58.6% of our sales revenues for the year ended December 31, 2024, from 57.6% for year ended December 31, 2023.

Cost of Services

Cost of services increased by €51.0 million, or 15.4%, to €383.0 million for the year ended December 31, 2024, from €332.0 million for the year ended December 31, 2023. The increase was primarily due to (i) the full consolidation of the Arjowiggins Group from December 2023, the consolidation of Fedrigoni Special Papers North America from February 2024 and the consolidation of Poli-Tape Group from the end of June 2024, (ii) higher transportation costs and utilities expenses driven by the increase of our sales volumes and (iii) an increase in non-recurring consultancy fees driven by M&A transactions and strategic transformation and integration activities during the period. Cost of services accounted for 20.3% of our sales revenues for the year ended December 31, 2024, from 19.1% for the year ended December 31, 2023.

Cost of Personnel

Cost of personnel increased by €61.4 million, or 23.4%, to €323.8 million for the year ended December 31, 2024, from €262.4 million for the year ended December 31, 2023. This increase was primarily due to the consolidation of Arjowiggins Group from December 2023, the consolidation of Fedrigoni Special Papers North America from February 2024 and the consolidation of Poli-Tape Group from the end of June 2024. Cost of personnel accounted for 17.1% of our sales revenues for the twelve months ended December 31, 2024, from 15.1% for the twelve months ended December 31, 2023.

Other Costs

Other costs increased by €3.9 million, or 28.1%, to €17.8 million for the year ended December 31, 2024, from €13.9 million for the year ended December 31, 2023. This decrease was primarily due to (i) the release of the allowance for risks related to the Security business disposed in 2021, partially offset by (ii) an increase in write-downs of receivables, mainly connected to the reorganization of our commercial distributors footprint in LATAM and (ii) a one-time capital loss related to the sales and lease back of one of our Italian plants as part of the S&LB Transaction. Other costs accounted for 0.9% of Fedrigoni Group's sales revenues for the year ended December 31, 2024, from 0.8% of Fiber Group's sales revenues for the year ended December 31, 2023.

Depreciation, Amortization and Impairment Losses

Depreciation, amortization and impairment losses increased by €14.3 million, or 12.7%, to €127.0 million for the year ended December 31, 2024, from €112.7 million for the year ended December 31, 2023. The increase in the depreciation, amortization and impairment losses for the year ended December 31, 2024, was primarily due to the consolidation of Arjowiggins Group starting from December 2023, the consolidation of Fedrigoni Special Papers North America from February 2024 and the consolidation Poli-Tape Group starting from the end of June 2024.

Net Financial Income/(Costs)

Net financial costs increased by €99.3 million, or 38.8%, to €355.5 million for the year ended December 31, 2024, from €256.2 million for the year ended December 31, 2023. This increase was primarily due to (i) the non-cash accelerated booking of amortized costs related to the redeemed 2022 Fiber Floating Rate Notes and the redeemed 2022 Fiber Fixed Rate Notes, following their early redemption on January 22, 2024, and on May 20, 2024, respectively, (ii) one-time costs related to the early redemption of the 2022 Notes, and (iii) the increase of interest expenses on leases after the real estate sales and lease transaction, partially offset by (iv) the recurring decrease of interest expenses which we recorded in the period as a result of the redemption of the 2022 Notes. It is worth noting that the increase in our net financial costs driven by the accelerated booking of amortized costs under (i) above represents a one-off and non-cash variation, which is entirely driven by the IFRS accounting treatment associated with the FRNs issued on January 22, 2024, and the SSNs issued on May 20, 2024.

Income Taxes

Income taxes increased by €33.5 million, or 253.8%, to €20.3 million of costs for the year ended December 31, 2024, from €13.2 million of income for the year ended December 31, 2023. The increase of the year ended December 31, 2024, compared to the same period in 2023 was mainly driven by income tax on the capital gains recorded as a result of the S&LB Transaction.

Key Earning Figures

Operating Income

Operating income decreased by €23.1 million, or 16.2%, to €119.3 million for the year ended December 31, 2024, from €142.4 million for the year ended December 31, 2023. This decrease was primarily due to the impact of higher M&A costs related to the acquisitions completed during 2024, classified as transformation costs.

Adjusted EBITDA

Adjusted EBITDA increased by €6.4 million, or 2.3%, to €288.3 million for the year ended December 31, 2024, from €281.9 million for the year ended December 31, 2023. This increase was primarily due to (i) a mix improvement in both the Fedrigoni Self-Adhesives Segment and the Luxury Packaging and Creative Solutions Segment and an organic increase in sales volumes generated the Fedrigoni Self-Adhesives Segment, and (ii) the positive contribution of the consolidation of the Arjowiggins Group starting from December 2023, of Fedrigoni Special Papers North America from February 2024 and of Poli-Tape Group starting from end June 2024.

The following table shows our Adjusted EBITDA by reporting segment for the Fiber Group for the year ended December 31, 2023, and for the Fedrigoni Group year ended December 31, 2024:

(€ million)	Year ended December 31, 2024	
	Fedrigoni Group	
	LPCS	FSA
Sales to third Parties	753.6	1,137.0
Sales to other Group companies	44.8	2.4
Total sales revenues	**798.4**	**1,139.4**
Other operating expense / income	(647.6)	(1,043.9)
Transformation costs	21.7	15.2
Other non-recurring expenses / income	(31.2)	36.5
Managerial Adjusted EBITDA*	**141.2**	**147.2**

(€ million)	Year ended December 31, 2023	
	Fiber Group	
	LPCS	FSA
Sales to third Parties	690.9	1,044.5
Sales to other Group companies	25.5	2.3
Total sales revenues	**716.4**	**1,046.8**
Other operating expense / income	(569.3)	(938.8)
Transformation costs	15.6	10.7
Other non-recurring expenses / income	(11.2)	11.7
Managerial Adjusted EBITDA*	**151.5**	**130.4**

(*) Other operating expense and income also include a managerial adjustment to better reflect the impact of certain energy and pricing elements across the segments.

Managerial adjusted EBITDA in the Luxury Packaging and Creative Solutions decreased by €10.3 million, or 6.8%, to €141.2 million for the year ended December 31, 2024, from €151.5 million for the year ended December 31, 2023. This decrease was primarily due to lower volumes primarily driven by a softer demand in the luxury market, only partially compensated by an improved mix.

Managerial adjusted EBITDA in the Fedrigoni Self-Adhesives Segment increased by €16.8 million, or 12.9%, to €147.2 million for the year ended December 31, 2024, from €130.4 million for the year ended December 31, 2023. This increase was primarily due to (i) an increase in sales volumes in the Fedrigoni Self-Adhesives Segment driven by increased demand in LATAM and (ii) full consolidation of Poli-Tape Group starting from end June 2024.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are cash flows from operating activities, bank credit lines and other forms of indebtedness, including the Revolving Credit Facility. The primary needs for liquidity are to fund working capital, repay debt and make investments to develop our business. The Group believes that the current cash flow from operating activities and existing bank financing will provide it with sufficient liquidity to meet current working capital needs.

Cash Flows

The table below sets forth a summary of the condensed consolidated statements of cash flows of (i) the Fiber Group results, for the year ended December 31, 2023, and (ii) the Fedrigoni Group results, for the year ended December 31, 2024:

(€ million)	Year ended December 31,	
	Fedrigoni Group	Fiber Group
	2024	2023
Cash flow from operating activities	223.3	118.4
Cash flow used in investing activities	(71.4)	61.5
Cash flow used in financing activities	(209.6)	(56.8)
Increase/(decrease) in cash and cash equivalents	**(57.8)**	**123.1**
Cash and cash equivalents at the beginning of the period	239.4	117.5
Effects of exchange rate changes on the balance of cash held in foreign currencies	0.1	(1.3)
Cash and cash equivalents at the end of the period	**181.7**	**239.4**

In the year ended December 31, 2024, cash flow from operating activities amounted to a cash inflow of €223.3 million, mainly driven by cash flow generated from operating activities before movement in working capital and positive change in trade working capital.

Cash flow used in investing activities amounted to a cash outflow of €71.4 million, mainly due to (i) the acquisition of certain assets from Mohawk, (ii) the acquisition of the 89.9% stake in Poli-Tape Group and (iii) the cash outflow for the acquisition of new tangible and intangible assets, partially offset by (iv) the cash inflow from the second closing of the S&LB Transaction.

Cash flow from financing activities amounted to a net cash outflow of €209.6 million, primarily resulting from (i) the partial repayment of Shareholder Loan to Fiber MidCo, (ii) cash outflows related to the early redemption of the 2022 Notes, (iii) early repayment of certain indebtedness of Poli-Tape, consisting primarily of medium-long term loans with banks, due to a change of control clause, (iv) payment of interest on indebtedness outstanding during the period, partially compensated by (i) the positive effect from the issuance of the FRNs and the SSNs and (ii) the positive effect from amounts borrowed under the SACE Facility.

Trade Working Capital

The table below sets forth a summary of the change in trade working capital of Fiber Group for the year ended December 31, 2023, and of Fedrigoni Group for the year ended December 31, 2024.

(€ million)	Year ended December 31,	
	Fiber Group	Fedrigoni Group
	2023	2024
Change in trade receivables	59.0	(1.9)
Change in trade payables	(116.0)	115.6
Change in inventories	150.8	(19.6)
Change in Trade Working Capital	**93.8**	**94.1**

Indebtedness

In connection with the Acquisition, Fiber Bidco issued €300,000,000 in aggregate principal amount of 11.00% Senior Secured Notes due 2027 (the "2022 Fiber Fixed Rate Notes") and €577,967,696 Senior Secured Floating Rate Notes due 2027 (the "2022 Fiber Floating Rate Notes" and, together with the 2022 Fiber Fixed Rate Notes, the "2022 Notes"). In addition, Fiber Bidco issued €147,032,304 in aggregate principal amount of Senior Secured Floating Rate Notes (the "Exchanged Notes"), having substantially the same terms as the 2022 Fiber Floating Rate Notes, which on the closing date of the Acquisition were exchanged for an equivalent amount of additional 2022 Fiber Floating Rate Notes.

On November 9, 2022, Fiber Bidco issued additional €56,349,000 in aggregate principal amount of Fiber Fixed Rate Notes. In addition, Fiber Bidco privately placed €8,564,000 in aggregate principal amount of additional Fiber Fixed Rate Notes and €10,087,344 in aggregate principal amount of additional Fiber Floating Rate. In connection with the Acquisition, Fiber Bidco also entered into a revolving credit facility with availability of up to €150,000,000 (the "Revolving Credit Facility").

As of the date of this Annual Financial Report, our Revolving Credit Facility has been drawn, in April, for €25,000,000.

On January 22, 2024, Fiber Bidco issued €665,000,000 in an aggregate principal amount of Senior Secured Floating Rate Notes due 2030 (the "FRNs").

Proceeds from the offering of the FRNs were used, together with cash on hand and certain proceeds from the S&LB Transaction, to redeem €735,087,344 in aggregate principal amount outstanding under the 2022 Fiber Floating Rate Notes.

On January 22, 2024, certain lenders made available an additional facility under the Revolving Credit Facility agreement in an aggregate principal amount of €30.0 million, by way of a fungible increase of the total commitments under the Revolving Credit Facility resulting in total commitments of €180.0 million.

On January 24, 2024, Fedrigoni S.p.A. signed a loan agreement with a pool of banks up to a maximum amount equal to €90 million, 80% guaranteed by SACE S.p.A. (with the application of a variable interest rate equal to 3 months Euribor + 250bp), having a term of 5 years with a grace period of 18 months. The loan is mainly aimed at permitting additional investments and increasing working capital availability (the "SACE Facility").

On January 30, 2024, Fedrigoni S.p.A. and certain of its subsidiaries have met all the conditions to complete the second portion of a sale and lease back transaction concerning some plants previously owned and operated by the Fedrigoni Group across Italy (for approximately half of the overall portfolio, the other half of which closed in November 2023, the "S&LB Transaction"). In the context of the S&LB Transaction, which was aimed at improving the capital structure, the plants have been sold to a real estate investment fund and simultaneously leased back to the Fedrigoni Group, which will continue to run its production as it used to be prior to the S&LB Transaction.

On May 20, 2024, Fiber Bidco completed the issuance of €430.0 million in aggregate principal amount of its 6.125% Senior Secured Fixed Rate Notes due 2031 (the "SSNs"), and Fiber Midco S.p.A. ("Fiber Midco"), the immediate parent company of Fiber Bidco, completed the issuance of €300.0 million in aggregate principal amount of Senior HoldCo Pay-If-You-Can Toggle Notes due 2029 (the "Toggle Notes" and, together with the SSNs, the "Notes"). The Toggle Notes will bear an initial rate of interest per annum equal to 10.00%, to the extent interest is paid in cash, and an initial rate of 10.75%, to the extent Fiber Midco is entitled and elects to defer the payment of interest in cash until the Toggle Notes mature or are redeemed in full in accordance with the provisions of the Toggle Notes indenture. The applicable interest rate under the Toggle Notes for each interest period increases following each interest period for which the payment of interest is deferred. The proceeds from the Notes were used, together with cash on hand, primarily to (i) redeem Fiber Bidco's 2022 Fixed Rate Notes and pay any accrued or unpaid interest thereon, (ii) redeem the vendor notes issued by Fiber Midco in connection with the acquisition of Fedrigoni and pay any accrued and unpaid interest thereon, and (iii) to repay in full and cancel the indebtedness

outstanding under the vendor loan made available to Fiber Midco by a minority co-investor in connection with the acquisition of Fedrigoni, including any accrued and unpaid interest thereon. Other than in connection with such transactions, there have been no other material changes to Fiber Bidco's indebtedness during the year ended December 31, 2024, since our previous annual financial reporting.
We and our affiliates continually assess market conditions for beneficial opportunities to raise capital to refinance our or their existing debt and/or finance our business activities. To that end, we may choose to raise additional financing, depending on market conditions and other circumstances.
We or an affiliate may, from time to time, depending on market conditions and other factors, repurchase or acquire an interest in our outstanding indebtedness, whether or not such indebtedness trades above or below its face amount, for cash and/or in exchange for other securities or other considerations, in each case in open market purchases and/or privately negotiated transactions or otherwise.

Other Disclosures
As of the date of this Annual Financial Report, there have been no material changes to our business, risk factors, management and related party transactions since December 31, 2024, other than as disclosed herein.

Accounting Standards
Unless otherwise stated, the financial information presented herein has been prepared in accordance with IFRS Accounting Standards.
The Annual Financial Statements and various other numbers and percentages set forth in this Annual Financial Report are presented in Euro, rounded to the nearest hundred thousand, unless otherwise noted. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding.
The income statements of the Group have been prepared using the "nature of expense" rather than the "cost of sales" method. In the nature of expense method, expenses are classified in the income statement according to their nature (for example, cost of materials and personnel expenses) and not among various functions within the entity. As a result, income statements presented in accordance with the nature of expense method do not show gross profit. Income statements presented in accordance with the cost of sales method, by contrast, classify expenses according to their function as part of cost of sales (for example, the costs of distribution or administrative activities). Profit, however, is unaffected regardless of whether the nature of expense or cost of sales method is chosen.

DISCLAIMERS

PRO FORMA RESULTS
In this Annual Financial Report, we present Pro Forma Adjusted EBITDA to give effect to certain accounting adjustments, run-rate effects of certain cost savings that we expect to realize and the estimated run-rate effect of other cost savings that we expect to realize. The unaudited adjustments to our Adjusted EBITDA are based on currently available financial information and certain assumptions that we believe are reasonable and factually supportable.
Neither the pro forma financial information nor the Pro Forma Adjusted EBITDA included herein has been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act or any generally accepted accounting standards. Neither the assumptions underlying the pro forma financial information nor the Pro Forma Adjusted EBITDA have been audited or reviewed in accordance with any generally accepted accounting standards. Any reliance you place on this information should fully take this into consideration.
The Pro forma financial and other information presented in this Annual Financial Report is the mathematical sum of its components, has been prepared for illustrative purposes only and has not been calculated on the basis of IFRS or any other recognized accounting standards.

NON-IFRS MEASURES
In this Annual Financial Report, we present certain financial measures that are not recognized by IFRS or any other generally accepted accounting principles and that may not be permitted to appear on the face of our financial statements or footnotes thereto (our "Non-IFRS Measures"), including information provided under "Key Financial Information," and may have been derived from management estimates and have not been audited or otherwise reviewed by outside auditors, consultants or experts.
Our Non-IFRS Measures are calculated as described in the footnotes to the table included under Key Financial Information above. By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortization, historical cost and age of assets, financing and capital structures and taxation positions or regimes, we believe EBITDA-based measures and other Non-IFRS Measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated.
Different companies and analysts may calculate EBITDA-based measures and other Non-IFRS Measures differently, so comparisons among companies on this basis should be made carefully. EBITDA-based measures and other Non-IFRS Measures are not measures of performance under IFRS and should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of our operations in accordance with IFRS. As such, you should be relying primarily on our Financial Statements and using these Non-IFRS Measures only as a supplement to evaluate our performance.

FORWARD-LOOKING STATEMENTS
Certain information contained in this Annual Financial Report may constitute "forward-looking statements," which may be identified by the use of forward-looking terminology such as "will," "would," "expect," "project," "estimate," "intend," "maintain," or "continue" or the negatives thereof or other variations thereon or comparable terminology or other forms of projections. By their nature, forward-looking statements involve risks and uncertainties. You are cautioned that forward-looking statements are not guarantees of future performance and that due to various risks and uncertainties, actual events or results or the actual performance may differ materially from those reflected or contemplated in such forward-looking statements or projections. All forward-looking statements, projections, objectives, estimates and forecasts contained in this presentation apply only as of the date hereof and we do not undertake any obligation to update this information, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

NOTICE
This Annual Financial Report constitutes a public disclosure of inside information under Regulation (EU) 596/2014 (April 16, 2014).

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Fedrigoni S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Fedrigoni S.p.A. and its subsidiaries (the "Fedrigoni Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Fedrigoni S.p.A. in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other aspects

This auditors' report is not issued for Italian statutory purposes, due to the fact that Fedrigoni S.p.A. has opted for the exemption foreseen by art. 27, paragraph 3, of Italian Legislative Decree 127/1991 and has prepared the consolidated financial statements on a voluntary basis.

Responsibilities of the Directors for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and, within the

terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Fedrigoni Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of Fedrigoni S.p.A. or the termination of the business or have no realistic alternatives to such choices.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;

- obtain 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 Fedrigoni Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- conclude 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 Fedrigoni Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Fedrigoni Group to cease to continue as a going concern;

Deloitte.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fedrigoni Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE & TOUCHE S.p.A.

Luca Lorenzetti
Partner

Verona, Italy
April 28, 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euros)		At December 31,	
	Note	2024	2023
Non-current assets			
Property, plant and equipment	6	552,698	491,778
Intangible assets	7	2,286,404	2,197,887
Investment property	8	203	203
Equity-accounted investments	9	54,571	51,882
Tax credits	10	8,314	13,135
Deferred tax assets	11	96,614	72,766
Other non-current assets	13	41,478	28,892
Total non-current assets		**3,040,282**	**2,856,543**
Current assets			
Inventories	12	403,596	345,904
Trade receivables	14	98,146	83,864
Tax credits	10	15,159	10,666
Other current assets	13	107,076	97,913
Cash and cash equivalents	15	181,715	239,384
Derivatives	16	6,919	-
Total current assets		**812,611**	**777,731**
Non-current assets held for sale		-	44,012
Total assets		**3,852,893**	**3,678,286**
Share capital		40,000	40,000
Reserves and retained earnings/losses		853,380	1,136,432
Equity attributable to owners of the parent	**17**	**893,380**	**1,176,432**
Non-controlling interests		**9,353**	**325**
Total equity		**902,733**	**1,176,757**
Non-current liabilities			
Due to banks and other lenders	18	1,442,718	1,159,151
Due to controlling shareholder	19	322,056	330,876
Employee benefits	20	12,502	12,304
Provisions for risks and charges	21	40,233	28,664
Deferred tax liabilities	11	254,939	233,507
Other non-current liabilities	22	9,928	14,712
Derivatives	16	1,808	1,884
Total non-current liabilities		**2,084,184**	**1,781,098**
Current liabilities			
Due to banks and other lenders	18	133,400	109,379
Due to controlling shareholder	19	-	-
Trade payables	22	615,849	461,264
Tax liabilities	23	5,554	4,475
Other current liabilities	22	111,022	85,372
Derivatives	16	151	16,049
Total current liabilities		**865,976**	**676,539**
Liabilities associated with assets held for sale		-	43,892
Total liabilities		**2,950,160**	**2,501,529**
Total equity and liabilities		**3,852,893**	**3,678,286**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euros)		Year ended December 31,	
	Note	2024	2023
Sales revenues	*24*	1,890,616	1,735,344
Other operating income	*25*	152,292	133,252
Cost of materials	*26*	(1,107,105)	(999,623)
Cost of services	*27*	(383,044)	(331,960)
Cost of personnel	*28*	(323,841)	(262,376)
Other costs	*29*	(17,768)	(13,957)
Depreciation, amortization and impairment losses	*30*	(126,985)	(112,676)
Change in inventories of work in progress, semifinished goods and finished products		27,780	(12,446)
Cost of capitalized in-house work		7,336	6,847
Operating income		**119,281**	**142,405**
Financial income		53,097	39,191
Finance costs		(408,566)	(295,372)
Net financial income/(costs)	*31*	(355,469)	(256,181)
Share of profits/(loss) of associates		**629**	**(6,890)**
Loss before tax		**(235,559)**	**(120,666)**
Income tax	*32*	(20,393)	13,153
Net loss from continuing operations		**(255,951)**	**(107,513)**
Discontinued operations			
Net loss after income tax from discontinued operations	*33*	(29,151)	(2,027)
Net loss		**(285,102)**	**(109,540)**
Attributable to:			
Attributable to:			
- owners of the Parent		(285,166)	(109,592)
- non-controlling interests		64	52
Earnings/(loss) per share (in Euros): - basic and diluted	*34*	(7.13)	(2.74)
Earnings/(loss) per share (in Euros): - basic and diluted from continuing operations	*34*	(6.26)	(2.69)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of Euros)	At December 31,	
	2024	2023
Net profit for the year	**(285,102)**	**(109,540)**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on defined benefit plans	594	249
Income tax relating to actuarial losses	(41)	7
	553	**256**
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	4,850	(4,082)
Effective portion of gains/(losses) on hedging instruments (cash flow hedge)	6,205	(4,026)
Income tax relating to cash flow hedge	(1,801)	695
	9,254	**(7,413)**
Other comprehensive income/(loss) for the period, net of income tax	**9,807**	**(7,157)**
Comprehensive (loss)/income for the year	**(275,295)**	**(116,697)**
Attributable to owners of the Parent	(275,374)	(116,946)
Attributable to non-controlling interests	79	249

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euros)	At December 31	
	2024	2023
Profit/(loss) before tax	**(235,559)**	**(120,666)**
Depreciation of property, plant and equipment	74,452	67,199
Amortization of intangible assets	50,811	45,339
Depreciation of investment property	-	20
Impairment losses on tangible and intangible assets	1,733	118
Charge to provision for severance indemnities	822	1,635
(Releases from)/charges to risk provisions	7,480	(3,645)
(Gains)/Losses on disposals of property, plant and equipment	(32,013)	(20,703)
Charges to provision for doubtful debts	4,273	2,069
Income from equity-accounted investments in associates	(2,689)	6,890
Net financial costs/(income)	355,469	256,181
Derivatives fair value adjustment	142	16,665
Cash flow from operating activities before movements in working capital and income taxes paid	**224,910**	**251,101**
Change in trade receivables	(1,933)	59,026
Change in trade payables	115,525	(116,019)
Change in inventories	(19,665)	150,805
Use of provisions for risks	(13,288)	(6,469)
Use of provisions for personnel	(3,995)	(1,856)
Change in other assets / liabilities	(49,711)	(221,961)
Cash generated by/(used in) operations before income taxes paid - discontinued operations	(6,041)	24,197
Cash generated by operations before income taxes paid	**245,802**	**138,824**
Income taxes paid	(22,519)	(20,450)
Net cash generated by operating activities	**223,283**	**118,374**
Cash flow from investing activities		
Investments in intangible assets	(17,367)	(16,458)
Investments in property, plant and equipment	(56,887)	(58,041)
Disposals of property, plant and equipment and intangible assets	138,490	150,518
Acquisition of subsidiaries or business units net of cash and cash equivalents	(146,125)	7,164
Financial income received	10,449	3,662
Net cash generated by/(used in) investing activities - discontinued operations	-	(25,344)
Net cash generated by/(used) investing activities	**(71,440)**	**61,501**
Finance costs paid	(209,627)	(220,546)
Increase in securities/notes	65,087	-
New medium/long-term bank loans raised	118,207	177,073
New short-term bank loans raised	133,801	120,827
Repayment of loans from controlling shareholder	(32,330)	-
Repayment of securities/notes	(70,087)	-
Repayment of short-term bank loans	(124,238)	(108,753)
Repayment of medium/long-term bank loans	(36,727)	-
Repayment of financing from leasing companies	(53,298)	(26,392)
Net cash generated by (used in) financing activities - discontinued operations	(392)	1,027
Net cash generated by/(used in) financing activities	**(209,603)**	**(56,765)**
Net increase/(decrease) in cash and cash equivalents for the year	**(57,761)**	**123,110**
Cash and cash equivalents at the beginning of the period	239,384	117,548
Effects of exchange rate changes on the balance of cash held in foreign currencies	91	(1,274)
Cash and cash equivalents at the end of the year	**181,715**	**239,384**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Euros)	Share capital	Share premium reserve	Other reserves	Profit/(loss) of the year	Equity attributable to owners of the Parent	Capital and reserves attributable to non-controlling interests	Consolidated Net Equity
Balance at January 1, 2023	**40,000**	**1,345,392**	**(49,151)**	**(45,882)**	**1,290,359**	**2,323**	**1,292,682**
Net result of the period			**-**	**(109,592)**	**(109,592)**	**52**	**(109,540)**
Actuarial gains/(losses) net of the tax effect			256		256		256
Cash Flow Hedge net of the tax effect			(3,331)		(3,331)		(3,331)
Exchange rate difference			(4,279)		(4,279)	197	(4,082)
Comprehensive income/(loss) for the period			**(7,354)**	**(109,592)**	**(116,946)**	**249**	**(116,697)**
Increases		1,500	826		2,326		2,326
Other changes			(1,050)		(1,050)		(1,050)
Allocation of profit			(45,882)	45,882			
Area Changes			1,743		1,743	(2,247)	(504)
Balance at December 31, 2023	**40,000**	**1,346,892**	**(100,868)**	**(109,592)**	**1,176,432**	**325**	**1,176,757**
Balance at January 1, 2024	**40,000**	**1,346,892**	**(100,868)**	**(109,592)**	**1,176,432**	**325**	**1,176,757**
Net result of the period			**-**	**(285,166)**	**(285,166)**	**64**	**(285,102)**
Actuarial gains/(losses) net of the tax effect			553		553		553
Cash Flow Hedge net of the tax effect			4,404		4,404		4,404
Exchange rate difference			4,834		4,834	16	4,850
Comprehensive income/(loss) for the period			**9,791**	**(285,166)**	**(275,375)**	**80**	**(275,295)**
Dividends distributed			(123)		(123)	(1,236)	(1,359)
Increases			(5,026)		(5,026)		(5,026)
Other changes			(449)		(449)	(32)	(481)
Allocation of profit			(109,592)	109,592			
Area Changes			(2,079)		(2,079)	10,216	8,317
Merger effects on capital and reserves		(1,286,650)	1,286,650				
Balance at December 31, 2024	**40,000**	**60,242**	**1,078,304**	**(285,166)**	**893,380**	**9,353**	**902,733**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

On November 30, 2022 (the "Acquisition Closing Date"), Fiber Bidco S.p.A. ("Fiber Bidco" and, together with its subsidiaries, the "Fedrigoni Group"), now Fedrigoni S.p.A., closed the acquisition (the "Acquisition") of 99.99% of the share capital of Fedrigoni S.p.A. (the "Company" or "Fedrigoni"), a leading manufacturer of pressure sensitive products and premium packaging materials. The Fedrigoni Group operates across two business segments: Fedrigoni Self-Adhesives ("FSA") and Luxury Packaging and Creative Solutions ("LPCS").
In connection with the Acquisition, on October 25, 2022, Fiber Bidco issued Euro 300,000,000 in aggregate principal amount of 11.00% Senior Secured Notes due 2027 (the "Fiber Fixed Rate Notes") and Euro 577,967,696 Senior Secured Floating Rate Notes due 2027 (the "Fiber Floating Rate Notes"). In addition, Fiber Bidco entered into a private exchange pursuant to which Fiber Bidco issued Euro 152,337,344 in aggregate principal amount of Senior Secured Floating Rate Notes (the "Exchanged Notes"), having substantially the same terms as the Fiber Floating Rate Notes, to certain holders of Fedrigoni's existing senior secured notes, in exchange for such senior secured notes. The Exchanged Notes were exchanged for additional Fiber Floating Rate Notes in an equal aggregate principal amount issued on the Acquisition Closing Date.
On November 9, 2022, Fiber Bidco issued Euro 56,349,000 in aggregate principal amount of additional 11.00% Senior Secured Notes due 2027 (the "Fiber Tap Notes"). In addition, Fiber Bidco privately placed Euro 8,564,000 million in aggregate principal amount of additional 11.00% Senior Secured Notes due 2027 (the "Fiber Private Fixed Rate Notes") and Euro 10,087,344 in aggregate principal amount of additional Senior Secured Floating Rate Notes due 2027 in a private placement (the "Fiber Private Floating Rate Notes" and, together with the Fiber Private Fixed Rate Notes, the "Fiber Private Notes").
In connection with the Acquisition, Fiber Bidco also entered into a revolving credit facility (the "Fiber Revolving Credit Facility"), with availability of up to €150 million.
On January 22, 2024, Fiber Bidco issued €665,000,000 in an aggregate principal amount of Senior Secured Floating Rate Notes due 2030 (the "FRNs").
On May 20, 2024, Fiber Bidco completed the issuance of €430.0 million in aggregate principal amount of its 6.125% Senior Secured Fixed Rate Notes due 2031 (the "SSNs"), and Fiber Midco S.p.A. ("Fiber Midco"), the immediate parent company of Fiber Bidco, completed the issuance of €300.0 million in aggregate principal amount of Senior HoldCo Pay-If-You-Can Toggle Notes due 2029 (the "Toggle Notes" and, together with the SSNs, the "Notes"). The Toggle Notes will bear an initial rate of interest per annum equal to 10.00%, to the extent interest is paid in cash, and an initial rate of 10.75%, to the extent Fiber Midco is entitled and elects to defer the payment of interest in cash until the Toggle Notes mature or are redeemed in full in accordance with the provisions of the Toggle Notes indenture. The applicable interest rate under the Toggle Notes for each interest period increases following each interest period for which the payment of interest is deferred.

SIGNIFICANT EVENTS OF THE YEAR

On December 18, 2023, Fedrigoni S.p.A. and its fully owned subsidiary, Gruppo Cordenons S.p.A., executed the deed of merger by incorporation of Gruppo Cordenons S.p.A. into Fedrigoni S.p.A., effective as of January 1, 2024, and with tax and accounting effects as of January 1, 2024.
On January 30, 2024, Fedrigoni S.p.A. and certain of its subsidiaries have met all the conditions to complete the second portion of a sale and lease back transaction concerning some plants previously owned and operated by the Fedrigoni Group across Italy (for approximately half of the overall portfolio, the other half of which closed in November 2023, the "S&LB Transaction"). In the context of the S&LB Transaction, which was aimed at improving the capital structure, the plants have been sold to a real estate investment fund and simultaneously leased back to the Fedrigoni Group, which will continue to run its production as it used to be prior to the S&LB Transaction.
On February 23, 2024, Fedrigoni S.p.A. acquired certain assets of Mohawk, a family-owned company that produces some of the best-know specialty papers for designers, brands and printers, establishing Fedrigoni Special Papers North America.
On June 28, 2024, Fedrigoni S.p.A. through Tuscany Bidco GmbH acquired an 89.9% stake in the German headquartered Poli-Tape, a group specialized in textile graphics, application tapes and sign & digital films.
On October 28, 2024, Fedrigoni S.p.A. and its fully owned subsidiary, E'close S.r.l., executed the deed of merger by incorporation of Eclose S.r.l. into Fedrigoni S.p.A., effective as of December 1, 2024, and with tax and accounting effects as of January 1, 2024.
On November 4, 2024, Fedrigoni S.p.A. decided not to proceed with the transaction with a NEEQ-listed Chinese holding company for the acquisition of a majority stake in BoingTech, a specialized producer of inlays and RFID tags, with operations in China and Malaysia. The transaction had been previously announced on June 25, 2024. Fedrigoni S.p.A. reached this decision as a result of changed conditions in the context of the parties' mutual obligations and commitments.
On November 21, 2024, Fedrigoni S.p.A. and its direct parent company, Fiber BidCo S.p.A., approved the reverse merger by incorporation of Fiber BidCo S.p.A. into Fedrigoni S.p.A. The merger was completed in December 2024, with tax and accounting effects as of January 1, 2024.
On November 21, 2024, Fedrigoni S.p.A. and it's parent company, Fiber BidCo S.p.A. approved the reverse merger by incorporation of Fiber BidCo S.p.A into Fedrigoni S.p.A., Fedrigoni Group executed the reverse merger on November 21, 2024. The merger became effective in December 2024, with tax and accounting effects as of January 1, 2024. Fedrigoni is the surviving entity of the Merger and, as a result, it has assumed all of the Fiber BidCo S.p.A.'s obligations, including, inter alia, under the Issuer's existing €665.0 million Senior Secured Floating Rate Notes due 2030 and €430.0 million of Senior Secured Notes due 2031. The reverse merger, involving entities under common control, was neutral on the Consolidated Financial Statement and merely changed the controlling entity from Fiber BidCo S.p.A. to Fedrigoni S.p.A.

1. GENERAL INFORMATION

Fedrigoni S.p.A. is a company incorporated and domiciled in Italy and organized under Italian law.
The Company, whose registered office is located at Via Enrico Fermi, 13/F Verona, was incorporated on August 5, 1999 under the name Papelco S.r.l. It changed its name to Fedrigoni Cartiere S.p.A. on December 18, 1999 and then to Fedrigoni S.p.A. on January 1, 2011.
Fiber JVCo S.p.A. (the "Parent Company"), an Italian company whose registered office is located in Milan at Via Alessandro Manzoni, 38, has an indirect controlling interest in Company through the subsidiary Fiber Midco S.p.A., with 99.99% of the voting rights.
The Fedrigoni Group (the "Group") produces and sells specialty paper with a high added value ("*LPCS – Fedrigoni Luxury Packaging and Creative Solutions*") and premium self-adhesive labels and materials ("*FSA – Fedrigoni Self-Adhesives*"). Specifically, it produces, converts and distributes worldwide coated and uncoated graphic papers for the general and specialized press and for publishing, bookbinding, packaging, finishing and converting applications for commercial and personal use, technical and industrial use, office use, and artistic and scholastic use. In addition, the Group produces, converts and distributes worldwide premium self-adhesive labels and materials. The Group's main brands are Fedrigoni, Fabriano, Cordenons, Guarro Casas and Papeterie Zuber Rieder in the *Luxury Packaging and Creative Solutions* Segment, and Arconvert, Ritrama, Manter and Acucote in the Fedrigoni Self-Adhesives Segment.

The consolidated financial statements were approved by the Company's Board of Directors on April 28, 2025.

2. SUMMARY OF ACCOUNTING STANDARDS

Provided below are the main accounting standards and principles applied in the preparation of the Group's consolidated financial reports.

2.1 BASIS OF PREPARATION

The Consolidated Financial Statements have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and with the provisions issued in enactment of Italian Legislative Decree n. 38/2005, Article 9. The term "EU-IFRS" means the IFRS Accounting Standards, all International Accounting Standards (IAS), and all Interpretations of the International Financial Reporting Interpretations Committee (IFRIC, previously known as the Standing Interpretations Committee, or SIC) which, as of the date of approval of the Consolidated Financial Statements, have been endorsed by the European Union in accordance with the procedures established by Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002. The Consolidated Financial Statements have been prepared according to the best knowledge of the EU-IFRS and taking into consideration the best doctrine applicable. Any future changes in interpretation or orientation will be reflected in subsequent periods as established at the time by the applicable accounting standards.

The Consolidated Financial Statements have been prepared on a going concern basis, as the Directors have verified the Group's ability to meet its obligations in the foreseeable future and specifically in the next 12 months.

A description of how the Group manages financial risk, including both liquidity and equity risk, is provided in Note 3 regarding the management of financial risks.

The Consolidated Financial Statements are presented in Euros, the currency used in the economies in which the Group primarily operates; the figures are rounded off to the nearest thousand, except where stated otherwise. The rounding off could cause discrepancies in the tables between the total amounts and the sums presented.

Below is a description of the financial statements and related classification criteria adopted by the Group as envisaged in IAS 1 – Presentation of Financial Statements:

- The consolidated statement of financial position has been prepared by classifying assets and liabilities as either current or non-current;
- The consolidated income statement has been prepared by classifying operating costs by their nature;
- The consolidated statement of comprehensive income includes both the net profit for the period as shown in the consolidated income statement and the other changes in equity resulting from transactions not entered into with shareholders of the Company;
- The consolidated statement of cash flows has been prepared by showing the cash flows resulting from operations by way of the "indirect approach".

The Consolidated Financial Statements have been prepared under the historical cost convention, except for financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit and loss, and derivative financial instruments, which have been measured at fair value. The carrying amounts of hedged assets and liabilities have been adjusted to reflect the fair value changes for the hedged risks (fair value hedge).

2.2 BASIS AND METHOD OF CONSOLIDATION

Described below are the criteria adopted by the Group in determining the companies to be consolidated in terms of subsidiaries and associates and their respective consolidation methods.

a) Consolidated companies

1. Subsidiaries

The Consolidated Financial Statements include those of the Company and companies over which, in accordance with IFRS 10, Fedrigoni S.p.A. exercises control either directly or indirectly by virtue of direct or indirect ownership of the majority of voting rights or the exercise of dominant influence in terms of the power to make decisions about the financial and operating policies of the companies/entities, obtaining the related benefits, regardless of the ownership interest. All subsidiaries are included in the consolidation perimeter from the date on which they are acquired until the date on which control over the subsidiary ceases.

Subsidiaries are consolidated on a line-item basis as described below:

- the assets and liabilities, income and expenses are consolidated line by line, with non-controlling interests allocated their share of equity and net profits as shown separately in the consolidated statement of changes in equity, consolidated income statement, and consolidated statement of comprehensive income;
- business combinations which, during the period under review, result in acquiring control over an entity are recognized using the acquisition method under IFRS 3. The acquisition cost is the fair value, at the control transfer date, of the assets acquired, liabilities assumed, and equity instruments issued. Transaction costs are recognized through profit or loss on the date on which the related services are provided. The assets, liabilities and contingent liabilities acquired are recognized at their fair value at the acquisition date. The difference between the acquisition cost and the fair value of the assets and liabilities acquired is recognized, if positive, among intangible assets as goodwill or, if negative and after verifying the proper measurement of the fair value of the assets and liabilities acquired and their acquisition cost, through profit or loss. If the fair value of the identifiable assets and liabilities acquired can be determined only provisionally, the business combination is recognized using the provisional values. Any adjustments resulting from the measurement process are recognized within twelve months from the acquisition date, and the comparative figures are remeasured;
- the acquisition of non-controlling interests related to entities in which there is already control, or the sale of non-controlling interests that do not result in a loss of control, are considered equity transactions. This means that, in the event of the acquisition or sale of non-controlling interests that results in control being maintained, any difference between the acquisition/sale cost and the related share of equity acquired/sold is recognized in equity;
- receivables, payables, income and expenses between the consolidated companies as well as significant profits and losses and related tax effects resulting from transactions conducted between companies and not yet realized with the other parties are eliminated, with the exception of unrealized losses, which are not eliminated if the transaction provides evidence of an impairment loss of the business transferred. Also eliminated, if material, are reciprocal receivables and payables, revenues and expenses, and financial income and finance costs;
- profits or losses resulting from the sale of equity interests in consolidated companies that result in a loss of control over that entity are recognized through profit or loss in an amount equal to the difference between the selling price and the corresponding share of the equity sold.

The financial statements of subsidiaries are prepared with reporting periods ending on December 31, which is the same reporting date for the Consolidated Financial Statements, and have been prepared and approved by the boards of directors of the respective entities and adjusted, as necessary, to ensure uniformity in the accounting standards adopted within the Group.

2. Associates

Associates are companies over which the Group exercises significant influence, which is the power to contribute to determining the financial and operating policies of the entity without having either control or joint control. Significant influence is assumed to exist when at least 20% of the exercisable voting rights is held either directly or indirectly through subsidiaries. When determining the existence of significant influence, potential voting rights that are actually exercisable or convertible are also taken into account. Investments in associates are measured using the equity method and initially recognized at the cost incurred for their acquisition. A description of the equity method is provided hereunder:

- the carrying value of these investments is aligned with the equity held and adjusted, as necessary, in application of the EU-IFRS; this includes the recognition of the greater value attributed to the assets and liabilities and any goodwill established at the time of acquisition;
- profit or loss attributable to owners of the parent company is recognized from the date on which significant influence began until the date on which it ceases; if realized losses of a company measured at equity should result in negative equity, the carrying value of the investment is eliminated, and any excess attributable to the owners of the parent is recognized in a specific reserve if the parent has undertaken to meet the associate's legal or other constructive obligations; changes in equity for companies measured at equity that are not related to net profits are recognized as a direct adjustment to equity reserves;
- significant unrealized profits and losses generated on transactions between the Company, its subsidiaries and equity-accounted associates are eliminated based on the value of the equity interest that the Group owns in the associate; unrealized losses are eliminated, with the exception of cases in which such losses represent an impairment loss.

3. Joint arrangements

The Group applies IFRS 11 to classify investments in joint arrangements, distinguishing them between joint operations and joint ventures according to the contractual rights and obligations of each investor. A joint operation 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, while a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method, while in the case of joint operations, each party to the joint operation recognizes the specific assets to which it is entitled and the specific liabilities for which it has obligations, including its share of any assets and liabilities held/incurred jointly, and its share of the revenue and expenses under the terms of the joint arrangement. Appropriate adjustments are made to the financial statements of joint ventures to ensure conformity with the Group's accounting policies.

A list of subsidiaries, associates and joint ventures, which includes information on their headquarters and the respective ownership interests, is provided in Annex 1.

B) Translation of foreign currency balances

The financial statements of subsidiaries and associates are prepared using the currency of the primary economy in which they operate (i.e. the "functional currency"). The rules for translating financial statements expressed in a currency other than the Euro are as follows:

- assets and liabilities are translated using the exchange rates in effect at the end of the reporting period;
- income and expenses are translated at the average exchange rate for the reporting period;
- the translation reserve shown in the statement of comprehensive income includes both the exchange rate differences generated by the translation of balances at a different rate from that of the closing date and those generated by the translation of opening equity balances at a different rate from that of the reporting date;
- the goodwill and fair-value adjustments relating to the acquisition of foreign entities are treated as assets and liabilities of the foreign entity and translated at the end-of-period exchange rate.

The companies in the consolidation perimeter at December 31, 2024 whose functional currency differs from the Euro are Fedrigoni UK Ltd (GBP), Fedrigoni Asia Ltd (HKD), Fedrigoni Self-Adhesive do Brasil Ltda (BRL), GPA Holding Company Inc. (USD), Fedrigoni Trading (Shanghai) Company Limited (CNY), Distribuidora Ritrama Ecuador Disritrec S.A. (USD), Inversiones San Aurelio Srl (DOP), Ritrama Autoadesivos Ltda (BRL), Ritrama Caribe Srl (DOP), Ritrama Self-Adhesive Chile (USD), Ritrama (Hefei) Pressure Sensitive Coated Materials Co.Limited (CNY), Ritrama S.A.S. (COP), Ritrama Costa Rica S.A. (CRC), Ritrama Guatemala S.A. (GTQ), Ritrama Perù SAC (USD), Ritrama UK Ltd (GBP), Venus America, S.A. de C.V. (MXN), Ritrama Poland Sp. Z.o.o. (PLN), Acucote Inc. (USD), Fedrigoni Indonesian Trading (IDR), Fedrigoni Bangladesh (BDT), Bes Reklam Ürünleri Sanayi ve Ticaret Anonim Şirketi (TRY), Fedrigoni Special Papers Hong Kong Limited (CNY), Fedrigoni (Quzhou) Special Papers Co., LTD (CNY), Fedrigoni (Shanghai) Special Papers Co. Ltd (CNY), Fedrigoni Special Papers North America Inc. (USD), Fedrigoni Asia Pacific Limited (HK) (HKD), Fedrigoni Hong Kong Holding Limited (HK) (HKD), Cohoes Real Estate, LLC. (USD), Fedrigoni Waterford Real Estate Holdings, LLC. (USD), POLI-TAPE USA Inc. (USD), Specialty Materials LLC (USD) and Fedrigoni Self Adhesive Australia (AUD).

The exchange rates used to translate the financial statements of companies with a different functional currency from the Euro are reported in the following table:

	Average for 12 months ended December 31,		At December 31,	
Currency	2024	2023	2024	2023
BDT	125.4222	117.2519	124.6680	121.5500
BRL	5.8283	5.4010	6.4253	5.3618
CHF	0.9526	0.9718	0.9412	0.9260
CNY	7.7875	7.6600	7.5833	7.8509
COP	4,407.1439	4,675.0006	4,577.5500	4,267.5200
CRC	558.3506	586.9402	529.1325	575.5614
DOP	64.2762	60.5374	63.4843	64.1828
GBP	0.8466	0.8698	0.8292	0.8691
GTQ	8.4020	8.4701	8.0084	8.6444
HKD	8.4454	8.4650	8.0686	8.6314
IDR	17,157.6774	16,479.6156	16,820.8800	17,079.7100
MXN	19.8314	19.1830	21.5504	18.7231
PLN	4.3058	4.5420	4.2750	4.3395
TRY	35.5734	25.7597	36.7372	32.6531
USD	1.0824	1.0813	1.0389	1.1050
ZAR	19.8297	19.9551	19.6188	20.3477

c) Translation of foreign currency items

Transactions in a currency other than the functional currency are recognized at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in a currency other than the Euro are subsequently adjusted at the exchange rate in effect at the end of the reporting period. Non-monetary assets and liabilities denominated in a currency other than the Euro are recognized at historical cost using the exchange rate in effect when the transaction was initially recognized. Any currency differences arising from such translation are recognized in the consolidated income statement.

2.3 ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at purchase or production cost net of accumulated depreciation and any impairment losses. The purchase or production cost includes any charges incurred directly to bring the assets to working condition for their intended use, as well as any charges for disposal and removal that should be incurred as a result of contractual obligations that require restoring the asset to its original condition. Finance costs directly attributable to the purchase or construction of qualified assets are capitalized and depreciated over the useful life of the related asset.
Expenditure incurred for routine and/or cyclical maintenance and repairs is fully recognized directly in the income statement of the period in which it is incurred. Costs related to the expansion, modernization or improvement of structural components of owned assets are capitalized when such components meet the requirements for separate classification as assets or part of an asset in application of the component approach, which establishes that each component subject to separate determination of its useful life and related value must be treated individually.
Depreciation is recognized monthly on a straight-line basis based on rates that enable the asset to be fully depreciated by the end of its useful life.
The useful lives estimated by the Group for the main categories of fixed assets are reflected in the following depreciation rates on a yearly base:

Land	Not depreciated
Buildings	2.5-10%
Plant and machinery	5-10 %
Equipment	7-12.5%
Other tangible assets	7-20 %

The useful lives of property, plant and equipment and the residual value of such assets are reviewed and updated as necessary at the end of each year. Land is not depreciated.

Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease, i.e., whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group adopts a single recognition and measurement model for all leases, excluding short-term leases and leases of low-value assets. The Group recognizes the liabilities referring to lease payments and the right-of-use asset, which represents the right to use the underlying asset in the lease.

Right-of-use asset

The Group recognizes the right-of-use assets at the commencement date of the lease (the date on which the underlying asset is available for use). The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, adjusted by any remeasurements of lease liabilities. The cost of the right-of-use asset comprises the amount of lease liability recognized, the initial direct costs incurred, and any lease payments made at or before the commencement date, less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the useful life of the underlying asset or, if earlier, to the end of the lease term.
If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.
The right-of-use assets are subject to impairment testing. More information is provided in the section on impairment testing.

Lease liability

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid by that date. The lease payments due include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. The lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and the payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.
Variable lease payments that do not depend on an index or a rate are recognized as costs in the period in which the event or condition that generated the payment occurs.
In calculating the present value of the lease payments due, the Group uses the incremental borrowing rate at the commencement date if the implicit interest rate cannot be determined easily. After the commencement date, the lease liability is increased to reflect interest on the lease liability and reduced to reflect the lease payments made. Moreover, the carrying amount of the lease liability is remeasured to reflect any lease modifications or revised contractual terms for payment modifications; it is also remeasured to reflect any changes in the assessment of whether the option to purchase the underlying asset is reasonably certain to be exercised or modifications in future payments deriving from a change in the index or rate used to determine such payments.

Short-term leases and leases of low-value assets

The Group applies the exemption for recognizing short-term leases (those that, at the commencement date, have a term of 12 months or less and do not contain a purchase option). The Group also applies the exemption for leases with low-value assets mainly to leases for office equipment considered to have a low value. The payments on short-term leases and low-value leases are recognized as costs on a straight-line basis over the lease term.

Lease-back transactions

A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. Both the seller-lessee and the buyer-lessor are required to apply IFRS 15 to determine whether to account for a sale and leaseback transaction as a sale and purchase of an asset.
When determining whether the transfer of an asset should be accounted for as a sale or purchase, both the seller-lessee and the buyer-lessor apply the requirements in IFRS 15 on when an entity satisfies a performance obligation by transferring control of an asset. If control of an underlying asset passes to the buyer-lessor, the transaction is accounted for as a sale or purchase of the asset and a lease.
If the transfer of the underlying asset by the seller-lessee qualifies as a sale, in accordance with IFRS 16, the right-of-use asset arising from the leaseback is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained and only the amount of gain or loss that relates to the rights transferred is recognised.

If the seller-lessee determines that the transaction does not qualify as a sale, it continues to recognise the underlying asset and recognises a financial liability equal to the transfer proceeds.

INTANGIBLE ASSETS

Intangible assets are identifiable, non-monetary items without physical substance, which generate future economic benefits. Goodwill is included when acquired for valuable consideration. Intangible assets are recognized at purchase and/or production cost including any directly attributable expenses incurred to prepare the asset for use, and net of accumulated amortization and any impairment losses. Any interest expense accrued during and for the development of intangible assets is considered part of the purchase cost.
Amortization begins when the asset is available for use and is recognized systematically in relation to the remaining useful life of the asset.
Intangible assets with a finite useful life are amortized on a straight-line basis over their useful life, i.e. the estimated period in which such assets will be used by the Group. Intangible assets with a finite useful life are tested for impairment in order to determine whether those assets have suffered a loss in value (impairment loss) whenever there is any indication thereof.
Intangible assets with an indefinite useful life are not depreciated, but they are tested for impairment at least annually. The impairment test is described in the section on "impairment losses".
When part or all of a previously acquired business is sold, and goodwill had emerged on the acquisition, the corresponding residual value of goodwill is taken into account in determining the capital gain or capital loss on the sale.

(a) Industrial patents and intellectual property rights

Patents and intellectual property rights are amortized on a straight-line basis over their useful life.

(b) Concessions, licenses and trademarks

Concessions, licenses and trademarks are amortized on a straight-line basis over their respective term; the brands are measured using the royalty method.
Costs for software licenses, including expenses incurred in order to make the software ready for use, are amortized on a straight-line basis over a period of 3 years.
Costs related to software maintenance are expensed as incurred.

(c) Customer relationships

"Customer relationships" (which emerged when accounting for the Fedrigoni Group acquisition), included among the "other intangible assets", represents the total contractual relationships (supply agreements, service agreements, etc.) and non-contractual relationships with customers, and is measured with the discounted cash flow method (under the income approach). The assets are amortized over their useful life, estimated between seventeen and thirty years for Fedrigoni Luxury Packaging and Creative Solutions cash generating unit, between six and thirty years for Fedrigoni Self-Adhesives Europe cash generating unit, between fifteen and nineteen years for Fedrigoni Self-Adhesives Latin America cash generating unit and between twelve and thirty years for Fedrigoni Self-Adhesives North America cash generating unit.

(d) Research and development costs

Research costs are expensed as incurred, whereas development costs are recognized as intangible assets when all the following conditions are met:

- the project is clearly identified and the related costs can be reliably identified and measured;
- the technical feasibility of the project has been demonstrated;
- the intention to complete the project and to sell the intangible assets generated has been demonstrated;
- a potential market exists or, in the event of internal use, the utility of the intangible asset to produce the intangibles generated by the project has been demonstrated;
- the technical and financial resources needed to complete the project are available.

The amortization of any development costs recognized as intangible assets begins on the date on which the project becomes marketable.
In an identified internal project for the creation of an intangible asset, if the research stage is indistinguishable from the development stage, the cost of the project is fully recognized through profit or loss as if there had only been a research stage.

IMPAIRMENT OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

At each reporting date, a review is performed to determine whether there is any indication that assets have suffered an impairment loss. Both internal and external sources of information are taken into account for the impairment testing. Internal sources include: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset, and the financial performance of the asset compared to expectations. External sources of information include: trends in the market price of the asset; any technological, market or legislative changes; trends in market interest rates or in the cost of capital used to measure the value of the investment.
If any such indication exists, the recoverable value of the asset is estimated, and any impairment loss compared to the current carrying value is recognized in the income statement. The recoverable value of an asset is its fair value less any costs to sell or its value in use (i.e. the present value of estimated future cash flows generated by the asset), whichever is greater. To determine value in use, the present value of expected future cash flows is calculated using a pre-tax discount rate that reflects the current market values of the cost of money based on the investment period and the risks specific to the asset. For an asset that does not generate sufficiently independent cash flows, the recoverable value is determined for the cash-generating unit to which the asset belongs.
An impairment loss is recognized when the carrying value of the asset or of the related cash-generating unit exceeds its recoverable value. Impairment of cash-generating units is initially recognized as a reduction of the carrying value of any goodwill attributed to it and subsequently as a reduction of the other assets proportionate to their carrying values and to the extent of their respective recoverable values. If the conditions for a previous impairment loss should cease to exist, the carrying value of the asset is reinstated and recognized in the income statement to the extent of the net carrying value that the asset would have had if it had not been written down and all related depreciation or amortization had been recognized.

INVESTMENT PROPERTY

Investment property is property owned for the purpose of receiving rent payments, realizing a capital gain on the investment, or both, which generates cash flows that are largely independent of the other assets. Investment property follows the same measurement, recognition and depreciation criteria applied for property, plant and equipment.

ASSET AND LIABILITIES HELD FOR SALE

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Non-current assets held for sale, current and non-current assets related to disposal groups and liabilities directly associated are reported in the balance sheet separately from other assets and liabilities of the company. Immediately before the classification as held for sale, non-current assets and/or assets and liabilities included in a disposal group are measured according to the accounting principles applicable to them. Subsequently, non-current assets held

for sale are not subject to depreciation and are measured at the lower of carrying amount and fair value less costs to sell.
Non-current assets classified as held for sale and disposal groups constitute a discontinued operation if, alternatively: (i) they represent a significant autonomous branch of activity or a significant geographic area of activity; (ii) they are part of a disposal program of a significant autonomous branch of activity or a significant geographic area of activity; or (iii) they are a subsidiary acquired exclusively for the purpose of its sale. The results of the discontinued operations, as well as any gain/loss realized as a result of the disposal, are shown separately in the income statement in a specific item, net of related tax effects; the economic values of the discontinued operations are also indicated for the years compared.

TRADE RECEIVABLES AND OTHER FINANCIAL ASSETS
Trade receivables and other financial assets are initially recognized at fair value and subsequently at amortized cost in accordance with the effective interest rate approach, net of any write-downs. Trade receivables and other financial assets are included among current assets, excluding those contractually due after twelve months from the reporting date, in which case they are classified as non-current assets.
Impairment losses on receivables are recognized when there is objective evidence that the Group will not be able to collect the amount from the counterparty based on the terms of the related agreement.
Objective evidence includes events such as:

- significant financial difficulty of the issuer or debtor;
- pending legal disputes with the debtor concerning the receivables;
- likelihood that the debtor will declare bankruptcy or will initiate other such financial restructuring procedures.

The amount of the writedown is measured as the difference between the carrying value of the asset and the present value of the future cash flows and is recognized in the income statement under “other costs”. Uncollectable receivables are eliminated from the statement of financial position and recognized in a provision for doubtful debts. If the reasons for a previous writedown should cease to exist in future periods, the value of the asset is reinstated at the value of its amortized cost without the writedown.
Financial assets are written off when the right to receive cash flows from them ceases or is transferred, or when the Group has substantially transferred all risks, rewards and control associated with the financial instrument to a third party.

DERIVATIVES AND HEDGE ACCOUNTING
The Group uses derivatives to hedge against risks of variability in:

- interest rates with respect to the note issuance through Interest Rate Swaps;
- the price of greenhouse gas emission permits (referred to hereinafter as CO2 permits) on the European Union Allowances (EUA) market through Call Options;
- the price of pulp through Swap contracts;
- foreign exchange rates through forward contracts.

The use of derivatives is regulated by the Group’s policies approved by the management bodies, which lay down precise written procedures on the use of derivatives in keeping with the Group’s risk management strategies. Derivative agreements were stipulated with some of the most financially solid counterparties in order to reduce to a minimum the risk of contractual breach. The Group does not use derivatives for trading purposes, but to hedge against identified financial risks. A description of the criteria and methods used to manage financial risks is contained in the “Financial risk management” section.
Derivatives are initially measured at their fair value, in accordance with IFRS 13, and the attributable transaction costs are recognized in profit and loss as incurred. Subsequent to initial recognition, the changes in fair value are recognized in profit and loss if the derivatives do not qualify for hedge accounting due either to their type or to the Group’s decision not to perform effectiveness testing. Derivatives are designated as hedging instruments when formal documentation of the hedging relationship exists and the hedge effectiveness, tested periodically, is high, under IFRS 9.
Hedge accounting differs according to the purpose of the hedge: hedging of the exposure to variability in future cash flows (cash flow hedge) or of changes in fair value (fair value hedge):

- *Cash flow hedge*: the changes in the fair value of the derivatives that are designated, or are effective, for hedging future cash flows regarding probable transactions are recognized directly in other comprehensive income and other reserves, while the ineffective portion is recognized immediately in profit or loss. The amounts, which had been recognized directly in the Statement of Comprehensive Income and accumulated in equity, are included in profit or loss when the hedged transactions affect profit or loss.
- *Fair value hedge*: for effective hedging of exposure to changes in fair value, the hedged item is adjusted by the fair value changes attributable to the risk hedged with a balancing item in the income statement. Gains and losses deriving from measurement of the derivative are also recognized in profit or loss. Fair value changes of derivatives that do not qualify for hedge accounting are recognized in profit or loss as they occur.

In the absence of quoted prices on active markets, the fair value is the amount resulting from appropriate valuation techniques that take into account all factors adopted by market participants and the prices obtained in an actual market transaction. The fair value of the interest rate swaps is determined by discounting the future cash flows to their present value.

DERIVATIVES QUALIFIED AS TRADING INSTRUMENTS
Derivative instruments are used for strategic and financial hedging purposes. However, since some derivatives do not meet some conditions set by EU-IFRS for hedge accounting, those derivatives are recognized as trading instruments. Accordingly, the derivatives are initially recognized at fair value, and subsequent changes in fair value are recognized as components of financial income and finance costs for the period.

The fair value of financial instruments not listed on an active market is determined using valuation approaches based on a series of methods and assumptions related to the market conditions at the reporting date.

The fair value classification of financial instruments is set forth below based on the following hierarchical levels:

Level 1: fair value determined based on quoted (non-adjusted) prices in active markets for identical financial instruments;
Level 2: fair value determined using valuation techniques based on inputs that are observable in active markets;
Level 3: fair value determined using valuation techniques based on unobservable inputs in active markets.

Given the short-term nature of trade receivables and payables, we believe that the carrying value is a good approximation of their fair value.
For more information on the valuation of financial instruments at fair value based on this hierarchy, see Note 3.5

INVENTORIES
Inventories are recognized at the lower of purchase or production cost and net realizable value, i.e. the amount that the Group expects to receive on their sale under normal business conditions, less costs to sell. The cost of inventories of raw and ancillary materials, consumables and finished products is determined by using the weighted average cost

method.
The cost of finished products and semi-finished goods includes the costs of raw materials, direct labor and other production costs (based on normal operating capacity). Finance costs are not included in the measurement of inventories because the conditions for their capitalization are not present.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include available bank deposits and other forms of short-term investment with a maturity not exceeding three months. At the reporting date, bank overdrafts are classified as current financial liabilities in the statement of financial position. The items included in cash and cash equivalents are measured at fair value, and subsequent changes are recognized through profit or loss.

TRADE PAYABLES AND OTHER LIABILITIES
Trade payables and other liabilities are initially recognized at fair value net of directly attributable costs and are subsequently measured at amortized cost using the effective interest rate method.

FINANCIAL LIABILITIES
Financial liabilities, which relate to loans, leases and other payment obligations, are initially recognized at fair value net of transaction costs and are subsequently recognized at amortized cost using the effective interest rate method. In the event of changes in the expected cash flows, the value of the liability is recalculated in order to reflect such change based on the present value of the new expected cash flows and using the initially determined internal rate of return. Financial liabilities are classified among current liabilities, excluding those with a contractual maturity of twelve months after the reporting date and excluding those for which the Group has the unconditional right to defer payment for at least twelve months from such date.
Purchases and sales of financial liabilities are recognized on the transaction settlement date.
Financial liabilities are eliminated from the statement of financial condition when paid in full and/or when the Group has transferred all risks and charges related to the instrument.

EMPLOYEE BENEFITS
Short-term benefits include wages, salaries, related social security charges, compensation for unused vacation time, and incentives and bonuses payable within twelve months of the reporting date. These benefits are recognized as components of the cost of personnel during the period of service.

Pension funds
The companies of the Group have both defined-contribution plans and defined-benefit plans.
The defined-contribution plans are managed by external fund managers in relation to which there are no legal or other obligations to pay further contributions if the fund should have insufficient assets to meet the obligations toward employees. For those defined-contribution plans, the Group gives voluntary or contractually set contributions to both public and private pension funds. The contributions are recognized as costs of personnel on an accruals basis. Contributions paid in advance are recognized as an asset to be reimbursed or used to offset any future payments due.
A defined-benefit plan is one that cannot be classified as a defined-contribution plan. In defined-benefit plans, the amount of the benefit to be paid to the employee is quantifiable solely upon termination of employment and is tied to one or more factors, such as age, seniority, and salary level. As such, the obligations of a defined-benefit plan are determined by an independent actuary using the projected unit credit method. The present value of a defined-benefit plan is determined by discounting the future cash flows at an interest rate that is equal to that of high-quality corporate bonds issued in the currency in which the liability is to be settled and which takes into account the term of the related pension plan. Actuarial gains or losses resulting from these adjustments are shown in the statement of comprehensive income as a component of such income. The Group manages solely one defined-benefit plan, which is the fund for employee severance indemnities (or "TFR"). This fund, which is a form of deferred remuneration, is mandatory for Italian companies in accordance with Article 2120 of the Italian Civil Code and is correlated to the length of employment and the salary received throughout the period of service. On January 1, 2007, Italian law no. 296 of December 27, 2006 ("2007 Financial Law"), and subsequent law decrees and regulations introduced significant changes as to how this fund is to be handled, including the right for employees to choose whether their benefit is accumulated in a supplemental pension fund or in the "treasury fund" managed by INPS. As a result, the obligation toward INPS and the contributions to supplementary pension funds have, in accordance with IAS 19 – Employee Benefits, become defined-contribution plans, whereas the amounts contributed to the TFR fund as at January 1, 2007 maintain their status as defined-benefit plans.

PROVISIONS FOR RISKS AND CHARGES
Provisions for risks and charges are recognized for certain or probable losses and other charges of a given nature, but for which the amount and/or timing cannot be determined. The provision for agency termination represents amounts that could be due as a result of the termination of agency relationships in effect at the reporting date.
Provisions are recognized only when there is a present obligation (legal or constructive) for a future outflow of economic resources that has arisen as a result of past events and when it is probable that such outflow will be required to settle the obligation. The amount allocated represents the best estimate of the amount required to settle the obligation. The discount rate used to determine the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.
Where the effect of the time value of money is material and the payment dates of the obligations can be estimated reliably, the provisions are measured at the present value of the outflow expected using a rate that reflects current market conditions, the change in the time value of money, and the risks specific to the liability. Any increases in value of the provision attributable to changes in the time value of money are recognized as interest expense.
Risks for which a liability is only possible are disclosed in the section on contingent liabilities, and no provision is allocated for them.

RECOGNITION OF REVENUES
Sales revenues
Sales revenues are recognized when the control over the good is transferred to the customer, which normally coincides with the sending or delivery of the good and receipt of it by the customer. The good has been transferred when the customer obtains control over it, i.e. when the customer has the capacity to make decisions about the use of the asset and to obtain benefits from it.
Within this framework, sales revenues and the costs for purchasing goods are measured at the fair value of the consideration received or due, taking into account any returns, rebates, sales discounts and quantity premiums.
The Group grants discounts to some customers when the product quantities they purchase during the period exceed the threshold established in the contract. Only when the threshold is exceeded, the discount is granted and accounted for as a reduction of the revenues.
In accordance with IFRS 15, the Group checks whether there are any contractual terms that represent separate performance obligations to which the transaction price must be allocated (such as guarantees), and effects deriving from the presence of variable consideration, significant financing components or non-monetary exchanges that must be paid to the customer. We estimate the return on sales by considering historical data and relevant factors impacting returns, such as product type, customer demographics, and

market conditions.

Interest income
Interest income is recognized in the consolidated income statement based on the effective rate of return. It refers primarily to interest earned on bank accounts.

GOVERNMENT GRANTS
When formally authorized and when the right to their disbursement is deemed definitive based on reasonable certainty that the Group will meet the underlying conditions and that the grants will be received, government grants are recognized based on the matching concept of income and expenses.

Grants relating to assets
Government grants relating to fixed assets are recognized as deferred income among "other liabilities", either current for short-term portions or non-current for long-term portions. Deferred income is recognized in the income statement as "other operating income" on a straight-line basis over the useful life of the asset for which the grant is received.

Grants for operating expenses
Grants other than those relating to assets are recognized on the income statement under "other operating income".

RECOGNITION OF EXPENSES
Expenses are recognized when relating to goods or services acquired or consumed during the period or when systematically allocated.

INCOME TAXES
Current income taxes are calculated based on the taxable income for the period at the tax rates in effect on the reporting date.
Deferred taxes are calculated for differences emerging between the tax base of an asset or liability and its related carrying value, with the exception of goodwill and differences related to investments in subsidiaries when the timing of such differences is subject to control by the Group and it is probable that they will not be recovered in a reasonably foreseeable time frame. Deferred tax assets, including those concerning accumulated tax losses, for the portion not offset by deferred tax liabilities, are recognized to the extent to which it is probable that there will be sufficient future taxable earnings to recover the deferred taxes. Deferred tax assets and liabilities are measured based on the tax rates expected to apply in the period in which the differences will be realized or settled.
Current and deferred taxes are recognized in the income statement under "income taxes", excluding those related to items shown in the consolidated statement of comprehensive income other than net profits and items recognized directly in equity. In the latter cases, deferred taxes are recognized under "income taxes related to other comprehensive income" in the consolidated statement of comprehensive income and directly in equity.
Income taxes are offset when they are assessed by the same fiscal authority, there is a legal right to such offsetting, and the net balance is expected to be settled.
Other taxes unrelated to income, such as indirect taxes and other duties, are included with "other costs".
With reference to the introduction of the "Pillar Two" tax rules, the following is an update to the information provided in the consolidated financial statements as at December 31, 2023 of Fiber JVCo S.p.A. and its subsidiaries (the "Fiber Group") to which Fedrigoni S.p.A. belongs. In particular, Fedrigoni S.p.A., which qualifies as an Intermediate Parent Entity for Pillar Two purposes, heads the Fedrigoni Group, which in turn is wholly owned, through Fiber MidCo S.p.A., by Fiber JVCo S.p.A., which qualifies as an Ultimate Parent Entity ("UPE") for Pillar Two purposes and which prepares the Fiber Group's consolidated financial statements.
As is known, in 2021, more than 135 countries ("Inclusive Framework on Base Erosion and Profit Shifting", or, more simply, "Inclusive Framework") reached an agreement on an international tax reform that introduces a global minimum tax ("Global Minimum Tax" or "GMT") for large multinational companies. In particular, these countries have reached a political agreement on an international tax model based on two pillars ("Pillar") aimed at mitigating some of the tax issues arising from the digitisation of the economy. The second of these pillars ("Pillar Two") proposes the introduction of the aforementioned Global Minimum Tax.
Within the European Union, the Council adopted on December 12, 2022 a directive (Directive (EU) 2022/2523) introducing this Global Minimum Tax into EU law, which sets a minimum level of effective taxation of 15% for domestic and multinational groups with consolidated revenues exceeding Euro 750 million per year and which applies from tax periods beginning on or after December 31, 2023. To date, several non-EU countries have also implemented a similar framework, based on the work of the Inclusive Framework.
In order to regulate, in terms of financial statement disclosure, the radical changes resulting from the introduction, by such a significant number of states, of the Global Minimum Tax, the IASB subsequently published an update to IAS 12. In particular, the changes made to the accounting standard introduce a temporary mandatory exception that provides for the non-recognition of deferred taxation that would result from the implementation of Pillar Two in the relevant countries. This exception, which the Fiber Group also uses for the purposes of this disclosure, is immediately applicable and retroactive.
There are also specific disclosure requirements for the companies to which these regulations apply.
The Italian legislator transposed Directive (EU) 2022/2523 with Decree Law 209/2023, introducing three related tax mechanism: (i) the supplementary minimum tax ("IIR"), payable by parent companies located in Italy in relation to foreign companies subject to low taxation and forming part of the group; (ii) the supplementary minimum tax ("UTPR"), payable by one or more companies of a multinational group located in Italy with respect to the profits of the companies, not controlled by them, which are part of the group and subject to low taxation, when a sufficient IIR has not been applied in the countries of the controlling companies; (iii) the domestic minimum tax ("QDMTT"), payable with respect to the companies of the group subject to low taxation and located in Italy.
Faced with these complex regulatory changes, the Fiber Group (which falls within the subjective scope of application of the GMT) has implemented an organic system of internal procedures aimed at the effective and efficient management of the requirements imposed by the Pillar Two regulations, with reference to both Italian and foreign operations.
In this context, accurate analyses have been carried out to determine whether, in the jurisdictions in which the Fiber Group operates, the requirements for the application of the simplified transitional so-called "Safe Harbour" regimes have been met (governed in our legal system by the Ministerial Decree of 20 May 2024), which - if complied with - would make it possible not to apply the more complex regulatory system envisaged at regime and to consider as zero the supplementary taxation that might otherwise emerge.
The aforementioned audits showed that the requirements relating to the application of the Safe harbour regime were met with reference to all the jurisdictions in which the Fiber Group operates.

EARNINGS/(LOSS) PER SHARE
Earnings/(Loss) per share - basic
Basic earnings per share is calculated by dividing the Group's net profit (from continuing operations and discontinued operations) by the weighted-average number of ordinary shares in circulation during the year, excluding treasury shares.

Earnings/(Loss) per share - diluted
Diluted earnings per share is calculated by dividing the Group's net profit (from continuing operations and discontinued operations) by the weighted-average number of ordinary shares in circulation during the year, excluding treasury shares. To calculate diluted earnings per share, the weighted-average number of shares in circulation is adjusted by assuming the exercising of all rights that could potentially have a dilutive effect, and the

Group's net profit is adjusted to take into account any effect, net of taxes, of exercising such rights.

RECENTLY ISSUED ACCOUNTING STANDARDS

Adoption of the following accounting standards and amendments to accounting standards issued by the IASB and endorsed by the European Union has become mandatory for annual periods beginning on or after January 1, 2024:

- On January 23, 2020, the IASB published an amendment titled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on October 31, 2022, it published an amendment titled "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". These amendments aim to clarify how to classify debts and other liabilities as short-term or long-term. Additionally, the amendments improve the information that an entity must provide when its right to defer the settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e., covenants). The adoption of these amendments did not have a material impact on the Group's consolidated financial statements.
- On September 22, 2022, the IASB published an amendment titled "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". This document requires the seller-lessee to evaluate the lease liability arising from a sale & leaseback transaction in such a way as not to recognize a gain or loss related to the retained right of use. The adoption of this amendment did not have a material impact on the Group's consolidated financial statements.
- On May 25, 2023, the IASB published an amendment titled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". This document requires an entity to provide additional information on reverse factoring agreements to allow users of the financial statements to evaluate how supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of these arrangements on the entity's liquidity risk exposure. The adoption of these amendments did not have a material impact on the Group's consolidated financial statements.

The adoption of these amendments did not have a material impact on the Group's consolidated financial statements.

ACCOUNTING STANDARDS, AMENDMENTS, AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT EFFECTIVE YET AND NOT APPLIED IN ADVANCE BY THE GROUP

At the reporting date, adoption of the following accounting standards and amendments to accounting standards endorsed by the European Union had not become mandatory yet and were not adopted early by the Group.

- On August 15, 2023, the IASB published an amendment titled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". This document requires an entity to apply a methodology consistently to verify if a currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosure to be provided in the notes. The amendment will apply from January 1, 2025, but early application is permitted. The administrators do not expect a material impact on the Group's consolidated financial statements from the adoption of this amendment.

IFRS ACCOUNTING STANDARDS, AMENDMENTS, AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

As of the reference date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and principles described below:

- On May 30, 2024, the IASB published the document "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7". The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:
  - Clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - Determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is settled. However, an entity is permitted to adopt an accounting policy to permit a financial liability to be derecognized before delivering cash on the settlement date under certain specified conditions.

  With these amendments, the IASB has also introduced additional disclosure requirements regarding, in particular, investments in equity instruments designated as FVOCI.
  The amendments will apply to financial statements for annual periods beginning on or after January 1, 2026.
  The administrators do not expect a significant impact on the Group's consolidated financial statements from the adoption of these amendments.

- On July 18, 2024, the IASB published a document titled "Annual Improvements Volume 11". The document includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended standards are:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and related guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

  The amendments will apply from January 1, 2026, but earlier application is permitted.
  The administrators do not expect a significant impact on the Group's consolidated financial statements from the adoption of these amendments.

- On December 18, 2024, the IASB published an amendment titled "Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7". The document aims to support entities in reporting the financial effects of contracts for the purchase of electricity generated from renewable sources (often structured as Power Purchase Agreements). Under such contracts, the amount of electricity generated and purchased can vary based on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - A clarification regarding the application of "own use" requirements to this type of contracts;
  - Criteria to allow these contracts to be accounted for as hedging instruments; and
  - New disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

  The amendment will apply from January 1, 2026, but earlier application is permitted.
  The administrators do not expect a significant impact on the Group's consolidated financial statements from the adoption of these amendments.

- On April 9, 2024, the IASB published a new standard IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of financial statements, with particular reference to the income statements. In particular, the new standard requires:
  - Classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
  - Presenting two new sub-totals, operating income and earning before interest and taxes (i.e. EBIT).

  The new standard also:
  - Requires more information on performance indicators defined by management;
  - Introduces new criteria for the aggregation and disaggregation of information; and
  - Introduces certain changes to the format of the cash flow statement, including the requirement to use EBIT as the starting point for the presentation of the cash flow statement prepared using the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividend paid and dividends received).

  The new standard will become effective on January 1, 2027, but earlier application is permitted.
  The administrators are currently evaluating the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group's business is exposed to various types of risk: market risk, credit risk and liquidity risk. The Group's risk management strategy focuses on market unpredictability and aims to minimize the potential adverse effects on the Group's financial performance. Some types of risk are mitigated through the use of derivatives.
Risk management is centralized with the Treasury Management function, which identifies, assesses and hedges financial risks by working closely with the Group's business units. The Treasury Management function provides policies and guidelines for monitoring risk management particularly with respect to foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and ways to invest excess cash.

3.1 MARKET RISK

In performing its business activity, the Group is exposed to various market risks, particularly the risk of fluctuations of interest rates, foreign exchange rates, the price of CO2 permits, and pulp and natural gas prices.
To contain such risks within the risk management limits set at the start of the year, derivatives are stipulated for risks on interest rates, the price of CO2 quote and permits and foreign exchange.

Interest rate risk

As a result of the refinancing of the 2022 Notes, on January 22, 2024, Fedrigoni issued €665,000,000 in an aggregate principal amount of Senior Secured Floating Rate Notes due 2030 (the "FRNs") with yield linked to the three-month Euribor rate (with a 0.00% floor), plus a 6.00% contractually set spread. On May 20, 2024, Fedrigoni completed the issuance of €430.0 million in aggregate principal amount of its 6.125% Senior Secured Fixed Rate Notes due 2031 (the "SSNs").

For the purpose of reducing the market interest rate risk on the *Floating Rate Notes*, the Group stipulated Interest Rate Cap, for a nominal amount of Euro 550 million maturing on December 31, 2025, and for a nominal amount of Euro 220 million maturing on December 31, 2027, applying a partial term hedge with an interest rate cap of the Euribor respectively set at 4,00% and at 3.75%.

To demonstrate the effects of changes in interest rates on the consolidated income statement and equity, below are the results of a sensitivity analysis, in line with IFRS 7, applying positive and parallel shifts to the zero curve of market interest rates. The shifts of the zero curve were equal to +/- 50 basis points.

(in thousands of Euros)	December 31, 2024		December 31, 2023	
	-0.50%	0.50%	-0.50%	0.50%
Changes to Income Statement	(3,325)	3,325	(3,686)	3,686
Changes to Equity	-	-	-	(309)

Foreign exchange risk

The Group conducts business on an international level, so it is exposed to the foreign exchange risk deriving from the different currencies in which it operates (prevalently the U.S. Dollar, British Pound Sterling, Brazilian Real and Polish Zloty).
The foreign exchange risk originates from sales transactions that have not occurred yet and from assets and liabilities that are already recognized in the financial statements in different currencies from the functional currency of the individual entities. Although 2024 was characterized by rising volatility in exchange rates, the Group minimized any negative effects caused by rate fluctuations through careful management of commercial and financial transactions without having to resort to hedging instruments. The exposure to exchange rate fluctuations did not negatively impact the costs and revenues of the Group as a whole.
The foreign exchange sensitivity analysis is in the derivatives section.

Price risk

The Group is exposed to price risk primarily on its cellulose and energy procurement, whose costs are subject to market volatility.
The Group controls the exposure to raw material and energy commodity price changes by monitoring the costs incurred against the budget, with activities aimed to reduce costs and volatility risk through negotiations with suppliers, whenever possible.
In addition, the Group has assessed the increases in natural gas commodity prices as a risk factor as they can have a negative impact on business results.
To reduce this risk, the Group entered into financial derivative contracts to hedge the purchase of 10,000 EUA units maturing on March 11, 2026, and entered into a derivative Swap to hedge from expected market trends the cost of natural gas (for a total volume of 702,755 MWh) maturing on December 31, 2025, and (for a total volume of 119,360 MWh) maturing on June 26, 2026.
To demonstrate the effects of price changes on the consolidated income statement and consolidated equity, below are the results of sensitivity analysis, as required by IFRS 7, applying positive and negative parallel shifts to the market price of gas. The price shifts were equal to +/- 1,000 basis points.

(in thousands of Euros)	December 31, 2024		December 31, 2023	
	-10%	10%	-10%	10%
Changes to Equity	(3,093)	5,421	(2,584)	4,508

Accounting for derivatives

The Group holds derivatives for mainly hedging purposes.
The tables below set forth the fair values of the derivatives according to their type.

(in thousands of Euros)	At December 31, 2024		At December 31, 2023	
	Negative Fair Value	**Positive Fair Value**	**Negative Fair Value**	**Positive Fair Value**
Commodity Derivatives	151	**6,903**	16,010	-
Interest Rate Derivatives	1,808	-	**1,884**	-
Currency Derivatives	-	**16**	**39**	-
Total	**1,959**	**6,919**	**17,933**	**-**

Sensitivity analysis

A sensitivity analysis is set forth below, in which the impact of an increase/decrease in the exchange rates of the currencies in which the Group primarily operates on the profit or loss for the period is presented:

(in thousands of Euro)	Year ended December 31, 2023											
	USD		GBP		JPY		CNY		BRL		OTHER	
	10%	**-10%**	**10%**	**-10%**	**10%**	**-10%**	**10%**	**-10%**	**10%**	**-10%**	**10%**	**-10%**
Trade receivables	3,947	(4,824)	2,297	(2,808)			2,009	(2,456)	2,232	(2,728)	2,298	(2.809)
Trade payables	(3,845)	4,699	(2,405)	2,940			(2,095)	2,560	(2,064)	2,522	(2,569)	3.140
Financial receivables	2,591	(3,167)	8,663	(10,589)			679	(830)			88	(108)
Financial payables	(4,489)	5,486	(4,327)	5,289			(890)	1,087	(1,881)	2,299	(992)	1.212
Cash and cash equivalents	478	(585)	75	(91)			775	(947)	193	(236)	349	(427)
Currency derivatives	4	(4)										
Total	**(1.314)**	**1,605**	**4,303**	**(5,259)**			**478**	**(586)**	**(1,520)**	**1,857**	**(826)**	**1,008**

(in thousands of Euro)	Year ended December 31, 2024											
	USD		GBP		JPY		CNY		BRL		OTHER	
	10%	**-10%**	**10%**	**-10%**	**10%**	**-10%**	**10%**	**-10%**	**10%**	**-10%**	**10%**	**-10%**
Trade receivables	14,886	(18,194)	2,453	(2,998)	631	(771)	1,117	(1,365)	1,052	(1,286)	1,140	(1.393)
Trade payables	(16,115)	19,696	(48)	59	(23)	28	(1,693)	2,069	(816)	997	(840)	1.026
Financial receivables	22,069	(26,973)	12,756	(15,590)			535	(654)	37	(45)	314	(384)
Financial payables	(19,607)	23,964	(12,395)	15,150	(115)	140	(984)	1,203	(77)	94	(638)	780
Cash and cash equivalents	2,250	(2,750)	191	(234)	79	(97)	927	(1,133)	293	(358)	370	(452)
Currency derivatives	1	(2)										
Total	**3,484**	**(4,259)**	**2,957**	**(3,613)**	**572**	**(700)**	**(98)**	**120**	**489**	**(598)**	**346**	**(423)**

3.2 CREDIT RISK

The credit risk essentially coincides with the amount of trade receivables recognized at the reporting dates. The Group has no significant concentration of credit risk and no customers that alone account for more than 2.25% of the Group's sales revenues.
All the same, procedures are in place to ensure that the sales of products and services are conducted with customers that have shown to be reliable in the past; moreover, insurance policies are stipulated to cover any unexpected losses. The Group also checks constantly its outstanding receivables and monitors their collection within the established time limits. The parties that handle cash and financial resource management are restricted to high-profile, reliable partners. There are two stages for recognizing expected credit losses ("ECLs"):

- Where the credit risk has not increased significantly since initial recognition, the expected credit losses are recognized on the basis of the estimated risk of default over the next twelve months ("12-month ECL").
- Where the credit risk has increased significantly since initial recognition, the expected credit losses are recognized on the basis of the remaining life of the past-due receivable regardless of the time at which default is expected to occur ("Lifetime ECL").

For trade receivables and contract assets, the Group uses a simplified approach to calculate expected losses; the Group monitors changes in credit risk using a simplified approach based on brackets of shared credit risk characteristics and past-due days. The Group discloses the full amount of expected credit losses at each reporting date. The Group has defined a provision matrix based on historical experience, adjusted for forward-looking information about specific types of debtors and their economic environment, as a tool for determining expected credit losses.

The Group uses non-recourse assignments of trade receivables. As a result of such assignments, which provide for the substantially total and unconditional transfer to the purchaser of the risks and rewards of the receivables transferred, such receivables are derecognized.

The following table sets forth an aging analysis of the trade receivables at December 31, 2024, and December 31, 2023, stating separately the provision for doubtful debts:

(in thousands of Euros)	At December 31, 2024						
	Current	Past-due				Provision for doubtful debts	Total
		0-30 days	**31-60 days**	**61-90 days**	**more than 90 days**		
Trade receivables	92,719	7,033	2,505	1,306	9,355	(14,772)	98,146
Total	**92,719**	**7,033**	**2,505**	**1,306**	**9,355**	**(14,772)**	**98,146**

(in thousands of Euros)	At December 31, 2023						
	Current	Past-due				Provision for doubtful debts	Total
		0-30 days	**31-60 days**	**61-90 days**	**more than 90 days**		
Trade receivables	75,082	6,824	2,569	1,448	5,295	(7,354)	83,864
Total	**75,082**	**6,824**	**2,569**	**1,448**	**5,295**	**(7,354)**	**83,864**

3.3 LIQUIDITY RISK

Liquidity risk concerns the ability to meet obligations arising on financial liabilities. Prudent management of the liquidity risk stemming from the Group's ordinary operating activities entails keeping up sufficient levels of cash holdings, short-term securities and funding available through adequate credit lines. The Group must have adequate stand-by credit lines in order to finalize contracts and collect invoices, to an extent that ensures financial flexibility. Management monitors the projections of cash turnover, including undrawn credit lines, and available cash and cash equivalents, on the basis of expected cash flows.
At December 31, 2024, the Group had stipulated committed credit lines of Euro 261,750 thousand, of which Euro 181,750 thousand was undrawn.
The following tables set forth a maturity analysis of the financial liabilities at December 31, 2024 and December 31, 2023. The maturities are based on the period from the reporting date to the contractual maturity date of the obligations.

(in thousands of Euros)	At December 31, 2024					
	On Demand	Within 1 year	In 1 to 5 years	Due after 5 years	Total	Total recognized
Commodity derivatives - net balance		(148)			(148)	(148)
Interest rate derivatives - net balance		(793)	(1,018)		(1,811)	(1,811)
Lease liabilities		(17,965)	(60,696)	(175,795)	(254,456)	(254,456)
Other financing		(108,400)	(455,797)	(1,390)	(565,587)	(565,587)
Bond		(7,036)	(1,011)	(1,070,084)	(1,078,131)	(1,078,131)
Trade payables		(615,849)			(615,849)	(615,849)
Total		(750,191)	(518,522)	(1,247,269)	(2,515,982)	(2,515,982)
Total		**(586,652)**	**(1,399,311)**	**(92,640)**	**(2,078,603)**	**(2,078,603)**

(in thousands of Euros)	At December 31, 2023					
	On Demand	Within 1 year	In 1 to 5 years	Due after 5 years	Total	Total recognized
Commodity derivatives - net balance		(16,010)			(16,010)	(16,010)
Interest rate derivatives - net balance			(1,884)		(1,884)	(1,884)
Currency derivatives - net balance				(39)	(39)	(39)
Lease liabilities		(14,035)	(60,193)	(90,026)	(164,254)	(164,254)
Other financing		(85,308)	(349,284)	(1,312)	(435,904)	(435,904)
Bond		(10,035)	(987,950)	(1,263)	(999,248)	(999,248)
Trade payables		(461,264)			(461,264)	(461,264)
Total		**(586,652)**	**(1,399,311)**	**(92,640)**	**(2,078,603)**	**(2,078,603)**

3.4 EQUITY RISK

The Group's objective in the area of equity risk management is primarily to maintain the going concern status in order to assure returns to shareholders and benefits to other stakeholders. The Group also has the objective of maintaining an optimal capital structure in order to reduce the cost of debt.
Net invested capital is calculated as the sum of equity attributable to the shareholders and net financial debt and shareholder loan.
Below is the breakdown of the Group's net financial debt at December 31, 2024:

(in thousands of Euros)		At December 31,	
		2024	2023
A	Cash	40	86
B	Cash equivalents	181,675	239,298
C	Other financial assets	75,729	63,910
D	**Liquidity (A+B+C)**	**257,444**	**303,294**
E	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(31,030)	(46,419)
F	Current portion of non-current financial debt	(102,520)	(79,009)
G	**Current financial indebtedness (E+F)**	**(133,550)**	**(125,428)**
H	**Net current financial indebtedness (G-D)**	**123,894**	**177,866**
I	Non-current financial debt (excluding current portion and debt instruments)	(371,623)	(169,939)
J	Debt instruments	(1,071,095)	(989,213)
K	Non-current trade and other payables		
L	**Non-current financial indebtedness (I+J+K)**	**(1,442,718)**	**(1,159,152)**
M	**Total financial indebtedness (H+L)**	**(1,318,824)**	**(981,286)**
	Net operating invested capital	2,212,204	2,157,718
	Gear ratio	**59.62%**	**45.48%**
N	Shareholder loan	(322,056)	(330,876)
O	**Total financial indebtedness and shareholder loan (M+N)**	**(1,640,880)**	**(1,312,162)**
	Net operating invested capital incl. shareholder loan	**2,534,260**	**2,488,594**
	Gear ratio incl. shareholder loan	**64.75%**	**52.73%**

3.5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table presents the financial assets and liabilities aggregated by category with their fair values stated.

(in thousands of Euros)	At December 31, 2024		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized Cost
Financial assets			32,927
Non current assets	**-**	**-**	**32,927**
Trade receivables			98,146
Other assets			32,335
Financial assets			40,711
Cash and cash equivalents			181,715
Current derivatives	6,919		
Current assets	**6,919**	**-**	**352,907**
Non-current amounts due to banks and other lenders			1,442,718
Non-current amounts due to controlling shareholder			322,056
Non current derivatives		1,808	
Non current liabilities	**-**	**1,808**	**1,764,774**
Trade payables			615,849
Other liabilities			87,483
Current amounts due to banks and other lenders			133,400
Current derivatives	151		
Current liabilities	**151**	**-**	**836,732**

(in thousands of Euros)	At December 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized Cost
Financial assets			14,015
Non current assets	**-**	**-**	**14,015**
Trade receivables			83,864
Other assets			23,142
Financial assets			45,485
Cash and cash equivalents			239,384
Current assets	**-**	**-**	**391,875**
Non-current amounts due to banks and other lenders			1,159,151
Non-current amounts due to controlling shareholder			330,876
Non current derivatives		**1,884**	
Non current liabilities	-	1,884	1,490,027
Trade payables			461,264
Other liabilities			66,373
Current amounts due to banks and other lenders			109,379
Current derivatives	14,810	1,239	
Current liabilities	**14,810**	**1,239**	**637,016**

The fair value of the derivatives was determined using valuation techniques based on observable inputs in active markets (Level 2).
The derivatives accounted in column "Fair value through other comprehensive income" have been stipulated for hedging purpose.

4. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to apply accounting policies and methodologies that, in some cases, depend upon difficult or subjective assessments and estimates based on experience and assumptions deemed reasonable and realistic given the specific circumstances involved. Application of such estimates and assumptions affects the figures reported in the Consolidated Financial Statements, including the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the related explanatory notes. The final results of the items for which such estimates and assumptions have been made may vary from those reported in the financial statements that show the effects of the occurrence of the event subject to the estimate, due to the uncertainty that characterizes the assumptions and the conditions on which the estimates were based.
The following is a brief description of the accounting policies that entail the greatest extent of management subjectivity in calculating estimates, and for which a change in the underlying conditions and assumptions could have a significant impact on the consolidated financial information.

(a) Provision for inventory obsolescence

The provision for inventory obsolescence reflects management's best prudent estimate of the losses expected by the Group, determined on the basis of past experience, past market trends and expected market trends.
Slow-moving raw materials and finished products are analyzed regularly on the basis of past statistics and the possibility to sell them at a lower price than that in a normal market transaction. If the analysis results in the need to write down the inventory value, an inventory provision is recognized.

(b) Provision for warranty claims

The provision recognized for product warranty claims represents management's best estimate at the reporting date. The estimate entails making assumptions that depend on factors that may vary over time and may have a significant impact with respect to the current estimates made by management for the preparation of the Group's financial statements.

(c) Goodwill and fixed assets

Goodwill and fixed assets recognized in the Consolidated Financial Statements are tested for impairment by calculating the value in use of the cash generating units ("CGU") to which goodwill has been allocated. Using different methods for the different business segments, the Group conducted testing in which goodwill was allocated to a group of CGU that benefit from the synergies of the specific business combination (in accordance with IAS 36, paragraph 80).
The CGU/groups of CGU were identified, consistently with the Group's organizational and business structure, as uniform combinations able to generate cash flows independently from the continuing use of the assets allocated to them; the structures were grouped together at a regional level to identify the benefits deriving from the synergies.
Value in use was measured as the present value of the estimated future cash flows for each CGU in its current condition, excluding estimated future cash flows that could derive from future restructuring plans or other structural changes.
The Discounted Cash Flow (DCF) model was used, which requires future cash flows to be discounted with a risk-adjusted discount rate.
More information on the methodology used is reported in Note 7.
The business plan prepared by the Group's management on the basis of projections of the 2024 financial performance prepared by the subsidiaries' management and approved by the Group's management, used for the impairment testing, is based on variables controllable by the Group's management and theoretical changes in exogenous variables not directly controllable or manageable by the Group's management.
If the main estimates and assumptions used to prepare the business plans should

change, the value in use and the calculation of the recoverable value of the assets could change. Therefore, the Group is not able to assure that the assets disclosed in the financial statements at December 31, 2024 will not suffer an impairment loss in the future.

5. SEGMENT REPORTING

The criteria used to identify Segments are consistent with the way in which the Group is managed. The division into Segments for reporting purposes corresponds to the structure of the reports periodically examined by the key management as defined in Note 36 which is considered the chief operating decision maker.
The Group's operations are split into two dedicated segments: the Luxury Packaging and Creative Solutions (LPCS) Segment and the Fedrigoni Self-Adhesives (FSA) Segment. The Group's management evaluates the performance these Segments, using the following as indicators:

- Adjusted EBITDA;
- revenues by Segment, on the basis of where the products are sold, not where the billing company's head office is located;
- investments in property, plant and equipment.

The following tables break down Adjusted EBITDA by Segment, reconciled with the Group net profit.

(in thousands of Euros)	Year ended December 31, 2024				
	LPCS	FSA	Total reportable segments	Intercompany eliminations	Total
Revenues from sales					
to third Parties	753,542	1,137,074	1,890,616	-	1,890,616
to other Group companies	44,814	2,359	47,173	(47,173)	-
Total sales revenues	798,356	1,139,433	1,937,789	(47,173)	1,890,616
Other operating income	158,044	8,481	166,525	(14,233)	152,292
Operating expenses	(790,460)	(1,067,624)	(1,858,084)	61,442	(1,796,642)
Transformation costs	21,650	15,226	36,876	(107)	36,769
Other non-recurring expenses / income	(31,241)	36,543	5,302	-	5,302
Adjusted EBITDA (*)	**156,349**	**132,059**	**288,408**	**(71)**	**288,337**
Other non-recurring expenses / income	31,241	(36,543)	(5,302)	-	(5,302)
Transformation costs	(21,650)	(15,226)	(36,876)	107	(36,769)
Depreciation, amortization and impairment losses	(69,345)	(57,640)	(126,985)	-	(126,985)
Operating income/(loss)	**96,595**	**22,650**	**119,245**		**119,281**
Income from equity-accounted investments in associates	590	39	629	-	629
Financial income	42,454	44,936	87,390	(34,293)	53,097
Finance costs	(387,254)	(55,570)	(442,823)	34,258	(408,566)
Profit/(loss) before tax					**(235,559)**
Income taxes					(20,393)
Net profit from continuing operations					(255,951)
Net loss from discontinued operations					(29,151)
Net profit/(loss)					**(285,102)**

(*) Adjusted EBITDA is defined by the Group as net profit before the net result from discontinued operations, income taxes, financial income and costs, the share of income from equity-accounted investments, depreciation, amortization, impairment losses, and any non-recurring income and costs.

(in thousands of Euros)	Year ended December 31, 2023				
	LPCS	FSA	Total reportable segments	Intercompany eliminations	Total
Revenues from sales					
to third Parties	690,854	1,044,490	1,735,344	-	1,735,344
to other Group companies	25,529	2,290	27,819	(27,819)	-
Total sales revenues	716,383	1,046,780	1,763,163	(27,819)	1,735,344
Other operating income	122,660	23,044	145,704	(12,452)	133,252
Operating expenses	(676,022)	(977,768)	(1,653,789)	40,274	(1,613,515)
Transformation costs	15,560	10,715	26,275	(560)	25,715
Other non-recurring expenses / income	(11,190)	11,681	491	618	1,109
Adjusted EBITDA (*)	**167,393**	**114,452**	**281,844**	**61**	**281,905**
Other non-recurring expenses / income	11,190	(11,681)	(491)	(618)	(1,109)
Transformation costs	(15,560)	(10,715)	(26,275)	560	(25,715)
Depreciation, amortization and impairment losses					(112,676)
Operating income					**142,405**
Income from equity-accounted investments in associates					(6,890)
Financial income					39,191
Finance costs					(295,372)
Profit/(loss) before tax					**(120,666)**
Net profit from continuing operations					(107,513)
Net loss from discontinued operations					(2,027)
Net profit/(loss)					**(109,540)**

Each Segment has a complete and independent structure, able to fulfill its own functions. Most eliminations ("intercompany eliminations" in the tables above) refer to inter-Segment margins eliminated during the aggregation phase. Transactions between the Segments are conducted at arm's length.
"Other non-recurring expenses/income" mainly refers to one-time write-offs of obsolete stock resulting from operations and inventory optimization projects and the reorganization of the distribution centers footprint in Latam including the bad debt provision emerging from the change of one relevant customer distributor, partially offset by the bargain purchase arising from the acquisition of certain assets of Mohawk.
"Transformation costs" refer to the total costs incurred for consulting services and other clearly identified costs primarily instrumental in transforming the new Group. Such costs regard the continuance of projects intended to create a new organizational structure capable of attracting new talent and optimizing the pre-existing departments (financial, operational, purchasing, sales) or are attributable to extraordinary merger and acquisition transactions aimed to define the Group's structure. The new organization aims to accelerate the Group's growth and create operating efficiency. Below is the breakdown by Segment of the investments in property, plant and equipment:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Luxury Packaging and Creative Solutions Segment	102,524	99,232
Fedrigoni Self-Adhesives/Labels Segment	45,725	63,265
Total	**148,249**	**162,497**

Revenues are broken down below by geographical area:

(in thousands of Euros)	Year ended December 31	
	2024	**2023**
Italy	**370,890**	**364,781**
Luxury Packaging and Creative Solutions Segment (*)	203,298	193,126
Fedrigoni Self-Adhesives/Labels Segment (*)	181,815	180,679
Rest of Europe	**850,318**	**842,232**
Luxury Packaging and Creative Solutions Segment (*)	305,118	340,131
Fedrigoni Self-Adhesives/Labels Segment (*)	574,049	520,134
Rest of world	**669,408**	**528,331**
Luxury Packaging and Creative Solutions Segment (*)	289,940	183,126
Fedrigoni Self-Adhesives/Labels Segment (*)	383,569	345,967
Total	**1,890,616**	**1,735,344**

(*) Revenues by Segment include interdivision sales

No single customer accounts for more than 10% of total revenues, and no single country besides Italy and USA (Euro 287,315 thousand for the year ended December 31, 2024 and Euro 195,260 thousand for the year ended December 31, 2023) accounts for more than 10% of total revenues.

The non-current assets (excluding goodwill, disclosed separately in Note 7, and deferred tax assets) are broken down below by geographical area:

(in thousands of Euros)	Year ended December 31,	
	2024	**2023**
Italy	918,302	964,561
Rest of Europe	312,525	168,103
Rest of world	289,898	292,350
Total	**1,520,725**	**1,425,016**

6. PROPERTY, PLANT AND EQUIPMENT

The changes in this item are detailed below.

(in thousands of Euros)	Land and buildings	Plant and machinery	Equipment	Other fixed assets	Work in progress and advances	Right-of-use asset	Total
Balance at January 1, 2023							
Historical cost	308,750	902,171	58,701	27,751	31,232	95,762	1,424,367
Accumulated depreciation	(110,023)	(661,759)	(46,851)	(23,728)		(38,059)	(880,420)
Net value	**198,727**	**240,412**	**11,850**	**4,023**	**31,232**	**57,703**	**543,947**
Business Combination	3,555	10,513	26	306	392		14,792
Investments	18,778	18,437	964	946	18,916	104,458	162,499
Disposals	(118,935)	(12,814)	(659)	(29)	(6,127)	(1,249)	(139,813)
Depreciation	(8,592)	(35,473)	(3,160)	(1,347)		(18,627)	(67,199)
Impairment		(20)		(4)			(24)
Exchange rate difference	(782)	312	(185)	(49)	27	(76)	(753)
Reclassifications	3,642	17,394	1,555	293	(21,936)	(136)	812
Other changes	167	(21,591)		64	(1,100)	(23)	(22,483)
Balance at December 31, 2023	**96,560**	**217,170**	**10,391**	**4,203**	**21,404**	**142,050**	**491,778**
Of which:							
Historical cost	169,628	867,747	60,338	26,289	21,404	189,808	1,335,214
Accumulated depreciation	(73,068)	(650,577)	(49,947)	(22,086)		(47,758)	(843,436)
Balance at January 1, 2024							
Historical cost	169,628	867,747	60,338	26,289	21,404	189,808	1,335,214
Accumulated depreciation	(73,068)	(650,577)	(49,947)	(22,086)		(47,758)	(843,436)
Net value	**96,560**	**217,170**	**10,391**	**4,203**	**21,404**	**142,050**	**491,778**
Business Combination	49,799	13,039	180	1,171	1,099	3,884	69,172
Investments	1,877	26,703	1,035	1,029	26,242	91,363	148,249
Disposals	(58,944)	(2,078)	(22)	(150)	(349)	(23,115)	(84,658)
Depreciation	(4,650)	(41,117)	(2,562)	(1,525)		(28,209)	(78,063)
Impairment		(18,768)					(18,768)
Exchange rate difference	(307)	(538)	224	10	25	184	(402)
Reclassifications	918	16,240	827	897	(19,274)	404	12
Other changes	1,221	20,688	17	19	3,432	1	25,378
Balance at December 31, 2024	**86,474**	**231,339**	**10,090**	**5,654**	**32,579**	**186,562**	**552,698**
Of which:							
Historical cost	142,054	1,058,691	65,828	33,873	32,579	244,113	1,577,138
Accumulated depreciation	(55,580)	(827,352)	(55,738)	(28,219)		(57,551)	(1,024,440)

The following table presents the changes in the right-of-use asset in leases at the respective reporting dates:

(in thousands of Euros)	Right of use Land and buildings	Right of use Plant and machinery	Right of use Equipment	Right of use Other fixed assets	Total
Balance at January 1, 2023					
Historical cost	68,876	2,015	466	24,405	95,762
Accumulated depreciation	(27,410)	(1,784)	(320)	(8,545)	(38,059)
Net value	**41,466**	**231**	**146**	**15,860**	**57,703**
Investments	75,374	23,303	1,244	4,537	104,458
Disposals	(277)	(786)		(186)	(1,249)
Depreciation	(9,794)	(4,497)	(1,198)	(3,138)	(18,627)
Exchange rate difference	(108)	(5)	(1)	38	(76)
Reclassifications		9,142	1,929	(11,207)	(136)
Other changes	(23)				(23)
Balance at December 31, 2023	**106,638**	**27,388**	**2,120**	**5,904**	**142,050**
Of which:					
Historical cost	140,390	34,034	4,195	11,189	189,808
Accumulated depreciation	(33,752)	(6,646)	(2,075)	(5,285)	(47,758)
Balance at January 1, 2024					
Historical cost	140,390	34,034	4,195	11,189	189,808
Accumulated depreciation	(33,752)	(6,646)	(2,075)	(5,285)	(47,758)
Net value -	**106,638**	**27,388**	**2,120**	**5,904**	**142,050**
Business Combination	2,249	(1,240)	399	2,476	3,884
Investments	54,784	27,554	3,794	5,231	91,363
Disposals	(5,116)	(16,633)	(1,255)	(111)	(23,115)
Depreciation	(16,506)	(5,686)	(2,030)	(3,987)	(28,209)
Exchange rate difference	335	(190)	(10)	49	184
Reclassifications	-	(308)	404	308	404
Other changes	-	1	-	-	1
Balance at December 31, 2024	**142,384**	**30,886**	**3,422**	**9,870**	**186,562**
Of which:					
Historical cost	182,861	38,716	5,780	16,757	244,114
Accumulated depreciation	(40,477)	(7,830)	(2,358)	(6,887)	(57,552)

The investments of Euro 148,250 thousand for the twelve months ended December 31, 2024 refer for Euro 35,257 to investments of right-of-use related to sale and leaseback of the the second portion of a sale and lease back transaction concerning some plants previously owned and operated by the Fedrigoni Group across Italy (for approximately half of the overall portfolio, the other half of which closed in November 2023, the "S&LB Transaction").
The remaining part mainly refers to the Top Coater of Barberà plant, investments in Varone plant for HSE and equipment relocation related to new acquired assets in Fedrigoni North America.
The depreciation and the impairment of property, plant and equipment also include the amounts of Euro 3,611 thousand and Euro 17,035 thousand, respectively, related to the Office Business reclassified as discontinued operation.
At December 31, 2024, excluding the assets under leases, no property, plant or equipment was put up as collateral on loans received by the Group.

7. INTANGIBLE ASSETS

The changes in this item are detailed below.

(in thousands of Euros)	Development costs	Patent and intellectual property rights	Concessions, licenses and trademarks	Other intangible assets	Goodwill	Work in progress and advances	Right of use software license	Total
Balance at January 1, 2023	**1,850**	**17,681**	**126,745**	**698,582**	**1,320,418**	**9,794**		**2,175,070**
Business Combination		370	3,688	9,956	40,228			54,242
Investments	281	8,948	877	9		6,342		16,457
Disposals					(493)			(493)
Amortization	(1,352)	(5,796)	(8,061)	(30,129)				(45,338)
Writedowns		(21)	(43)					(64)
Exchange rate difference	(5)	9	(97)	(191)				(284)
Reclassifications	1,931	672	14	(178)		(2,648)		(209)
Other changes		(45)		9	(1,390)	(68)		(1,494)
Balance at December 31, 2023	**2,705**	**21,818**	**123,123**	**678,058**	**1,358,763**	**13,420**		**2,197,887**
Balance at January 1, 2024	**2,705**	**21,818**	**123,123**	**678,058**	**1,358,763**	**13,420**		**2,197,887**
Business Combination		3,385	14,560	41,406	69,084	96		128,531
Investments	131	4,075	397			12,764		17,367
Disposals		(65)	(2,227)					(2,292)
Amortization	(2,680)	(8,569)	(7,719)	(31,843)				(50,811)
Writedowns		(22)						(22)
Exchange rate difference	5	(37)	149	233				350
Reclassifications	6,471	1,636	66			(7,919)		254
Other changes		43		(1)	(4,902)			(4,860)
Balance at December 31, 2024	**6,632**	**22,264**	**128,349**	**687,853**	**1,422,945**	**18,361**		**2,286,404**

The investments in intangible assets made during the year ended December 31, 2024 amount to Euro 17,637 thousand and regard primarily the development costs and the cost incurred to purchase and customize ERP and inventory management software.
The amortization and the write-downs of intangible assets also include the amounts of Euro 11 thousand and Euro 22 thousand, respectively, related to the Office Business reclassified as discontinued operation.

The goodwill allocated is set forth below by business segment

(in thousands of Euros)	December 31,			
	2024		2023	
Cash Generating Unit (CGU)				
LPCS	545,740		550,644	
Total LPCS	**545,740**	**38%**	**550,644**	**41%**
FSA Europe	824,449		755,363	
FSA America	52,754		52,754	
Total FSA	**877,203**	**62%**	**808,117**	**59%**
Total	1,422,943	100%	1,358,761	100%

Impairment testing

As required by IAS 36, the Fedrigoni Group tested the carrying amounts of the tangible and intangible assets recognized in its Consolidated Financial Statements at December 31, 2024, with respect to their recoverable amounts. Goodwill and trademarks with an indefinite useful life are tested for impairment at least annually, even when no indications of impairment losses are present.
In accordance with IAS 36, the Fedrigoni Group identified the CGU representing the smallest identifiable group of assets able to generate largely independent cash inflows within the Consolidated Financial Statements. CGU were identified by taking into account the organizational structure, the type of business and the methods with which control is exercised over the operation of the CGU.
The CGU in which goodwill is recognized/allocated, on which the impairment testing was based, are as follows:

- LPCS;
- FSA Europe;
- FSA America.

The assets were tested for impairment by comparing the carrying amount attributed to the CGU, including goodwill, with its recoverable amount (value in use). The value in use is the present value of the estimated future cash flows to be derived from continuing use of the assets referring to the cash generating units and the terminal value allocated to them. In conducting the impairment test, the Fedrigoni Group used the most recent forecasts for the financial and business performance envisioned for 2025 (as described in the section on "estimates and assumptions"), presuming that the assumptions and targets would be met. In preparing its projections, management made assumptions based on past experience and expectations about the developments in the business segments in which the Group operates.

The terminal value was calculated by using a growth (G) rate in line with the average inflation expected in the long term (2029) for the main countries where the CGU operate, weighted with the respective revenues (2024). The discount rate used (WACC) reflects current market assessments of the time value of money and the risks specific to the asset. Below are represented the details of G and WACCs, in comparison with previous impairment test assumptions:

CGU	G rate (12.2024)	Post-tax WACC (12.2024)	G rate (12.2023)	Post-tax WACC (12.2023)
LPCS	2.0%	8.3%	2.0%	8.5%
FSA Europe	2.0%	8.7%	2.0%	8.6%
FSA America	2.6%	12.6%	2.7%	11.7%

No impairment loss emerged from the impairment test.

Since the recoverable amount is determined on the basis of estimates, the Group is not able to assure that goodwill will not suffer an impairment loss in future periods.
The operating cash flow estimate was taken from the 2025-2029 Business Plan. The estimated cash flows are based on the Directors' assumptions, which are cohesive with the Group's strategy in each business and market where it operates, and they depend on exogenous variables beyond management's control, such as the performance of currency exchange and interest rates, the infrastructural investments of the countries where the Group operates, and macro-policy or social factors having a local or global impact. In accordance with IAS 36, such exogenous variables were estimated on the basis of information known when the business plans were drawn up and examined.

In addition, the Group performed a sensitivity analysis using deteriorated variables of the impairment test, WACC and G rate and by holding the value in use of Fedrigoni Special Papers North America and of Poli-Tape Group to determinate which are the Break-Even WACC and G rate for each CGU. The analysis considers 75% of the assumed savings with respect to the 2024-2029 Business Plan. The post-tax WACC of indifference, i.e. the discount rate that reduces the headroom to zero for each CGU, is reported in the following table:

CGU	Post-tax WACC of indifference
LPCS	10.8%
FSA Europe	10.0%
FSA America	13.0%

In a second scenario, sensitivity analysis was carried out by considering growth in line with what expected by the market and 75% of the assumed savings with respect to the 2024-2030 Business Plan. Even this scenario does not give evidence of impairment losses.

Allocation of goodwill from business acquisitions

In February 2024, the Fedrigoni Group acquired in cash certain assets of Mohawk, a family-owned US company that produces some of the best-known specialty papers for designers, brands, and printers in North America. The acquisition has been finalized through a NewCo named "Fedrigoni Special Papers North America Inc.". The transaction has been executed as a strict asset deal and regulated accordingly for all local legal and tax requirements. In the consolidated books, and only for accounting purposes, in accordance to the EU-IFRS, in particular, the IFRS 3, this transaction is treated as a Business Combination.

The revenues and net results for the period of Fedrigoni Special Papers North America Inc. after the acquisition date of certain assets of Mohawk, which are included in the consolidated statement of income for the year ended December 31, 2024, are shown in the table below:

(in thousands of Euros)	Year ended December 31, 2024
	Fedrigoni Special Papers North America
Revenues	81,441
Net income/(loss)	16,180

On June 28, 2024, the Fedrigoni Group acquired in cash a major stake (89.98%) of German-based Poli-Tape Group, internationally recognized for the production of high-quality materials for graphic applications, including textile, signage, digital printing and specialties. The Poli-Tape Group has been acquired through the newco Tuscany BidCo GmbH directly owned by Fedrigoni S.p.A. and therefore is presented as business combinations in accordance with IFRS 3 – "Business Combinations".

The revenues and net result for the period of the entities acquired after the acquisition date, which are included in the consolidated statement of income for the year ended December 31, 2024, are shown in the table below.

(in thousands of Euros)	Year ended December 31, 2024
	Poli-Tape Group
Revenues	49,202
Net income/(loss)	1,211

The revenue and net result for the year 2024 of the target entities assuming that the acquisition had occurred on January 1, 2024 (pro forma information) are detailed in the table below.

(in thousands of Euros)	Pro forma revenues and net result for the year ended December 31, 2024
	Poli-Tape Group
Revenues	106,110
Net income/(loss)	2,610

As a result of Poli-Tape acquisition, the Group recognized a goodwill (allocated entirely to the CGU FSA Europe) of Euro 69,084 thousand. The purchase price allocation of Poli-Tape Group was determined with the assistance of independent advisers in order to identify the fair value of the assets acquired, liabilities assumed and goodwill (the synergies expected from the acquisition are mostly coming on both procurement and operation and, to minor extent, commercial initiatives).
Under IFRS 3, if the initial accounting for a business combination cannot be definitively determined by the end of the first reporting period, because the fair values to be assigned to the assets and liabilities acquired can be determined only provisionally, the accounting must use provisional amounts, and within 12 months from the acquisition date the adjustments to the provisional amounts must be recognized, effective retrospectively, thus determining the definitive balances of the acquisition.
A portion of the Goodwill recognized is deductible for tax purposes.
The preliminary fair value measurement of the assets and liabilities acquired and the price paid are set forth below:

(in thousands of Euro)	Poli-Tape Group
Non-current assets	
Property, plant and equipment	34,280
Intangible assets	45,740
Other non-current assets	7,276
Total non-current assets	87,296
Total non-current assets	**6,121**
Current assets	
Inventories	25,275
Trade receivables	14,423
Other current assets	2,193
Cash and cash equivalents	7,454
Total current assets	49,345
Total current assets	**14,740**
Total assets (A)	**136,641**
Non-current liabilities	
Due to banks and other lenders	44,089
Employee benefits	1,945
Provisions for risks and charges	7,499
Other non-current liabilities	13,658
Total non-current liabilities	**67,191**
Current Liabilities	
Due to banks and other lenders	3,754
Trade payables	11,319
Other current liabilities	2,808
Total current liabilities	**17,881**
Total liabilities (B)	**85,072**
Price paid for the acquisition (C)	115,447
Fair value of net assets acquired (D=A-B)	51,569
Non-controlling interests (E)	5,206
Goodwill (C-D+E)	**69,084**

With respect to the acquisition of certain assets of Mohawk, which was partially paid with cash, under IFRS and in the consolidated books, the fair value of the assets at the acquisition date exceeds the purchase price, resulting in Euro 28,852 thousand of bargain purchase gain that has been recognized as "Other Operating Income" and classified as a one-time non-recurring item. The bargain purchase primarily arose because the transaction occurred following a period of significant financial distress experienced by the seller. This situation led to a purchase price which, after a specific valuation run in accordance with IFRS 3, resulted to be lower compared to the fair value of the acquired assets.

The fair value measurement of the assets and liabilities acquired and the price paid are set forth below:

(in thousands of Euro)	Fedrigoni Special Papers North America
Non-current assets	
Property, plant and equipment	33,789
Intangible assets	13,302
Other non-current assets	88
Total non-current assets	**47,179**
Current assets	
Inventories	20,677
Trade receivables	6,065
Other current assets	1,154
Total current assets	**27,896**
Total assets (A)	**75,075**
Non-current liabilities	
Provisions for risks and charges	8,857
Total non-current liabilities	**8,857**
Current Liabilities	
Trade payables	
Other current liabilities	
Total current liabilities	
Total liabilities (B)	**8,857**
Price paid for the acquisition (C)	37,366
Fair value of net assets acquired (D=A-B)	
Non-controlling interests (E)	
Gain on bargain purchase (C-D+E)	
Fair value of net assets acquired (D=A-B)	66,218
Non-controlling interests (E)	
Goodwill (C-D+E)	**(28,852)**

8. INVESTMENT PROPERTY

The changes in this item are detailed below:

(in thousands of Euros)	Land and buildings
Balance at January 1, 2023	
Historical cost	1,014
Accumulated depreciation	(791)
Net value	**223**
Depreciation	(20)
Balance at December 31, 2023	**203**
Of which:	
Historical cost	1,014
Accumulated depreciation	(811)
Balance at January 1, 2024	
Historical cost	1,014
Accumulated depreciation	(811)
Net value	**203**
Balance at December 31, 2024	**203**
Of which:	
Historical cost	1,014
Accumulated depreciation	(811)

9. EQUITY-ACCOUNTED INVESTMENTS IN ASSOCIATES

This item, amounting to Euro 54,571 thousand, represents the investment in Consorzio Canale Industriale G. Camuzzoni S.c.ar.l. in Verona, an entity that produces hydroelectric power, in which the Group owns a 25% stake, the investment in Eonys SAS, a French company that owns the entire share capital of Tageos SAS and its subsidiaries (collectively the Tageos Group), that operate in the design, manufacturing and distribution of radio-frequency identification (RFID) inlays and tags, in which the Group owns a 50.1% stake, and the investment in Sharp End Partnership Ltd, an Internet of Things (IoT) solutions and consulting English company, acquired by Fedrigoni Group on December 27, 2023, in which the Group owns a 13.04% stake. On April 6, 2024, the Group purchased an additional interest, increasing the stake owned to 20%.

For the investment in Eonys SAS, acquired by Fedrigoni Group on April 26, 2022 and accounted for Euro 47,937 thousand, the Group entered into a shareholder agreement which regulated the joint venture between the Group and the other shareholders.

At the time of preparation of the Consolidated Financial Statements, the financial statements of Consorzio Canale Industriale G. Camuzzoni S.c.ar.l. for the year ended December 31, 2024 had not yet been approved at its General Meeting.

The key data of the financial statements of Consorzio Canale Industriale G. Camuzzoni S.c.ar.l. at December 31, 2024 and 2023 is set forth below:

(in thousands of Euros)	Consorzio Canale Camuzzoni S.c.a.r.l.	
	December 31,	
	2024	2023
Assets	16,462	16,634
Equity	11,175	11,173
Liabilities	5,287	5,461
Revenues	3,780	4,494
Net profit	1	9

With respect to the Tageos Group, the summarized financial information included in the tables below represents the amounts of the joint venture's consolidated financial statement prepared in accordance with IFRS Accounting Standards.

The main information included in the consolidated statement of financial position of Eonys SAS and its subsidiaries is shown in the table below.

(in thousands of Euros)	Eonys SAS and its subsidiaries	
	At December 31, 2024	At December 31, 2023
Non-current assets	41,784	51,347
Current assets	37,672	39,236
Non-current liabilities	15,424	32,487
Current liabilities	59,891	55,083
The above amounts of assets and liabilities include the following:		
- Cash and cash equivalents	7,186	2,987
- Current financial liabilities (excluding trade and other payables and provisions)	22,585	32,331
- Non-current financial liabilities (excluding trade and other payables and provisions)	14,686	32,200

The main information included in the consolidated statement of income of Eonys SAS and its subsidiaries is shown in the table below.

(in thousands of Euros)	Eonys SAS and its subsidiaries	
	Period ended December 31, 2024	Period ended December 31, 2023
Revenues	127,547	55,455
Profit/(loss) from continuing operation	3,243	(2,932)
Profit/(loss) for the period	3,243	(2,932)
Other comprehensive income attributable to the owners of the Company	-	(23)
Total comprehensive income	3,243	(2,955)
The above profit/(loss) for the period include the following:		
- Depreciation and amortization	(9,391)	(5,870)
- Interest income	(1,681)	2,269
- Interest expense	(4,758)	(4,110)
- Income tax expense (income)	(898)	(85)

The carrying amount of the Group's interest in the joint venture recognized in the consolidated financial statements on the basis of the above summarized financial information is shown in the table below.

(in thousands of Euros)	Eonys SAS and its subsidiaries	
	Period ended December 31, 2024	Period ended December 31, 2023
Net assets of Eonys SAS and its subsidiaries	4,141	3,013
Fedrigoni's % of the investment	50,10%	50,10%
Goodwill	46,451	46,451
Carrying amount of Fedrigoni's interest in the joint venture	48,528	47,937
Carrying amount of Fedrigoni's interest in the joint venture	47,937	50,148

The key data of the approved financial statements of Sharp End Partnership Ltd. at December 31, 2023 is set forth below:

(in thousands of Euros)	Sharp End Partnership Ltd.
	December 31,
	2023
Assets	2,859
Equity	1,665
Liabilities	1,194
Revenues	3,321
Net profit	(876)

10. TAX CREDITS

This item is detailed below:

(in thousands of Euros)	At December 31, 2024			At December 31, 2023		
	Non current	Current	Total	Non current	Current	Total
Tax Credits	8,314	15,159	23,473	13,135	10,666	23,801
Total	**8,314**	**15,159**	**23,473**	**13,135**	**10,666**	**23,801**

The non-current tax credits of Euro 8,314 thousand refer mainly to the recognition in Fedrigoni S.p.A.'s separate financial statements of tax credits arising on the tax relief, under Decree Law 185/2008, for the excess values regarding intangible assets (goodwill and customer list) recognized in the consolidated financial statements.
The current tax credits result primarily from the advance tax payments of the year ended December 31, 2024.

11. DEFERRED TAX ASSETS AND LIABILITIES

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Deferred tax assets	96,614	72,766
Total deferred tax assets	**96,614**	**72,766**
Deferred tax liabilities	(254,939)	(233,507)
Total deferred tax liabilities	**(254,939)**	**(233,507)**
Total net deferred tax assets/(liabilities)	**(158,325)**	**(160,741)**

The composition of these balances is shown below:

(in thousands of Euros)	December 31, 2023	Effect on Income Statement	Exchange of rate difference	Business combination	Variation on area	Effect on statement of comprehensive income	Reclassifications	December 31, 2024
Inventory valuation	14,826	4,101	(52)	3,988	(293)			22,570
Valuation of trade receivables	1,754	6	(4)	1,306	(0)			3,062
Writedown of property, plant and equipment	2,338	4,759	9				753	7,859
Provisions for risks	3,614	1,819	(84)	1,418	(249)			6,518
Difference between fiscal and statutory values of tangible and intangible assets	1,243	44	71	40	246		539	2,183
PPA allocation	17,527	(1,116)						16,411
Derivative fair values	798							798
Foreign exchange and other differences	(81)	119	(8)		(42)		(73)	(85)
Actualization of employee benefits	224	61	(9)					276
Tax losses	22,540	5,415	123		30		907	29,015
IFRS 16	2,116	(207)	59	63	12			2,043
Other	5,867	76	89	324	22		(414)	5,964
Total deferred tax assets	**72.766**	**15.077**	**194**	**7.139**	**(274)**	**-**	**1.712**	**96.614**

(in thousands of Euros)	December 31, 2023	Effect on Income Statement	Exchange of rates difference	Business combination	Variation of area	Effect on statement of comprehensive income	Reclassifications	December 31 2024
Valuation of tangible and intangible assets	(23,996)	3,398	(155)					(20,753)
Effect of leaseback transaction	3,590	(8,885)			0		(4,615)	(9,910)
Provisions for risks	(71)							(71)
Recognition of leases	0	(1)						(1)
Actualization of employee benefits	(38)	44		(85)	(6)	(41)		(126)
Actualization of social security liabilities	(13)				0			(13)
Foreign exchange and other differences	(286)	272	8		23		(93)	(76)
Derivative fair values	-					(1,801)		(1,801)
IFRS 16	(2,933)		(74)		6		(3)	(3,004)
PPA allocation	(203,146)	5,766		(13,635)	-			(211,015)
Other	(6,615)	(6,040)	(162)				4,648	(8,169)
Total deferred tax liabilities	**(233,508)**	**(5,446)**	**(383)**	**(13,720)**	**23**	**(1,842)**	**(63)**	**(254,939)**

12. INVENTORIES

This item is detailed below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Raw materials and goods	161,204	131,325
Work in progress and semi-finished goods	119,303	102,627
Finished products	123,089	111,952
Total	**403,596**	**345,904**

Inventories are shown net of the provision for inventory obsolescence as detailed below:

(in thousands of Euros)	Provision for raw material obsolescence	Provision for obsolescence of finished and work in progress products	Total
Balance at January 1, 2023	**10,604**	**74,809**	**85,414**
Business Combination	770	2,293	3,063
Charge	5,398	5,367	10,765
Use	(3,378)	(39,921)	(43,299)
Exchange rate difference	(20)	(104)	(124)
Other changes	(4,782)	(6,512)	(11,294)
Balance at December 31, 2023	**8,593**	**35,932**	**44,525**
Balance at January 1, 2024	**8,593**	**35,932**	**44,525**
Business Combination		30,127	30,127
Charge	7,368	15,399	22,767
Use	(537)	(18,304)	(18,841)
Exchange rate difference	68	357	425
Other changes	159	(843)	(684)
Balance at December 31, 2024	**15,651**	**62,668**	**78,319**

No inventories were put up as collateral to guarantee loans received by the Group.

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13. OTHER ASSETS

The other assets are stated in the financial statements net of the related provisions:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Other gross assets	150,663	128,914
Provision for other doubtful debts	(2,109)	(2,109)
Other net assets	**148,554**	**126,805**

The item is detailed below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
- Sundry receivables	24,998	10,859
- Sundry tax credits	9,191	8,195
- Prepaid expenses and accrued income	10,850	10,544
- VAT credit	21,773	24,898
- Other financial credits and credits for contributions	76,675	66,927
- Security deposits	3,969	4,677
- Due from social security entities	512	367
- Due from employees	586	338
Total other assets	**148,554**	**126,805**
Of which: non-current	41,478	28,892

The most significant amounts comprising the sundry receivables include Euro 10,597 thousand due for Fedrigoni S.p.A.'s and other entities' white certificates and the contribution of the newly acquired entities during 2024. White certificates are awarded by the respective authorities for the achievement of energy savings through the use of energy-efficient technology and systems. White certificates are tradable instruments giving proof of the achievement of specific energy savings percentages.
The VAT credit is attributable mainly to the Imposto sobre Circulaçao de Mercadorias e Serviços ("ICMS" or Tax on Commerce and Services) receivables due to Arconvert-Ritrama do Brazil Ltda (Euro 11,064 thousand at December 31, 2024), for which that company applied for use of the tax credit offsetting regime. To date, the company is still awaiting the outcome of the related authorization process.
The other financial credits and credits for contributions mainly relate to Euro 65,494 thousand in financial receivables of Tageos Group.
The table below presents the changes in the provision for other doubtful debts.

(in thousands of Euros)	Provision for other doubtful debts
Balance at January 1, 2023	**3,148**
Charge	7
Use	(848)
Other changes	(198)
Balance at December 31, 2023	**2,109**
Balance at January 1, 2024	**2,109**
Balance at December 31, 2024	**2,109**

14. TRADE RECEIVABLES

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Gross trade receivables	112,918	91,218
Provision for doubtful debts	(14,772)	(7,354)
Net trade receivables	**98,146**	**83,864**

The table below presents the changes in the provision for doubtful debts:

(in thousands of Euros)	Provision for other doubtful debts
Balance at January 1, 2023	**13,138**
Business Combination	531
Charge	1,539
Use	(1,050)
Exchange rate difference	37
Other changes	(6,841)
Balance at December 31, 2023	**7,354**
Balance at January 1, 2024	**7,354**
Business Combination	6,420
Charge	4,273
Use	(2,788)
Exchange rate difference	6
Other changes	(493)
Balance at December 31, 2024	**14,772**

As explained in Notes 7, "business combinations" reflects the effects of the 2024 acquisitions.

15. CASH

This item is detailed below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Bank deposits	181,675	239,298
Cash and cash equivalents on hand	40	86
Total	**181,715**	**239,384**

16. DERIVATIVES

The balance derives primarily from the fair value measurement of Commodity Swaps stipulated by the Group to hedge against price swings for certain product inputs. In the third quarter 2023, the Fedrigoni Group stipulated and has still in place a Call Options to buy 10,000 thousand permits, hedging the risk of changes in CO2 permit prices. During the first quarter of 2024 the Group entered into a new Interest Rate Cap for a total notional value of Euro 220,000 thousand to mitigate the risk of the interest rate fluctuation. In April 2024, Fedrigoni S.p.A. stipulated a new Swap to hedge the risk on Gas price increase for a notional of 822,115 MWh until June 2026.

At December 31, 2024, the net receivable regarding the derivatives traded by the Company was Euro 6,919 thousand, mainly referring to the current portion of the swap fair value to hedge on gas price and residually to the current portion of fair value change of foreign exchange currency derivatives recognized directly in equity in “other reserves” and presented in the consolidated statement of comprehensive income among items that will be reclassified subsequently to profit and loss.

At December 31, 2024, the net payable regarding the derivatives traded by the Company was Euro 1,959 thousand, mainly referring to the current portion of commodity derivatives recognized directly in equity in “other reserves” and presented

in the consolidated statement of comprehensive income among items that will be reclassified subsequently to profit and loss, attributable to:

- Euro 1,808 thousand allocated to non-current liabilities referring to the fair value measurement of Interest Rate Cap (IRC) entered into by the Group to manage interest rate risk on the Floating Rate Notes, applying a partial term hedge with an interest rate cap of the Euribor set at 4.00% for a total notional of Euro 550,000 thousand and with an interest rate cap set at 3.75% for a total notional of Euro 220,000 thousand recognized directly in equity in “other reserves” and presented in the consolidated statement of comprehensive income among items that will be reclassified subsequently to profit and loss;
- Euro 151 thousand allocated to current liabilities mainly referring to the current portion of commodity derivatives on CO2 permits recognized directly in equity in “other reserves” and presented in the consolidated statement of comprehensive income among items that will be reclassified subsequently to profit and loss.

17. EQUITY

The equity of the Group at December 31, 2024 is set forth below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Share capital	40,000	40,000
Share premium reserve	60,241	1,346,892
Legal reserve	8,000	-
Other reserves	1,070,305	(100,868)
Profit/ (loss) for the year	(285,166)	(109,592)
Equity	**893,380**	**1,176,432**

The share capital at December 31, 2024 was Euro 40,000 thousand and consisted of 40,000,000 ordinary shares with a par value of Euro 1.00 per share.

18. DUE TO BANKS AND OTHER LENDERS

This item is detailed below:

(in thousands of Euros)	At December 31, 2024							
	Interest Rate	Current portion	Portion with due after 12 months					Total
			2026	2027	2028	2029	Afterward	
Financial debt	Variable	78,062	36,186	33,050	32,941	28,262	910	**209,411**
Lease liabilities	Variable	17,965	21,505	16,149	13,050	9,992	175,795	**254,456**
Notes issued - principal portion	Variable	253	253	253	253	252	1,010	**2,274**
Notes issued - principal portion fixed	Fixed						419,925	**419,925**
Notes issued - principal portion floating	Variable						649,149	**649,149**
Notes issued - interest portion	Variable	6,783						**6,783**
Other financing	Variable	30,338	741	795	852	914	480	**34,120**
Total		**133,401**	**58,685**	**50,247**	**47,096**	**39,420**	**1,247,269**	**1,576,118**

(in thousands of Euros)	At December 31, 2023							
	Interest Rate	Current portion	Portion with due after 12 months					Total
			2026	2027	2028	2029	Afterward	
Financial debt	Variable	55,319	7,075	4,565	2,393	1,478		**70,831**
Lease liabilities	Variable	14,035	29,554	12,984	10,419	7,236	90,026	**164,254**
Notes issued - principal portion	Variable	126	253	253	253	253	1,263	**2,400**
Notes issued - principal portion fixed	Fixed				334,631			**334,631**
Notes issued - principal portion floating	Variable				652,308			**652,308**
Notes issued - interest portion fixed	Fixed	10,035						**10,035**
Other financing	Variable	29,864	650	697	747	801	1,312	**34,071**
Total		**109,379**	**37,532**	**18,499**	**1,000,751**	**9,768**	**92,601**	**1,268,530**

Financial debt
The "Financial debt" of Euro 209,411 thousand at December 31, 2024, refers to bank accounts, including bank overdrafts, and financial instruments used by Group companies to manage short-term cash flow requirements at the reporting date of these consolidated financial statements.

Lease liability
The Euro 254,456 thousand at December 31, 2024, is the remaining balance due on leases stipulated by the Group.

Notes
"Notes issued - principal portion" at December 31, 2024, has a balance of Euro 2,274 thousands and consists of the Arco bond.
"Notes issued - principal portion fixed" at December 31, 2024, has a balance of Euro 419,925 and consists of the Fiber Fixed Rate Notes, the Fiber Tap Notes and the Fiber Private Fixed Rate Notes.
"Notes issued - principal portion floating" at December 31, 2024, has a balance of Euro 649,149 and consists of the Fiber Floating Rate Notes and the Fiber Private Floating Rate Notes.
"Notes issued - interest portion fixed" at December 31, 2024, has a balance of Euro 6,783 thousand and refers to the interest expense accrued on the Fiber Fixed Rate Notes, the Fiber Tap Notes and the Fiber Private Fixed Rate Notes.
Costs incurred in relation to the offering of the 2024 fixed and floating Notes are accounted for a financing fees, are deducted from nominal debt, and are amortized under the effective interest rate method from January 22, 2024, to January 15, 2030.

Other financing
The "current other financing" of Euro 34,120 thousand at December 31, 2024, refers primarily to the recognition of the recourse portion regarding a plan to optimize trade working capital and to financial instruments used by Group companies to manage short-term working capital requirements

19. DUE TO CONTROLLING SHAREHOLDERS

The "Non current financing due to Controlling Shareholders" of Euro 322,056 thousand at December 31, 2024, refers to the principal portion of the subordinated shareholder loan granted by Fiber Midco.
Costs incurred in relation to the subordinated shareholder loan are accounted for as financing fees, deducted from nominal debt, and are amortized under the effective interest rate method from May 20, 2024, to June 15, 2029.

20. EMPLOYEE BENEFITS

The changes in this item are presented below:

(in thousands of Euros)	Employee benefits
Balance at January 1, 2023	**15,112**
Business Combination	294
Finance costs	532
Actuarial gains/(losses) net of the tax effect	(249)
Use	(1,856)
Charge	1,635
Exchange rate difference	17
Other changes	(3,181)
Balance at December 31, 2023	**12,304**
Balance at January 1, 2024	**12,304**
Business Combination	1,945
Finance costs	390
Actuarial gains/(losses) net of the tax effect	(594)
Use	(3,995)
Charge	822
Exchange rate difference	(33)
Other changes	1,663
Balance at December 31, 2024	**12,502**

The actuarial assumptions used to determine the obligation for employee benefits are detailed below:

(in thousands of Euros)	December 31,	
	2024	**2023**
Economic assumptions		
Inflation rate	2.0%	2.5%
Discount rate	3.2%	3.1%
Salary increment	1.0%	1.0%
"TFR" (provision for severance indemnities) rate of increase	3.0%	3.4%
Demographic assumptions		
Probability of resignations/dismissals	6.0%	6.9%
Probability of advance payouts	3.0%	3.0%

21. PROVISIONS FOR RISKS AND CHARGES

This item is detailed below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Provision for agency termination	1,205	3,248
Provision for environmental risk	3,705	1,321
Provision for sundry risks	35,323	24,095
Total	**40,233**	**28,664**

The changes in this item are presented below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Opening Balance	**28,664**	**31,979**
Business Combination	16,626	6,804
Increases	13,692	8,074
Use	(13,288)	(6,468)
Exchange differences and other changes	(5,461)	(11,725)
Ending Balance	**40,233**	**28,664**

(in thousands of Euros)	Provision for agency termination	Provision for environmental risk	Provision for litigation risks	Provisions for warranty claims	Provisions for exit incentives	Other provisions	Total
Balance at January 1, 2023	**3,453**	**4,005**	**8,603**	**4,862**		**11,056**	**31,979**
Business Combination						6,804	6,804
Charge	611		1,732	371	245	5,115	8,074
Use	(424)	(103)	(1,778)	(886)		(3,277)	(6,468)
Exchange rate difference			(42)	(12)		49	(5)
Other changes	(392)	(2,581)	(5,008)	(515)		(3,224)	(11,720)
Balance at December 31, 2023	**3,248**	**1,321**	**3,507**	**3,820**	**245**	**16,523**	**28,664**
Balance at January 1, 2024	**3,248**	**1,321**	**3,507**	**3,820**	**245**	**16,523**	**28,664**
Business Combination	51	2,384	8,646	321	-	5,224	16,626
Charge	(1,859)		12,392	3,034	25	100	13,692
Use	(155)		(8,755)	(3,766)		(612)	(13,288)
Exchange rate difference				29		(101)	(72)
Other changes	(80)		(939)	88	(70)	(4,388)	(5,389)
Balance at December 31, 2024	**1,205**	**3,705**	**14,851**	**3,526**	**200**	**16,746**	**40,233**

The provision for agency termination is the estimated liability due for agency severance benefits.

The provision for warranty claims consists of costs that could be incurred in the event of claims regarding paper products. During the period a specific provision accrued in fiscal year 2023 was used after the settlement of a claim related to the supply of playing cards. Consequently, the provision has been realigned as a result of the calculation of the difference between new risks and the cessation of previous period risks. In addition to covering specific situations, for which negotiations to settle claims are in progress, the provision serves to cover costs that are reasonably expected to be incurred, on the basis of past experience, to satisfy the warranty obligations.

The charge provision for litigation risks (Euro 12,392 thousand) refers to liabilities that could ensue from pending lawsuits, disputes, business arrangements entered into by the Group, the purchase price allocation process and risks relating to the refund of the amount collected from the sale of white certificates in previous periods. Even though the white certificates, which are recognized for an innovative investment program from which energy savings may derive, are initially considered qualified to produce such savings and are accounted for with inclusion of the energy efficiency title ("TEE") payments, they are subject to review while they are in effect. The related provision accounts for the risk on those projects for which the relevant authorities have reconsidered the previously assigned qualification. The "provision for litigation risks" includes the Fedrigoni S.p.A.'s allocation for risks mainly on uncontracted distributors abroad, on disputes with suppliers and on employee severance expenses.

22. TRADE PAYABLES AND OTHER LIABILITIES

This item is detailed below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Trade payables	**615,849**	**461,264**
Other liabilities:		
- Due to employees	33,735	25,720
- Accrued expenses and deferred income	8,672	5,951
- Social security	13,439	11,448
- Withholding taxes	7,845	6,912
- Sundry payables	36,165	24,763
- Due to supplementary pension fund	2,468	2,123
- Advances	1,641	2,225
- VAT due	7,030	7,276
- Due to Directors and Statutory Auditors	34	94
- Sundry tax liabilities	9,921	13,572
Other liabilities	**120,950**	**100,084**
Total	**736,799**	**561,348**
Of which: non-current	9,928	14,712

The increase in "Trade Payables" is a consequence of the higher sales volumes and inventory stocked compared to the previous year, resulting in higher purchase costs. Mainly for the purpose of ensuring access to credit of its suppliers and facilitating payment management, the Company has entered into supply chain agreements with a few

companies and financial institutions.
The existing agreements provide different set-up. Some of these agreements include the possibility for suppliers to obtain the collection before the natural due date of the invoices against the payment of an interest fee that the factoring company charges directly to the Vendor. In other agreements for payment to the supplier on the date indicated by the Company with the Company itself being charged on an agreed date that does not, in any case, entail a significant extension of the payment terms with respect to the date on which the Company itself would have paid the debt in the absence of these contracts.
In view of the foregoing and by virtue of the fact that such agreements are used with the main purpose of facilitating the management of payments and business relations with its suppliers, the Company classifies debts covered by these agreements as "Trade payables."
Trade payables as of December 31, 2023, included a debt of €12,644 thousands to some foreign entities directly or indirectly linked to a long-standing commercial partner of the Company active in the Indian market for banknote paper and security elements, with which the Company had signed license agreements for the exploitation of a specific process patent related to a security element registered and used by Fedrigoni and the related intellectual property rights.
Following a tax audit initiated by the *Guardia di Finanza* in 2019 for the years 2017 to 2019, which concluded with the signing of a judicial settlement and three agreements with adherence, the Company's Directors terminated all relationships with the contractual counterparts and suspended all royalty payments.
In March 2022, due to the suspension of the aforementioned relationships, the above-mentioned companies related to Fedrigoni's partner initiated a civil lawsuit before the Italian judiciary, requesting payment by Fedrigoni of the royalties allegedly due under the said license agreements, which were quantified by them at €18,200 thousand, plus general expenses and damages apparently suffered due to the non-payment of such royalties, for a total claim of €18,782 thousand.
The Company is defending itself this lawsuit and has argued its reasons in light of the evidence emerged from the aforementioned and now concluded investigation by the Guardia di Finanza.
During 2024, the value of the originally recorded debt was reduced by €7,424 thousand to align it with the prudently most probable financial outlay connected to the closure of the dispute, considering the developments that occurred during the year regarding the ongoing proceedings. The investigating judge has lifted the reservation regarding the remaining evidentiary requests of the plaintiffs, particularly the counterparts' requests for accounting, inspection, exhibition, and expert witnesses aimed at quantifying the amounts allegedly due by Fedrigoni, and considering the case ready for a collegial decision, has set a hearing for the clarification of conclusions for the next September 24, 2025.
The increase in "other liabilities" is mainly due to the contribution of the new acquired entities during 2024..

23. CURRENT TAX LIABILITIES

This item amounts to Euro 5,554 thousand at December 31, 2024.
The increase of 2024 is related to the accrual of Income Taxes of 2024.

NOTES TO THE INCOME STATEMENT

24. SALES REVENUES

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Revenues from sales of product	1,916,044	1,753,976
Awards for customers	(29,503)	(23,538)
Other sales revenues	4,075	4,906
Total	**1,890,616**	**1,735,344**

25. OTHER OPERATING INCOME

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Other revenues	68,877	71,081
Sundry non-financial income, grants for operating expenses and gains from asset disposal	83,415	62,171
Total	**152,292**	**133,252**

"Other operating income" consists of (i) other revenues, where the decrease is primarily driven by lower raw materials sales, in particular those related to the Office business, following its classification as discontinued operation; (ii) sundry non-financial income, that also includes grants from operating expenses, and it is primarily driven by the one-time capital gain from the real estate sales and lease-back transaction (Euro 32,013 thousand). Other operating income accounted for 8.1% of our sales for the year ended December 31, 2024, and for 7.7% for the year ended December 31, 2023.

26. COST OF MATERIALS

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Raw materials and goods purchases	1,124,035	921,996
Purchases of ancillary materials and consumables	14,502	11,453
Change in raw material inventories and goods	(31,432)	66,174
Total	**1,107,105**	**999,623**

For the period ended December 31, 2024 "raw material and goods purchases" reflect the prices of raw materials used in production and are mainly attributable to pulp costs. Cost of materials accounted for 58.6% of our sales revenues for the year ended December 31, 2024 and 57.6% of our sales revenues for the period ended December 31, 2023..

27. COST OF SERVICES

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	**2023**
Freight	122,714	105,072
Natural gas	53,539	44,650
Passive commissions	18,398	18,400
Maintenance	24,082	22,234
Use of third-party assets	1,094	7,767
Electricity	18,463	15,981
Consulting services (administrative, legal, tax, technical)	54,245	43,796
Advertising and publicity	6,453	7,700
Outsourced production	12,032	9,961
Insurance	10,513	10,258
Travel expenses	9,859	9,967
Waste disposal	7,895	6,742
Outsourced labor	7,804	6,678
Telephone expenses	1,580	1,347
Water	596	531
Directors and Statutory Auditors	1,810	1,331
Other services	31,967	19,545
Total	**383,044**	**331,960**

"Cost of services" mainly consist of cost of transportation, natural gas, commissions paid, maintenance, consulting services mainly related to the consultancy fees due to M&A activities, outsourced production and electricity. Cost of services accounted for 20.3% of our sales revenues for the period ended December 31, 2024 and for 19.1% for the period ended December 31, 2023.

28. COST OF PERSONNEL

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	**2023**
Wage and salaries	240,847	193,521
Social security contributions	57,200	48,119
Accrual for defined contribution and defined benefit plans	10,191	10,706
Other personnel costs	15,603	10,030
Total	**323,841**	**262,376**

The Group's employee headcount numbers at the reporting date are shown below:

(in thousands of Euros)	Year ended December 31,	
	2024	**2023**
Management	619	546
White-collar employees	1,510	1,383
Blue-collar employees	3,002	2,740
Total	**5,131**	**4,669**

Comparative data has been aligned with current year presentations

29. OTHER COSTS

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	**2023**
Writedowns of receivables and other assets	3,442	(977)
Indirect taxes	5,531	4,415
Membership dues	811	1,006
Allowances/(releases) of provisions	1,537	(6,092)
Other costs	6,447	15,605
Total	**17,768**	**13,957**

"Allowances/(releases) of provisions" comprise mainly amounts charged net of the amounts released to the other and environmental provision.
Other costs accounted for 0.9% of our sales revenues for the period ended December 31, 2024 and 0.8% of our sales revenues for the period ended December 31, 2023.

30. DEPRECIATION AND AMORTIZATION

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Depreciation of property, plant and equipment	74,452	67,199
Amortization of intangible assets	50,799	45,339
Depreciation of investment property	-	20
Impairment of tangible and intangible assets	1,734	118
Total	**126,985**	**112,676**

31. NET FINANCIAL INCOME/(COSTS)

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Interest income	10,365	3,630
Foreign exchange gains	42,648	35,528
Fair value measurement of derivatives		1
Other financial income	84	32
Totale financial income	**53,097**	**39,191**
Bank interest expense	(10,449)	(3,534)
Interest expense on leases	(28,234)	(5,418)
Foreign exchange losses	(49,374)	(35,080)
Fair value measurement of derivatives	142	683
Interest costs on employee benefits	(438)	(532)
Other finance costs	(320,213)	(251,491)
Total financial costs	**(408,566)**	**(295,372)**
Total	**(355,469)**	**(256,181)**

"Other finance costs" for the period ended December 31, 2024, include (i) Euro 124 million of interest expense on the Bond Notes, (ii) Euro 115 million as amortized cost on the Bond Notes, (iii) Euro 46 million in interest expense on the Shareholder Loan, and (iv) Euro 1,939 thousand as amortized cost on the Shareholder Loan.

32. INCOME TAXES

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Current taxes	20,625	16,572
Deferred taxes	(232)	(29,725)
Total	**20,393**	**(13,153)**

The table below presents the reconciliation of the theoretical tax rate (the tax rate in effect in the countries of the Group companies) and the effective tax rate:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Loss before tax	(120,666)	(62,826)
Theoretical tax rate	24.00%	24.00%
Theoretical income taxes	**(28,960)**	**(15,078)**
Profits not subject to taxes	(2,458)	(6,142)
Use of tax losses carried forward	(161)	
Non-deductible taxes	(3,293)	(4,822)
Non-deductible interests' expenses	32,466	13,422
Other decreases	(8,123)	3,820
IRAP allocated by Italian companies	**(2,604)**	**425**
Tax effects of foreign subsidiaries and other	(20)	(7,782)
Effective income taxes	**(13,153)**	**(16,157)**

33. NET LOSS FROM DISCONTINUED OPERATIONS

As mentioned, in 2023, we decided to explore the potential sale of a majority interest in the share capital of our fully owned subsidiary Giano S.r.l. in liquidazione ("Giano"), an Italian company operating in the Office paper business segment, a separate vertical within the Luxury Packaging and Creative Solutions. In December 2024, after several attempts, which did not lead to a feasible transfer of the Office business, the Group has decided to cease the operations of the Office paper business segment operated by Giano in this Annual Financial Report, given that, as of and for the year ended December 31, 2024 and as of and for the year ended December 31, 2023, the results of Giano are presented separately showing the effect of its contribution as discontinued operation.
The net loss from discontinued operations included in the Consolidated Income Statement for the year ended December 31, 2024 is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Sales revenues	133,804	129,062
Other operating income	(27,934)	(23,326)
Cost of materials	(68,238)	(53,023)
Cost of services	(34,523)	(40,502)
Cost of personnel	(11,841)	(10,852)
Other costs	966	5,151
Depreciation, amortization and impairment losses	(20,679)	(4,582)
Change in inventories of work in progress, semi-finished goods and finished products	(4,416)	(4,914)
Cost of capitalized in-house work from discontinued operations	80	9
Operating income/(loss)	**(32,783)**	**(2,977)**
Financial income	1,395	922
Finance costs	(7,067)	(869)
Net financial income/(costs)	**(5,672)**	**(53)**
Loss before taxes	**38,455**	**2,925**
Income taxes	9,304	897
Net loss	**29,151**	**2,027**

34. EARNINGS/(LOSS) PER SHARE

Earnings/(Loss) per share was calculated by dividing: i) the profit or loss attributable to ordinary equity holders by ii) the number of ordinary shares. There are no anti-dilutive shares, so the diluted earnings per share is the same as the basic earnings/(loss) per share.

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Net Profit/(Loss) attributable to owners of the Parent	(285,102)	(109,592)
Weighted average of shares (in thousand)	40,000	40,000
Basic loss per share (in Euros)	**(7.13)**	**(2.74)**
Diluted loss per share (in Euros)	**(7.13)**	**(2.74)**

35. CONTINGENT LIABILITIES

Various legal and tax proceedings originating over time in the normal course of the Group's business operations are pending. According to management, none of these proceedings are likely to result in significant liabilities for which provisions do not already exist in the Consolidated Financial Statements.

36. COMMITMENTS

(a) Commitments to purchase property, plant and equipment
The contractual commitments undertaken with third parties at December 31, 2024 regarding investments in property, plant and machinery not yet recognized in the financial statements amount to Euro 18,446 thousand.
(b) Other commitments
The following collateral has been put up:

- pledge over Fedrigoni S.p.A. shares granted by Fiber Midco S.p.A. (previously, Fiber Bidco S.p.A.) on November 30, 2022, as subsequently confirmed and extended on January 23, 2023, February 23, 2024, July 12, 2024 and December 17, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- pledge over Arconvert, S.A.U. shares granted by Ritrama S.p.A. on March 30, 2023, as subsequently confirmed and extended on April 5, 2024, July 31, 2024 and January 21, 2025, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- security assignment over the intercompany receivables granted by Fiber Midco S.p.A. on November 30, 2022, as subsequently confirmed and extended on January 23, 2023, January 22, 2024, May 20, 2024 and December 17, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- security assignment over the intercompany receivables granted by Fedrigoni S.p.A. on December 21, 2023, as subsequently confirmed and extended on April 5, 2024 and July 31, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- pledge over Ritrama S.p.A. shares granted by Fedrigoni S.p.A. on December 21, 2023, as subsequently confirmed and extended on April 5, 2024 and July 31, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the

Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;

- pledge over GPA Acquisition Company, LLC shares granted by GPA Holding Company, Inc. on December 21, 2023, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- pledge over Acucote, Inc. shares granted by Fedrigoni S.p.A. on December 21, 2023, as subsequently reaffirmed on July 31, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- all-asset pledge over substantially all assets of GPA Acquisition Company, LLC and Acucote, Inc. located in the United States of America, granted by GPA Acquisition Company, LLC and Acucote, Inc. on December 21, 2023 to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024.

37. RELATED-PARTY TRANSACTIONS

The following tables set forth the transactions and balances of the Group with related parties for the period ended December 31, 2024 and December 31, 2023.

(in thousands of Euros)	At December 31, 2024					
	Assets			Liabilities		
	Financial receivables	Trade receivables	Tax receivables	Tax liabilities	Trade payables	Financial payables
Bain Capital Private Equity, LP					852	
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.					2,850	
Tageos Group	65,495	3				
Fiber JVCo S.p.A.		188	2,472	743		756
Fiber MidCo S.p.A.		1,325				322,972
Sharp End Partnership Ltd	610	32			6	
German Tape S.r.l.		712			11	
Total	**66,105**	**2,260**	**2,472**	**743**	**3,719**	**323,728**
As a % of F/S item	89.00%	2.00%	11.00%	13.00%	1.00%	17.00%

(in thousands of Euros)	At December 31, 2023					
	Assets			Liabilities		
	Financial receivables	Trade receivables	Tax receivables	Tax liabilities	Trade payables	Financial payables
Bain Capital Private Equity, LP					60	
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.					1,781	
Tageos Group	32,098	1				
Fiber JVCo S.p.A.		282	1,267	1,222		
Fiber MidCo S.p.A.						334,794
Total	**32,098**	**283**	**1,267**	**1,222**	**1,841**	**334,794**
As a % of F/S item	50.22%	0.34%	5.32%	37.57%	0.40%	20.93%

Income Statement transactions

(in thousands of Euros)	Year ended December 31, 2024						
	Income				Expenses		
	Sales revenues	Other revenues	Interest income	Tax Consolidation income	Costs for services	Interest expense	Tax Consolidation expense
Bain Capital Private Equity, LP					3,568		
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.					876		
Tageos Group	10	128	4,172		20		
BC Partners LLP					35		
Fiber JVCo S.p.A.				1,875			1,537
Fiber MidCo S.p.A.						48,272	
Sharp End Partnership Ltd		32	10		8		
German Tape S.r.l.	4,876				31		
Total	**4,886**	**160**	**4,182**	**1,875**	**4,538**	**48,272**	**1,537**
As a % of F/S item	0.00%	0.00%	40.00%	96.00%	1.00%	16.00%	99.00%

(in thousands of Euros)	Year ended December 31, 2023						
	Income				Expenses		
	Sales revenues	Other revenues	Interest income	Tax Consolidation income	Costs for services	Interest expense	Tax Consolidation expense
Bain Capital Private Equity, LP					3,406		
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.					876		
Tecnoform S.p.A.	45				985		
Tageos Group			1,127				
BC Partners LLP					82		
Fiber JVCo S.p.A.		1,321		1,189			1,222
Fiber MidCo S.p.A.						42,387	
Total	**45**	**1,321**	**1,127**	**1,189**	**5,349**	**42,387**	**1,222**
As a % of F/S item	0.00%	0.99%	31.05%	100.00%	1.61%	20.75%	100.00%

Description of the Group's related parties

Fiber MidCo S.p.A.

The Group incurred some costs with Fiber Midco S.p.A., Fedrigoni S.p.A.'s parent company, for the recharging of interest costs connected with the Shareholder Loan from Fiber Midco S.p.A. and used by Fiber Bidco S.p.A. (now Fedrigoni S.p.A.) to complete the Fedrigoni Group acquisition.

Bain Capital Private Equity LP

The Group has a Consulting Service Agreement in effect with Bain Capital Private Equity LP, stipulated on April 16, 2018 by Fabric, Fedrigoni Holding Ltd and Bain Capital Private Equity LP.

Tageos Group

The Tageos Group is an equity accounted investments in associates acquired by the Group on April 26, 2022.

Consorzio Canale Industriale G. Camuzzoni di Verona S.c.ar.l.

Consorzio Canale Industriale G. Camuzzoni S.c.ar.l. in Verona is a 25%-owned company, and thus an associate, which operates in the power generation industry.

Tecnoform S.p.A.

Tecnoform S.p.A. was a minority technical partner of the Group dedicated to the development of innovative packaging products to replace plastic with thermoformed cellulose. The Group had established a joint venture "E'Close S.r.l." (formerly known as Pulp JV S.r.l.) with Tecnoform S.p.A., before the merge of "E'Close S.r.l." in Fedrigoni S.p.A., as already explained in the section of "Significant events of the year" in this document.

Sharp End Partnership Ltd

Sharp End Partnership is a connected solutions pioneer offering an industry-leading SaaS (software as a service) platform and creative services. The Group acquired a minority shareholding at December 27, 2023.

German Tape S.r.l.

German Tape S.r.l. is an Italian distribution company, in which the management of the new acquired Poli-Tape group holds an interest.

KEY MANAGEMENT PERSONNEL COMPENSATION

The following positions are considered to comprise the Group's key management personnel: i) Group Chief Executive Officer; ii) General Manager of Fedrigoni Self-Adhesives division; iii) General Manager of Fedrigoni Luxury Packaging and Creative Solutions, RFID and Innovation, and Group Chief Sustainability Office iv) Group Chief Procurement Officer; v) Corporate Development Director; vi) Group Chief Human Resources Officer; vi) Group Chief Financial Officer; vii) Group Technology Infrastructure Director.
The gross compensation paid to the key management personnel for the period ended December 31, 2024 totaled Euro 3,340 thousand.

38. SUBSEQUENT EVENTS

On January 23, 2025, the Company approved the liquidation of its subsidiary Giano S.r.l. in liquidazione, which was active in the office paper business segment and had already stopped its production activities on December 31, 2024.
On February 26, 2025, Fedrigoni S.p.A. completed the acquisition of a minority interest in a start-up which developed the first potentially large-scale paper coating technology with the same properties as plastic. This acquisition, which is part of the corporate venture capital program that Fedrigoni S.p.A. has launched to identify industry-changing startups

that are a proven, industrially scalable reality, is aimed at accelerating the deployment of the target company's technology worldwide, ensuring that major brands have access to high-performance, fully recyclable, fully biodegradable packaging solutions at scale.

In March 2025, the US Administration has announced upcoming changes in the application of import/export tariffs and the Group is continuously assessing potential direct and indirect impacts on its business by the light of the changing external circumstances. The core of Fedrigoni's US business though, including the targeted growth of the business in North America, is largely backed by domestic US manufacturing operations ramped up in the recent years across both BUs (and RFID). In particular, our footprint comprises: one Self-Adhesive manufacturing facility in North Carolina (coming from Acucote's acquisition in June 2021), one RFID manufacturing facility in North Carolina (built greenfield in 2024), and one luxury packaging and creative application manufacturing facility in New York state (coming from Mohawk's assets acquired in February 2024). The Group is also evaluating potential countermeasures to lower the impact of tariffs for finished products sourced in EU, such as insourcing part of them in our US manufacturing facility taking advantage of additional capacity added during 2024 (i.e. LPCS). Finally, volumes impact could come from a generalized recession that a persisting and escalating tariff conflict would normally drive. This impact could be material, but largely symmetric across players in the market, and, overall, very difficult to estimate at this stage.

ANNEX 1 - LIST OF SUBSIDIARIES AND ASSOCIATES

Name	Headquarters	Group's ownership
Directly controlled subsidiaries		**At December 31, 2024**
Fedrigoni Self-Adhesives do Brasil Ltda	Jundiaí - Brazil	100.00%
Ritrama S.p.A.	Caponago (MB) - Italy	100.00%
Arconvert S.p.A.	Arco (TN) - Italy	100.00%
Fedrigoni Deutschland Gmbh	Munich - Germany	100.00%
Fedrigoni Espana SL	Madrid - Spain	100.00%
Fedrigoni France Sarl	Paris - France	100.00%
Fedrigoni UK Ltd	Northampton - United Kingdom	100.00%
Cartamano Deutschland Gmbh	Munich - Germany	100.00%
Miliani Immobiliare S.r.l.	Verona (VR) - Italy	100.00%
Fedrigoni Austria GmbH	Vienna - Austria	100.00%
Fedrigoni Benelux B.V.	Brussels - Belgium	100.00%
Fedrigoni Asia Ltd	Hong Kong - China	100.00%
GPA Holding Company Inc	McCook, Illinois - U.S.A.	100.00%
Acucote Inc.	Graham, North Carolina - U.S.A.	100.00%
Fedrigoni Bangladesh	Dhaka - Bangladesh	100.00%
Giano in liquidazione S.r.l.	Verona (VR) - Italy	100.00%
Distribuidora Vizcaina de Papeles S.L.U.	Derio - Spain	100.00%
Bes Reklam Ürünleri Sanayi ve Ticaret Anonim Şirketi	Istanbul (Turkey)	100.00%
PT. Fedrigoni Indonesian Trading	Jakarta - Indonesia	88.20%
Fedrigoni Special Papers Hong Kong Limited	Hong Kong - China	100.00%
Fedrigoni Special Papers North America Inc.	Delaware - U.S.A.	100.00%
Fedrigoni Asia Pacific Limited (HK)	Hong Kong - China	100.00%
Tuscany BidCo GmbH	München - Germany	100.00%
F1 Papers SAS	Paris – France	100.00%
Indirectly controlled subsidiaries		
Fedrigoni Trading (Shanghai) Company Limited	Shanghai - China	100.00%
Arconvert S.A.U.	Sarrià del Ter Gerona - Spain	100.00%
Polifibra 2011 S.p.A.	Agrate Brianza (MB) - Italy	100.00%
Ritrama (Hefei) Pressure Sensitive Coated Materials Co.Limited	Hefei - China	100.00%
Ritrama UK Ltd	Dukinfield - United Kingdom	100.00%
INVERSIONES SAN AURELIO Srl	Santo Domingo - Dominican Republic	100.00%
Fedrigoni Self-Adhesives Chile S.A.	Curauma, Valparaíso - Chile	100.00%
Ritrama Autoadesivos Ltda	Jundiaí - Brazil	100.00%
Distribudora Ritrama Ecuador Disritrec S.A.	Quito - Ecuador	100.00%
Ritrama Poland Sp. Z.o.o.	Dobroszyce - Poland	100.00%
Ritrama Perù SAC	Lima - Peru	100.00%
Ritrama Caribe Srl	Santo Domingo - Dominican Republic	100.00%
Ritrama S.A.S	La Estrella, Antioquia - Colombia	100.00%
Ritrama Costa Rica S.A.	Heredia - Costa Rica	100.00%
Ritrama Guatemala S.A.	Ofibodega - Guatemala	100.00%
Fedrigoni Self-Adhesive de Mexico SA	Tlalnepantla - Mexico	100.00%
Venus America S.A.	Tlalnepantla - Mexico	100.00%
GPA Acquisition Company LLC	McCook, Illinois - U.S.A.	100,00%
Guarro Casas S.A.	Gelida - Spain	97.96%
Papeterie Zuber Rieder SAS	Boussieres - France	100.00%
Fedrigoni (Quzhou) Special Papers Co., Ltd	Quzhou - China	100.00%
Fedrigoni (Shanghai) Special Papers Co. Ltd	Shanghai - China	100.00%
Fedrigoni Hong Kong Holding Limited (HK)	Hong Kong - China	100.00%
Cohoes Real Estate, LLC.	Delaware - U.S.A.	100.00%
Fedrigoni Waterford Real Estate Holdings, LLC.	Delaware - U.S.A.	100.00%
POLI-TAPE Holding GmbH	Remagen - Germany	89.90%
ASLAN Selbstklebefolien GmbH	Overath - Germany	89.90%
POLI-TAPE Italia S.r.l.	Castelmella (BS) - Italy	89.90%
POLI-TAPE Klebefolien GmbH	Remagen - Germany	89.90%
KEMICA S.r.l.	Savogna d'Isonzo (GO) - Italy	89.90%
POLI-TAPE USA Inc.	Tulsa, Oklahoma - USA	89.90%
Specialty Materials LLC	Tulsa, Oklahoma - USA	89.90%
Associates		
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.	Verona (VR) - Italy	24.99%
Sharp End Partnership Ltd	London - United Kingdom	20.00%
Direct joint ventures		
Eonys SAS	Montpellier - France	50.10%
Indirect joint ventures		
Tageos SAS	Montpellier - France	50.10%
Tageos GmbH	Bad Nauheim - Germany	50.10%
Tageos RFID (Guangzhou) Co., Ltd.	Guangzhou - China	50.10%
Tageos Ltd.	Hong Kong - China	50.10%
Tageos Inc.	Wilmington, Delaware - U.S.A.	50.10%

This project has been coordinated by
the Group Communication Team
in collaboration with
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